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

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

Final audited results for the year ended 31 December 2023

Audioboom (AIM: BOOM), the leading global podcast company, is pleased to announce its final audited results for the year ended 31 December 2023.

Financial and operating highlights

- 2023 revenue of US$65 million (2022: US$74.9 million)
- Annual adjusted EBITDA(1) loss of US$0.4 million (2022: US$3.6 million adjusted EBITDA profit)
- Average 2023 global monthly downloads of 121.9 million, up 4% on 2022 (117.1 million)
- Average 2023 monthly brand advertiser count of 7,727 up 47% on 2022 (5,257)
- 2023 eCPM (revenue per 1,000 downloads) of US$45 (2022: US$52.88)
- Group cash at year end of US$3.7 million (31 December 2022: US$8.1 million), with a further US$1.8 million available via an undrawn overdraft
- The Company anticipates record revenue in 2024 and a return to adjusted EBITDA profitability
- Q1 2024 trading update (announced today) details further revenue growth, adjusted EBITDA profitability and record Q1 eCPM and brand count

Key commercial developments

- Continued strong growth of Showcase, our global advertising marketplace. Revenue from Showcase in 2023 was more than 35% greater than in 2022 and is now contributing more than 23% to Group revenue (up from 15% in 2022)
- Positive development of our newly launched brand advertising unit, increasing our customer base with new early-stage commercial partnerships at 8 of the top 15 biggest US advertising agencies
- Expansion of our creator network through new tier one content partnerships, including *Matt & Shane's Secret Podcast, The Why Files, The Broski Report, Heart Starts Pounding, Your Mom & Dad, Girls Next Level, Myths & Legends,* and *Out of the Pods*
- Reduction of more than US$2 million of annual minimum guarantee obligations beginning 1 January 2024 through the successful re-structuring of creator partnerships, with further reductions to our minimum guarantee exposure expected throughout 2024
- Significant expansion of advertising inventory made available to customers, with October 2023 achieving the milestone of one billion available advertising impressions. Audioboom now creates more than eight advertising slots per episode download, positioning the Company to capture maximum available advertiser demand
- Successful launch of AdVet, a new proprietary tool for our creators that reduces advertising booking times by more than 60% and optimises Audioboom's win-rate of brand budgets

Post year-end highlights

- Record audience reach achieved in January 2024, with more than 38.6 million unique listeners consuming podcasts through the Audioboom platform
- Record revenue from Showcase, our global advertising marketplace, in March 2024 reflects the Company's continued progress in building key advertising technology
- Record advertising inventory levels, with more than 1.1 billion impressions being made available to customers in March 2024, a 10% increase on the previously announced record from October 2023 (1 billion)
- Audioboom climbed the February 2024 Triton Digital podcast ranker for audience reach, and is now the fourth biggest publisher in the US – the world's largest podcast market
- Audioboom achieved a record level of podcasts in the January 2024 Triton Digital podcast ranker, with the Company publishing 14 of the top 100 US shows
- Successful renewal of contracts with top tier podcasts in the Audioboom Creator Network, including *The Tim Dillon Show, True Crime Obsessed, I Think Not, Crime Weekly,* and *Real Ghost Stories*. These podcasts contribute more than 90 million downloads to the network on an annual basis
- Further expansion of the Audioboom Creator Network through the signing of new shows including: *Pretty X Unfiltered*, *Soder*, *BDA with Katherine Schwarzenegger*, *Omnibus*, *Do We Know Them?,* and *George Conway Explains It All To Sarah Longwell*. These shows are expected to deliver more than 4 million downloads to the network each month

- Reduction of a further US$3 million of annual minimum guarantee obligations through the successful re-structuring of creator partnerships
- The expansion of Audioboom's executive team, with the hiring of Molly Harvey as Vice President of Brand Sales (formerly of SiriusXM and CBS Radio), and Shaun Wilson as Vice President of UK Sales (formerly of Spotify and Sony Entertainment). These roles will focus on the expansion of Audioboom's brand sales business
- The Company has currently contracted revenue of more than US$55.0 million for 2024, through advance advertising bookings

[1]Earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements, material one-off items, and onerous contract provisions and losses incurred

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 fourth largest podcast publisher in the US by Triton Digital.

