This announcement contains inside information as stipulated under the UK Market Abuse Regulations ("MAR")

Audioboom Group plc

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

Half-Year Report

Audioboom (AIM: BOOM), the leading global podcast company, announces its unaudited half-year results for the six months ended 30 June 2023.

Financial and operational KPIs

- H1 revenue of US$31.8 million (H1 2022: US$40.9 million), predominantly reflecting the loss of the Morbid podcast which left the network in May 2022
- Q2 revenue of US$16.4 million, **up 6.5%** on Q1 2023 (US$15.4 million)
- Total H1 adjusted opex(1) of US$5.5 million, **down 11%** on H1 2022 (US$6.2 million), demonstrating strong cost control
- Adjusted EBITDA(2) profit of US$0.3 million (H1 2022: US$2.0 million)
- Group cash at 30 June 2023 of US$5.3 million (31 March 2023: US$5.1 million), with a further US$1.9 million available via an undrawn overdraft. A further US$2.7 million has been collected in July
- Average Q2 global monthly downloads of 125.9 million, **up 1%** on prior quarter (Q1 2023: 125.2 million). Global monthly downloads in May 2023 reached a record 135.2 million
- Average Q2 brand advertiser count of 8,042, **up 24%** (Q1 2023: 6,498). The brand advertiser count reached a record 8,786 in June 2023
- Average Q2 global revenue per 1,000 downloads (eCPM) of US$43.55, **up 6%** (Q1 2023: US$41.00)
- Record total advertising impressions made available to buyers in H1 2023 of 5.1 billion, **up 25%** on prior year (H1 2022: 4.1 billion), including 3.4 billion via the Showcase marketplace (H1 2022: 2.1 billion)
- So as to better reflect the underlying performance of the business, the Company reports an exceptional one-off cost in relation to an individual contract which has been deemed to be onerous (US$8.9 million). This includes the H1 contract net loss (US$1.8 million) and the future estimated net loss (US$7.1 million) which has been provided for in full as at 30 June 2023
- The Board had previously indicated its intention to introduce a progressive dividend policy with a maiden dividend in respect of the current financial year being declared and paid in 2024. Taking into consideration the expected performance of the current financial year, it is the Board's intention to review the progressive dividend policy for the 2024 financial year and onwards
- Business operations continue to improve significantly, with the Company in a strong position to fully exploit future improvements in advertising market conditions, and the Company expects to return to meaningful growth in H2 2023 on a year-on-year and sequential basis

Commercial highlights

- Continued growth of Showcase, our global advertising marketplace – Q2 2023 revenue from advertising technology **up 18%** on Q1 2023 and H1 2023 **up 35%** on H1 2022. Showcase now contributes more than 21% to Group revenue (H1 2022: 15%)
- New demand-side/monetisation partners added to Showcase, including Bauer Nordics, Icon, Entravision, AudioHook and AudiOn
- New exclusive partnerships launched during H1 2023 in Audioboom's creator network, with major podcasts including *The Tim Dillon Show, No Sleep, Networth and Chill, The Broski Report, Real Ones with Jon Bernthal, Trading Secrets* and *Once Upon A Crime*
- Renewal of key content partnerships during H1 2023, including *Tiny Meat Gang*, *Brooke & Connor*, *F1: Beyond the Grid* and *F1 Nation*, *Two Hot Takes* and *Astonishing Legends*
- Audioboom continues to cement its position as the leading pure-play podcast publisher, ranking fifth in the key

US market in both the Edison Research and Triton Digital reports, as well as third in Australia, second in New Zealand and fourth in Canada on the Triton Digital Podcast ranker

[1] Operating costs before interest, tax, depreciation, amortisation, share based payments and non-cash foreign exchange movements
[2] Earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and material one-off items

Stuart Last, CEO of Audioboom, commented:

"Significant growth of our content network and the continued development and evolution of our revenue product offering is key to our progress in 2023. Our strategy and model continue to work well, with the fast expansion of our network and the refocusing of our advertising strategy setting us up to emerge from the economic downturn in a position of strength.

Podcasts on our network are now downloaded more than 135 million times per month – in December 2022 this number was just 103 million. Our inventory levels are now at 930 million monthly impressions, compared to 530 million one year ago. The value that we are building through the growth of our network and our revenue product offering is significant and we believe it will be crystalised as the adverting market recovers, having a materially positive long-term impact on the business.

I'm looking forward to updating you on the progress of our recently launched brand-focused revenue unit in the second half of the year – its success will be a sign of maturation for our advertising business as we expand our customer base beyond traditional podcast advertisers to leading global brands.

While we have been disappointed with the softer advertising market since the second half of 2022 which has caused us to reduce expectations, our model has delivered CAGR of 65% over the previous five years and led us to outperform the wider podcast market consistently during that time. We continue to refine and adapt our model so that we are primed for further success, which will be seen in the second half of 2023 as we move back into a positive growth phase."

Enquiries

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About Audioboom

Audioboom is a global leader in podcasting - our shows are downloaded more than 135 million times each month by 38 million unique listeners around the world. Audioboom is ranked as the fifth largest podcast publisher in the US by Edison Research.

Audioboom's ad-tech and monetisation platform underpins a scalable content business that provides commercial, distribution, marketing and production services for a premium network of top tier podcasts. Key partners include the official Formula 1 podcasts 'F1: Beyond the Grid' and 'F1 Nation', 'Casefile True Crime' (US), 'True Crime Obsessed' (US), The Tim Dillon Show' (US), 'No Such Thing As A Fish' (UK) and 'The Cycling Podcast' (UK).

Audioboom operates internationally, with global partnerships across North America, Europe, Asia and Australia. The platform distributes content via Apple Podcasts, YouTube, Spotify, Pandora, Amazon Music, Google Podcasts, iHeartRadio, Facebook and Twitter as well as a partner's own websites and mobile apps.
For more information, visit audioboom.com.

Chief Executive's Report

Strategy and Business Model

Audioboom powers podcasting - connecting creators, brands and audience to create value across the industry. Since 2018 we have generated more than US$180 million in revenue for our podcast creators and helped thousands of brands deliver more than US$230 million of advertising campaigns.

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

Brands can access unique advertising options including the Premium Network, our high-value product in which the host of the podcast delivers campaign messages for the brand and endorses the product directly to their engaged audience. Showcase - our highly automated marketplace - enables brands to pinpoint their target audience at scale and with great efficiency through our ad-tech stack, while Sonic – our platform for brands – helps advertisers develop and execute campaigns across the podcast landscape.

Audioboom delivers strong global scale, with monthly downloads achieving a new high of 135 million in May 2023. More than 38 million unique users consume content from Audioboom each month, and in 2023 we will create more than 10 billion available advertising impressions.

Audioboom is the fifth largest podcast publisher in the US – the world's largest podcast market – on Edison Research's publisher ranker. We also rank third in Australia, second in New Zealand and fourth in Canada. Audioboom's growth continues to outpace our competitors – since 2017 we have outperformed the market by an average of 68% per year.

After a period of strong industry growth in 2021, advertising markets in our key territories weakened significantly in mid-2022 due to global macro-economic headwinds. These challenging conditions have continued into 2023. Podcasting's core customer group of 'direct response' or 'performance marketing' brands – who have been key to building the industry over the past 10 years - have been particularly impacted by the downturn. These brands are generally smaller, direct-to-consumer companies – they track performance of each podcast ad they buy, directly measuring their return on investment by how many listeners each ad can convert to customers. We have seen a 25% decrease in budgets from this group of advertisers that are primarily utilising our premium advertising product.

To combat this, Audioboom restructured its revenue operations in Q2 2023 and launched an in-house team focused on growing partnerships with 'brand awareness' advertisers. These brands are larger companies, who are more stable in challenging economic times, and have an advertising strategy focused towards improving consumer awareness and sentiment around their product, rather than an immediate and directly measurable return-on-investment. The impact of the development of this new customer base will start to be seen in the second half of the year.

Showcase has continued to be a success story for Audioboom. During H1 2022, Showcase contributed 21% of Group revenue (up from 15% in 2022 and 11% in 2021). In May 2023 Showcase delivered record monthly revenue of US$1.4 million. Across 2023 we are on track to make more than 7 billion impressions available to advertisers through Showcase (up from 4 billion in 2022).