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.

CHAIRMAN'S STATEMENT

I am pleased to introduce these annual results which reflect upon the Company's resilience and on-going operational improvements during a challenging 2023, and which highlight the return to growth achieved in the final quarter of the year that has carried on into the start of 2024.

Whilst it is naturally disappointing to report lower annual revenue and an adjusted EBITDA loss for the period, the resilience of the business model in a soft advertising market, constrained by macro economic headwinds, was illustrated by further growth across certain KPIs and operational areas of focus. This growth has once again led to increased market share and reinforced the Company's position as one of the world's largest independent podcast companies in an industry that continues its rapid maturity into mainstream media.

The Board is confident that the business is fully primed for further growth across 2024, with record annual revenues forecast, together with a return to sustained EBITDA profitability.

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 start to 2024 and the outlook for the future.

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
12 April 2024

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

2023 will be defined as a year of operational improvements and enhancements to the Audioboom business model which were recognised in Q4 through a return to year-on-year top-line growth, a return to adjusted EBITDA positivity, and a return to cash generation. Our full-year financial performance was down on the prior year, impacted by further deterioration of the advertising market that first began in mid-2022 and continued throughout the summer of 2023 with our customers continuing to reduce their marketing budgets.

Early in the year we identified key areas of the business where enhancements would increase our resilience to the weaker market and enable the near-term capture of maximum revenue despite worsening conditions, as well as structural improvements that would position us to optimise our monetisation once headwinds eased in the medium to long-term. Key improvements, which I examine in more detail later in this report, include the launch of a new brand advertising revenue unit, a drive to accelerate ad inventory generation, bolstering of our Showcase global marketplace, and the restructuring of creator contracts on more favourable terms.

We continued to progress our mission to power podcasting for creators in 2023 - launching new technology, tools and services for our podcast partners. We consolidated our position as the leading global independent podcast publisher, as well as the leading global pure-play podcast publisher.

We are confident the momentum we saw in the final quarter of 2023 will continue, delivering further growth and record revenue performance in 2024. The advancements we made to the business will drive this progress, and I believe there is further upside potential as the advertising market looks to makes its initial steps in recovery. Sentiment within the advertising community has been positive in the early part of the year – and we are encouraged by the more than US$55m of advertising revenue booked for the year at this point. I am pleased to provide a more detailed update on 2024 later in this report.

Strategy

Audioboom powers podcasting. Our platform connects the world's best podcast content with advertisers, and then distributes it to audiences globally. We are an indispensable component in podcasting's 3-sided marketplace of audience, advertiser and creator. Each is important to the successful growth of the medium individually – but they require Audioboom at the centre to connect them all, to ensure they operate effectively and to extract maximum value for all.

The Audioboom platform is efficient and scalable. Today it handles more than 8,000 content channels, 8,000+ advertisers, and receives more than 130 million episode downloads monthly by a unique audience of more than 38 million.

Our growth strategy continues to focus on the expansion of the Audioboom Creator Network where we platform the world's leading podcasts. We develop technology and commercial productions to optimise the value of that content.

Audioboom has developed three clearly differentiated advertising products to support this content growth:

- Premium Advertising, in which leading podcast hosts endorse products and brands to their engaged audience natively within their shows. These ads drive actions in the form of attributable product sales or awareness. This advertising product is highly effective – the combination of trusted influencers, engaged audiences, and third-party attribution data – and enables campaigns to be sold at a premium price point. Our Premium ad product – sold exclusively by our in-house sales teams in the UK and the US – is a key driver of revenue for the business, contributing more than 55% to our top-line in 2023.

- Showcase is our automated tech-driven marketplace which launched in 2021 and is focused on optimising revenue by monetising back catalogue content and unfilled premium inventory via Dynamic Ad Insertion (DAI). Our ad tech consolidates the large supply of advertising inventory we create and exposes it to a portfolio of demand channels which include international monetisation partners, a self-serve campaign booking platform, and a programmatic ecosystem of more than 40 established demand-side platforms (DSPs) used by the biggest advertising buyers in the world. 2023 was a very successful year for Showcase – 7 billion advertising impressions were made available in the marketplace (up from 4 billion in 2022), it delivered more than 35% revenue growth, and contributed 23% of the Group's revenue (vs 15% in the prior year).

- Sonic is our brand platform focused on providing tools and services directly to podcast advertisers. The platform enables brands to execute high-value advertising campaigns across the world's biggest podcasts, and provides partners with market-leading insights and ROI data. Sonic has been a key pillar of Audioboom for the past 4 years, and now contributes 22% to Group revenue.

Operating Review

Key Performance Indicators

1. *Average monthly brand advertiser count of 7,727 in 2023, up 47% on 2022 (5,257)*

Brand advertiser count measures Audioboom's active customers across our advertising products. Key drivers of this KPI growth include: expansion of Showcase marketplace; addition of new content genres to widen brand appeal; development of relationships with new brands and agencies; overall market growth and expansion of brands advertising in podcasts.

2. *e-CPM (revenue per 1,000 downloads) in 2023 of US$45 (2022: US$$52.88)*

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 pricing; increased use of AdRip inventory creation tool; contracting of back-fill inventory in new and renewal partnership agreements. e-CPM was negatively impacted during 2023 by continued deterioration of the advertising market, but corrected course in Q4 where the e-CPM reached US$58.82.

3. *Average monthly downloads in 2023 up 4% to 121.9 million (117.1 million in 2022)*

Global monthly downloads is an industry standard metric. It is a measure for the scale of our platform, and enables accurate comparisons to be drawn with our competitors. This data point is measured using the Interactive Advertising Bureau's most recent Podcast Measurement Standard and is verified by Triton Digital – a leader in audio measurement. In September 2023, Apple's iOS17 update removed automatic downloading of back-catalogue content, negatively impacting downloads across the industry by an average of 32%. This change in consumption data will provide long-term revenue upside opportunities due to the increased return-on-investment brands advertising in podcasting will see through more accurate audience data.

Operational Improvements

Brand Advertising Unit Launch

Podcasting's growth between 2015 and 2022 was strongly fuelled by direct response or performance marketing advertisers. These brands are characterised as smaller, direct-to-consumer businesses, in growth mode who are disrupting their sectors. Utilising trusted, influential podcast hosts with loyal, engaged fan-bases to endorse their product enables these brands to deliver strong ROI (return on investment), with product sales measured through promotional codes, vanity URLs and attribution technology. Early in the advertising market downturn it became clear that these brands were deeply impacted by the macro environment, with most cutting back their marketing budgets and many exiting the podcast space completely.

Audioboom identified the need to expand its customer base beyond these direct response advertisers, and launched a new sales unit focused on building partnerships with brand advertisers. Brand advertisers are more established businesses, often operating globally. Their advertising strategy is geared towards generating awareness of their brand rather than being a direct sales channel, and they are more resilient to economic changes.

Initial traction from the brand awareness unit can be seen in early-stage partnerships at 8 of the top 15 digital ad agencies in the US, and I expect continued customer development through this initiative in 2024.

Audioboom Creator Network

Audioboom successfully expanded its creator network in 2023, achieving record monthly consumption (global downloads KPI) and set a new record audience reach of more than 38 million unique monthly listeners. As a result of this growth Audioboom recorded its highest positions on both Edison Research and Triton Digital's podcast publisher rankers during the year.

The network development environment remains very competitive with the majority of top tier creator partnerships being brokered by the Hollywood talent agencies (UTA, WME, CAA) and requiring guaranteed financial packages to secure commercial rights to these podcasts. Audioboom has focused on utilising the value of its core services, including marketing, distribution, technology and production, to ensure financial commitments to creators are kept at a minimal level while remaining competitive.