Our continued audience, download and inventory growth is driven by further expansion of our creator network, with a focus on establishing new partnerships with top tier podcast producers. Key partnership launches during H1 2023 include *The Tim Dillon Show, No Sleep, Networth and Chill, The Broski Report, Real Ones with Jon Bernthal, Trading Secrets* and *Once Upon A Crime*. We further bolstered our creator network through long-term renewals of existing partnerships including *F1: Beyond The Grid* and *F1: Nation*, *Tiny Meat Gang*, *Astonishing Legends*, *Two Hot Takes* and *RELAX!*

Financial Review

Group revenue in the first half of 2023 of US$31.8 million (H1 2022: US$40.9 million) reduced year-on-year but it is important that we compare H1 2023 to H1 2022 without revenue included from the Morbid podcast which left the network in May 2022. H1 2022 revenue, excluding the Morbid podcast, was US$33.4 million and the Company has performed relatively well to be within 5% of H1 2022 in a softer advertising market. The Company has also recorded growth quarter-on-quarter in 2023 with Q2 2023 revenue of US$16.4 million increasing by 6.5% over Q1 2023 (US$15.4 million).

Adjusted EBITDA profit (earnings before interest, tax, depreciation, amortisation, share based payments, non-foreign exchange movements and material one off items) was US$0.3 million (H1 2022: US$2.0 million) with the challenging advertising market impacting revenue and consequently adjusted EBITDA.

As detailed further in Note 9, a provision of US$7.1 million has been created in relation to an individual partner contract. Despite downloads for the contract continuing to increase, the ad rates that have been commanded, and the future ad rates that are likely to be commanded, are lower than those modelled when the contract was signed due to advertising markets being more challenging for longer than anticipated. In light of revenue growth being lower than projected at the previous reporting date it is now assumed that it is unavoidable that the contract will generate a net loss through to its conclusion in July 2025. The contract, which was negotiated in Q1 2022 during buoyant podcast advertising market conditions, recorded a net loss of US$1.8 million in H1 2023 and this has also been treated as an exceptional cost in the period. This is so that the gross margin can be reported for the rest of the business in 2023, providing a more accurate reflection of performance in the period.

Excluding the specific contract that has been provided for, the Group gross margin has increased to 20% (year to 31 December 2022: 19%). Audioboom has a mix of revenue streams, contributing different gross margins. Showcase contributed 21% of gross revenue, up from 12% in H1 2022, with a healthy contracted gross margin of 41%. Premium revenue, where the host of the podcast delivers campaign messages for the brand and endorses the product directly to their engaged audience, contributed 59% of gross revenue, down from 71% in H1 2022 due to the progression of Showcase, and yielded a contracted gross margin of 21% in H1 2023. Sonic Influencer Marketing contributed 20% of gross revenue, up from 17% in H1 2022, with a 13% gross margin, as in 2022.

Despite macro inflationary pressures, there has been strong management of opex costs incurred during the first half of 2023. Adjusted opex has reduced from US$6.2 million in H1 2022 to US$5.5 million in H1 2023. This reduction has been achieved predominantly through reductions in staff and commission costs incurred. Total salary and commission in H1 2023 of US$3.1 million was US$1.1 million, or 26%, lower in the period versus the prior year. Audioboom remains an extremely lean organisation - headcount has been reduced to 39 (30 June 2022: 47) and we have successfully reorganised our revenue operation in Q2 2023. Part of the headcount reductions occurred within Audioboom Studios as we shifted our approach to production-as-a-service in line with our mission to power podcasting for creators. As well as reducing headcount in this area, we also removed the higher-risk development of new shows and the marketing budgets associated with promoting new original content.

Technology costs have increased by US$0.3m, or 24%, to US$1.5 million in H1 2023 due to increased bandwidth utilised in the period and the record number of advertising impressions made available to buyers in H1 2023, which were up 25% on H1 2022. Through successful renegotiation of third-party technology costs, and securing more favourable rates for bandwidth and serving advertising impressions, we were able to reduce the expected cost incurred by US$0.1m in H1 2023.

Cash collections continue to perform well thanks to our efficient internal processes and good relationships with our customers. We report a debtor day figure of 72, in line with both 31 December 2022 and 30 June 2022 (68 days). Total cash collected in H1 2023 of US$32.9 million was 104% of revenue reported. Operating cash outflow, before working capital movements, totalled US$1.3 million (H1 2022: US$1.3 million cash inflow) largely due to the impact of the contract net loss as detailed in note 9 (US$1.8 million. Cash held at 30 June 2023 of US$5.3 million increased by US$0.2 million from 31 March 2023 and decreased by US$2.8 million from 31 December 2022 (US$8.1 million). A further US$2.7 million has been collected in July. The US$1.9 million overdraft with HSBC was renewed and remained undrawn at 30 June 2023, giving the Company access to capital of US$7.2 million at the period end.

Outlook

As expected, key financial and operational comparisons between H1 2023 and the corresponding period last year are distorted by a) the inclusion of the Morbid podcast in H1 2022 reporting (Morbid is a global top 10 podcast which contributed to that period's revenue and download success, but which left the Audioboom platform in May 2022), and b) a very buoyant advertising market in the first half of last year which provided strong demand and pricing from our premium customer base but which deteriorated quickly from June 2022 onwards. As such, while H1 2023 performance is down in comparison with H1 2022, we expect to return to year-on-year growth for H2 2023 where market conditions are more closely aligned with the previous year.

Historically H2 is seasonally strong for Audioboom with significant advertising demand linked to the NFL season, European football schedules, and the Thanksgiving-to-Christmas holiday period. This is expected again in 2023 and, along with the initial impact of our newly launched 'brand awareness' sales unit, will lead to continued quarterly sequential growth as well as the previously noted year-on-year growth.

While disappointed that market conditions have limited our financial performance so far this year, our operational progress has been pleasing. We have achieved record download and record unique user figures and, through a focus on accelerated inventory extraction, we now create more than seven advertising impressions from each download (vs five in 2022). The launch of our new in-house 'brand awareness' unit has begun well - so with more listeners, more downloads, more advertising inventory and more customers than ever before, we are fully primed to maximise the opportunity an improved ad market will bring.

The past 12 months have been challenging, but the strength of our platform and content engine have minimised the impact of market conditions on the business. We have made strategic changes - particularly in our revenue operation - that are strengthening our business and setting us up us for success alongside an ad market recovery. The Audioboom team continues to fight hard to deliver maximum value for our creators, customers and shareholders.

Stuart Last
Chief Executive Officer

Audioboom Group PLC
Consolidated Statement of Comprehensive Income

	Notes	Majority of business US$'000	Onerous contract US$'000	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
Continuing operations						
Revenue	2	**29,381**	**2,427**	**31,808**	40,910	74,879
Cost of sales		**(23,614)**	**(4,250)**	**(27,864)**	(32,650)	(60,667)
Cost of sales - contract provision	9	**-**	**(7,090)**	**(7,090)**	-	-
Gross (loss) / profit		**5,767**	**(8,913)**	**(3,146)**	8,260	14,212
Other income – forgiven loan liability		**-**	**-**	**-**	-	374
Administrative expenses		**-**	**-**	**(7,420)**	(7,631)	(14,909)
Adjusted EBITDA		**-**	**-**	**315**	2,047	3,591
- Share based payments	8	**-**	**-**	**(1,403)**	(2,290)	(4,358)
- Depreciation		**-**	**-**	**(19)**	(24)	(47)
- Depreciation – leases		**-**	**-**	**(131)**	(125)	(250)
- Operating foreign exchange (loss) / gain		**-**	**-**	**(331)**	1,021	1,141
- Contract provision and H1 contract net loss*	9	**-**	**-**	**(8,913)**	-	-
- Contract settlement		**-**	**-**	**-**	-	(400)
- Restructuring costs		**-**	**-**	**(84)**	-	-
Operating (loss) / profit		**-**	**-**	**(10,566)**	629	(323)
Finance costs		**-**	**-**	**(43)**	(63)	(106)
(Loss) / profit before tax		**-**	**-**	**(10,609)**	566	(429)
Taxation on continuing operations		**-**	**-**	**(2)**	-	(328)
(Loss) / profit for the financial period		**-**	**-**	**(10,611)**	566	(757)
Other comprehensive income						
Foreign currency reserves translation difference		**-**	**-**	**841**	(1,541)	(2,233)
Total comprehensive loss for the period		**-**	**-**	**(9,770)**	(975)	(2,990)
(Loss) / profit per share						
Basic and diluted EPS	4			**(64.8) cents**	**-**	**(4.7) cents**
Diluted EPS	4			**-**	**3 cents**	**-**
Basic EPS	4			**-**	**4 cents**	**-**