Across 2023 we formed exclusive new partnerships with top tier podcasts including *Matt & Shane's Secret Podcast, The Why Files, The Broski Report, Heart Starts Pounding, Your Mom & Dad, Girls Next Level, Myths & Legends,* and *Out of the Pods.*

Inventory Exploitation

Beginning in early 2023, the Company began an initiative designed to maximise the value of our content through heightened extraction of advertising inventory, in order to combat the weakening ad market. This piece of work involved the restructuring of contracts with creators, further roll-out of our proprietary AdRip inventory creation tool, a re-education process for our 8,000 creators, and the focused development of our ad tech marketplace. In 2022 we created 5.3 available advertising impressions from each download – or to put it another way, each podcast episode averaged 5.3 ad breaks. By December 2023 we had increased this number to 8 – a significant 51% increase in the level of inventory our platform creates. In October 2023 we achieved the milestone of making 1 billion advertising impressions available for buyers.

Audioboom Studios

In early 2023, we restructured our production arm, refocusing it as a production-as-a-service unit in order to align its function with our wider creator-first business. Previously, Audioboom Studios had focused on developing original content in the US and the UK. This development and production process involved upfront investment, marketing costs, and a significant lag-time before revenue could be realised. Additionally between 2020 and 2022, as a result of the Covid-19 pandemic, more than 2 million new podcasts were launched making competition for listeners more challenging and raising the costs of audience acquisition.

In its new production-as-a-service form, Audioboom Studios is able to meaningfully support the work of our creators. It is often a differentiator in our partnerships with top tier talent, enabling us to secure new podcasts to the network, develop more equitable relationships, and operate contracts on more favourable terms to the Company. In 2023 Audioboom Studios deepened its flagship production partnership with Formula 1, and will produce the official F1 podcasts until 2026.

Contract Restructuring

As previously noted, acquiring top tier podcasts for the network requires a commitment to provide the creator with a minimum revenue guarantee. During the advertising market downturn, lower sales resulted in Audioboom needing to utilise its share of ad revenue to satisfy a small number of podcaster minimum guarantees. This impacted the Company's gross margin on those shows. In order to reduce this risk should the weaker market persist, as well as improve our gross margin, a number of podcaster contracts were restructured during the year and we have removed more than US$5 million of minimum guarantee obligations for 2024.

Additionally, we increased the Audioboom share of revenue in new podcaster deals signed in 2023. This has led to an improvement in our total contracted revenue share across the Company to 24% - up from 20% in 2022.

These key changes have dramatically improved the operational health of the business, ensuring that we continue to grow and setting us up to capture maximum value from our platform. This work has already positively impacted our performance, returning us to year-on-year revenue growth in Q4, delivering the strongest revenue quarter since early 2022, returning us to adjusted EBITDA positivity, and generating positive cash once again. These initiatives will deliver further benefits in 2024 where we are focused on a record annual performance.

Overview of the Market

Podcasting continues on its path of structural growth despite negative headlines in 2023 that focused on unsuccessful acquisitions and investments in the space from large media companies. This structural industry growth is driven by increases in audience numbers and audience engagement levels. People love podcasting and that is highlighted in key data points[1];

- The number of podcast listeners in the US increased by 47% between 2019 and 2023
- Podcast listeners increased the time they spend listening to podcasts during that time-frame by 50%
- This results in total consumption of podcasts increasing by 120% over the past 4 years.

This significant jump in consumption – and therefore revenue opportunity including sales of advertising inventory – is set to play out with a quadrupling of podcasting's Total Addressable Market (TAM) between now and 2030[2]. In 2023, the global podcast industry TAM was $4 billion. By 2030 this is set to rise to $16 billion, providing generational opportunity for businesses such as Audioboom who are primed to capture a share of this value.