* Onerous contract H1 net loss and future contract provision treated as an exceptional cost so as to accurately report the rest of the business

Audioboom Group PLC
Consolidated Statement of Financial Position

	Notes	**Unaudited as at 30 June 2023 US$'000**	Unaudited as at 30 June 2022 US$'000	Audited as at 31 Dec 2022 US$'000
ASSETS				
Non-current assets				
Property, plant and equipment		**38**	65	59
Right of use asset		**205**	452	329
Deferred tax asset		**3,770**	4,650	3,609
		4,013	5,167	3,997
Current assets				
Trade and other receivables	5	**15,579**	18,960	16,013
Cash and cash equivalents		**5,297**	5,774	8,067
Deferred tax asset		**841**	625	805
		21,717	25,359	24,885
TOTAL ASSETS		**25,730**	30,526	28,882
Current liabilities				
Trade and other payables	6	**(9,075)**	(12,598)	(10,614)
Partner contract provision	9	**(3,386)**	-	-
Contract settlement provision		**-**	-	(400)
Lease liability	6	**(220)**	(274)	(278)
NET CURRENT ASSETS		**9,036**	12,487	13,593
Non-current liabilities				
Lease liability	6	**-**	(220)	(80)
Partner contract provision	9	**(3,703)**	-	-
NET ASSETS		**9,346**	17,434	17,510
Equity				
Share capital		**-**	-	-
Share premium	4	**63,105**	62,880	62,902
Issue cost reserve		**(2,048)**	(2,048)	(2,048)
Foreign exchange translation reserve		**(1,661)**	(1,811)	(2,502)
Reverse acquisition reserve		**(3,380)**	(3,380)	(3,380)
Retained earnings		**(46,670)**	(38,207)	(37,462)
TOTAL EQUITY		**9,346**	17,434	17,510

Audioboom Group PLC
Consolidated Cash Flow Statement

	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
(Loss) / profit from operations	**(10,611)**	**566**	**(757)**
Adjustments for:			
Tax charge	2	-	328
Interest payable	43	63	106
Depreciation of fixed assets	19	24	47
Share based payments	1,403	2,290	4,358
Increase in partner contract provision	7,090	-	-
Operating foreign exchange gain / (loss)	725	(1,609)	(1,557)
Cash generated from operating activities before working capital movements	**(1,329)**	1,334	2,525
Decrease / (increase) in trade and other receivables	433	(813)	2,134
(Decrease) / increase in trade and other payables (excluding leases)	(1,938)	611	(1,154)
Decrease in lease liability	(138)	(177)	(269)
Net cash generated from / (used in) operating activities	**(2,972)**	955	3,236
Investing activities			
Purchase of property, plant and equipment	-	-	(29)
Net cash used in investing activities	**-**	-	(29)
Financing activities			
HSBC overdraft fees	-	(19)	-
Proceeds from issue of ordinary share capital	202	1,869	1,891
Net cash generated from financing activities	**202**	1,850	1,891
Net (decrease) / increase in cash and cash equivalents	**(2,770)**	2,805	5,098
Cash and cash equivalents at beginning of period	**8,067**	2,969	2,969
Cash and cash equivalents at end of period	**5,297**	5,774	8,067

Audioboom Group PLC
Consolidated Statement of Changes in Equity

	Share premium	Other reserves*	Retained earnings	**Total equity**
	US$'000	US$'000	US$'000	**US$'000**
At 31 December 2021	61,011	(5,698)	(41,063)	**14,250**
Profit for the period	-	-	566	**566**
Issue of shares	1,869	-	-	**1,869**
Equity-settled share-based payments	-	-	2,290	**2,290**
Foreign exchange loss on translation of overseas subsidiaries	-	(1,541)	-	**(1,541)**
At 30 June 2022	62,880	(7,239)	(38,207)	**17,434**
Loss for the period	-	-	(1,323)	**(1,323)**
Issue of shares	22	-	-	**22**
Equity-settled share-based payments	-	-	2,068	**2,068**
Foreign exchange loss on translation of overseas subsidiaries	-	(691)	-	**(691)**
At 31 December 2022	62,902	(7,930)	(37,462)	**17,510**
Loss for the period	-	-	(10,611)	**(10,611)**
Issue of shares	203	-	-	**203**
Equity-settled share-based payments	-	-	1,403	**1,403**
Foreign exchange profit on translation of overseas subsidiaries	-	841	-	**841**
At 30 June 2023	63,105	(7,089)	(46,670)	**9,346**

**Other reserves relate to the following reserves: Issue Cost Reserve, Foreign Exchange Translation Reserve and the Reverse Acquisition Reserve. Full details are disclosed in the 2022 Annual Report.*

1. General information and basis of preparation

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

These consolidated interim financial statements, which are unaudited, have been approved by the Board of Directors on 18 July 2023. They have been drawn up using the accounting policies and the basis of presentation expected to be adopted in the Group's full financial statements for the year ending 31 December 2023, which are not expected to be significantly different to those set out in note 1 to the Company's audited financial statements for the year ending 31 December 2022.

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

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those estimates and assumptions are consistent with those as reported in the Company's audited financial statements for the year ending 31 December 2022.

Going concern

These interim financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these interim financial statements. The Group ended the period with access to US$5.3 million of cash, and a US$1.9 million overdraft which was undrawn as at 30 June 2023. The Board's forecasts for the Group, including due consideration of the business forecasting continuing positive EBITDA in 2023, projected increase in revenues and cash utilisation of the Group and taking account of reasonable possible changes in trading performance including changes outside of expected trading performance and the impact of missed partner minimum guarantees, indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of these interim financial statements and beyond. Based on the Board's forecasts, the Group considers that it will not require additional funding for the foreseeable future for the purposes of meeting its liabilities as and when they fall due. The Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Management has carried out sensitivity analyses of the Group's cash flow models to assess the impact of a range of possible outcomes, including lower than anticipated revenues, and the mitigations that the Group has available to it, including a reduction in overhead costs, active working capital management and the availability of the HSBC overdraft. Accordingly, the Directors are satisfied that the Group will continue to be able to meet its ongoing liabilities as and when they fall due in reasonably foreseeable circumstances.

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

2. Revenue

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

	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
United Kingdom and Rest of the World	963	1,750	3,327
USA	30,845	39,160	71,552
Total	**31,808**	40,910	74,879

3. Loss / profit per share

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

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of share options. Therefore, for the periods ending 30 June 2023 and 31 December 2022, as per IAS 33:36, the anti-dilutive potential ordinary shares are disregarded on the calculation of diluted EPS.

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

	Loss US$'000	30 June 2023 Weighted average number of shares Thousand	Per share amount Cents
Basic and diluted EPS			
Loss attributable to equity shareholders	(10,611)	16,357	(64.9)

	Profit US$'000	30 June 2022 Weighted average number of shares Thousand	Per share amount Cents
Basic EPS			
Profit attributable to equity shareholders	567	15,928	4
Diluted EPS			
Profit attributable to equity shareholders	567	17,433	3

	Loss	31 December 2022 Weighted average number of shares	Per share amount
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to equity shareholders	(757)	16,192	(4.7)

4. Share capital

Issued and fully paid – ordinary shares of no par value

At 30 June 2023	16,376,936
At 30 June 2022	16,286,752
At 31 December 2022	16,297,419

During the period 79,517 new ordinary shares were issued to satisfy the exercise of existing share options under the Company's Share Option Scheme 2014 by current or former employees.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 1,862,451, and of these, 1,122,016 had vested at the period end.

5. Trade and other receivables

	Unaudited six months to 30 June 2023	Unaudited six months to 30 June 2022	Audited 12 months to 31 Dec 2022
	US$'000	US$'000	US$'000
Amounts receivable for the sale of goods and services	12,547	15,334	13,966
Allowance for doubtful debts	(209)	(171)	(325)
Net receivables	12,338	15,163	13,641
Deferred cost of sales relating to minimum guarantee payments	382	-	93
Other receivables	241	234	237
Prepayments and accrued income	2,533	3,563	1,923
Taxes recoverable	85	-	119
Total	**15,579**	18,960	16,013

The average credit period taken on sales of goods and services is 72 days (30 June 2022: 68; 31 December 2022: 68). Accrued income carried forward that will fully reverse is US$0.4 million (30 June 2022: US$1.6 million; 31 December 2022: US$0.6 million). As at 30 June 2023, US$0.4 million (2022: US$0.1 million) is included within trade and other receivables and relates to deferred cost of sales relating to podcast partner contractual minimum guarantee payments. These are payments which were made to podcast partners where revenue shares earned were lower than the contractual minimum guaranteed amount. The Company expects to recoup these payments over the life of the contract.

6. Trade and other payables

	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
Current liabilities			
Trade payables	7,577	8,900	5,932
Other taxes and social security	31	-	37
Accruals	1,392	2,546	4,522
Other payables	75	1,152	123
Trade and other payables due within one year	**9,075**	12,598	10,614

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 51 days (30 June 2022: 47; 31 December 2022: 54 days). The Company currently accrues all costs based on contract terms. Payables relating to leases total US$0.2 million which is due in under one year.

7. Related party transactions

During the period, there were no related party transactions.

8. Share based payments

During the period, 447,000 share options were issued to qualifying current employees with an exercise price of £3.61 per share.

9. Contract provision and costs

A provision has been recognised as at 30 June 2023 in relation to an individual partner contract. As advertising markets have performed below the expectations previously modelled for this specific agreement, it is now assumed that it is unavoidable that the contract will generate a loss through to its conclusion in July 2025. The contract, which was negotiated in Q1 2022 during buoyant podcast advertising market conditions, recorded a net loss of US$1.8 million in H1 2023 and in light of revenue growth being lower than projected at the previous reporting date it is considered likely that it will continue to be loss making through to its conclusion.

A provision has therefore been created for the estimated total contract loss with the trigger point being future revenue and growth assumptions for the show being lowered due to the advertising markets being more challenging for longer than anticipated during Q2 2023. Consequently, despite the downloads for the contract continuing to increase, the ad rates that have been, and are likely to be, commanded for the contract are likely to be lower than those previously assumed.

In estimating the potential net loss of the contract between July 2023 and July 2025, high, medium and low growth projections have been used to estimate the total net loss of the contract. The provision has been created as, even under the high growth scenario, it is estimated that the contract will incur a net loss due to insufficient time and opportunity to derive sufficient revenue growth for the contract to generate a profit before its expiration in July 2025. A weighted average of the different growth scenarios has been used as the performance of future advertising markets and the specific show can only be estimated at the balance sheet date.

It has been deemed appropriate to disaggregate the revenue, net loss and provided for projected net loss of this contract within the consolidated statement of comprehensive income in order to detail revenue and gross margin which reflects the performance of the underlying business. No overheads or other costs have been included in the provision assessment.

The following are the amounts recognised in the statement of comprehensive income:

	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
H1 net loss			
Contract net loss incurred between January and June 2023	1,823	-	-
Contract provision			
Contract provision for expected net loss between July 2023 and July 2025	7,090	-	-
Total	**8,913**	-	-

The following are the total value of the provision which has been calculated on a weighted average basis based on a range of scenarios then discounted to detail the net present value of the provision:

	Unaudited six months to 30 June 2023 US$'000	Unaudited six months to 30 June 2022 US$'000	Audited 12 months to 31 Dec 2022 US$'000
Current contract provision	3,386	-	-
Non-current contract provision	3,703	-	-
Total	**7,090**	-	-

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