Audioboom's position amongst the world's leading podcast businesses is highlighted by three trusted measurement services - Triton Digital's Podcast Reports, Podtrac's Podcast Ranker, and Edison's Top Podcast Networks chart:

- In Edison Research's list of largest podcast networks, Audioboom ranks as 5th for 2023, only beaten by Spotify, SiriusXM, Amazon and iHeartMedia. Edison's list is the only ranker that measures all podcast companies.
- In Triton Digital's US ranker Audioboom is currently the fourth largest publisher in terms of unique audience reach

- Audioboom would rank as the second largest podcast publisher if the Company opted-in to Podtrac's industry ranker, on both metrics – US unique audience and global monthly downloads.

On each measurement service Audioboom ranks as the highest independent podcast publisher, as well as the highest ranking pure-play podcast publisher.

2023 saw a very low level of M&A and investment activity across the industry. There were no notable acquisitions in the space, with the only noteworthy transaction involving the public listing of Podcast One in September 2023, now trading on Nasdaq.

We are confident that the structural growth of the medium and the sharp increase of the Total Addressable Market will lead to M&A activity reigniting during the next 12 months. Audioboom's business model, structure and performance continues to provide strong optionality on our future path. Our global scale and ownership of technology and commercial services will make us an attractive proposition for major media or technology businesses looking to fast-track a leadership position in podcasting. Alternatively, our business model sees us set for continued growth and a strong future as the leading independent player in the space. As always, the Board will continue to strive to deliver maximum shareholder value.

[1]Source: Edison Research Infinite Dial study 2024
[2]Source: Grand View Research, Podcast Market Size, Share, Trends & Growth Report 2030

Financial Review

Total revenue for 2023 of US$65 million (2022: US$74.9 million) reflected a softer advertising market during the year and the loss of the Morbid podcast in May 2022. Faced with these challenges, the Company implemented many operational improvements and enhancements during the year and in Q4 2023 delivered revenue growth versus both Q3 2023 and Q4 2022, as well as delivering an adjusted EBITDA profit in Q4 2023. The impacts of a softer advertising market were seen specifically in the second and third quarters and it was testament to the Audioboom team that, despite these challenges, Q4 represented the highest revenue quarter since Q2 2022 at the start of the advertising market downturn.

In 2023, the Company recognised an adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and before exceptional items, including the provision for, and losses on, two onerous contracts) loss of US$0.4 million (2022: adjusted EBITDA profit of US$3.6 million). Cash reduced year-on-year to US$3.7 million, however, Q4 saw a return to quarter-on-quarter cash generation, increasing from US$3.4 million at the end of Q3.

In 2023, as in the prior year, the vast majority of Group revenue (97%) was generated in the United States - which is the largest and most developed market for podcasting. There was exceptional growth once again in Showcase revenue, which was up 35% year on year, and Sonic Integrated Marketing increased its Group revenue contribution to 22%.

Group gross margin, excluding the impact of onerous contracts (described below), was 17% (2022: 19%). During the advertising market downturn, lower sales revenue resulted in the Company needing to utilise its share of advertising revenue to satisfy a small number of podcaster minimum guarantees which in turn impacted the gross margin recognised. This, combined with the increased revenue contribution of Sonic Integrated Marketing, which recognised a 16% gross margin, led to the lower gross margin in 2023.

The Company continued to control overheads very well during the year and we continue to align staff globally to ensure that every employee contributes to the growth of the business. Despite inflationary pressures across the business, the Company was able to report opex (excluding interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and material one-off items) of US$10.4 million, slightly lower than in 2022 (US$10.6 million). We continue to monitor the cost base closely and align it to the Company's operational demands and this will continue into 2024 as we focus on areas that we believe can drive further revenue growth. The average headcount for 2023 was 39 and this is not expected to materially increase during 2024.

The total loss before tax for the year was US$16.8 million versus the prior year loss of US$0.4 million, mainly due to the US$7.4 million provision for the future estimated net loss of two onerous contracts and the US$5.1 million loss incurred on the two contracts in 2023. The ad rates that have been commanded, and the future ad rates that are likely to be commanded, are lower than those modelled when these contracts were 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 contracts will generate a net loss through to their conclusions in January and July 2025 respectively and as such have been recognised as onerous.

The Company saw a cash outflow from operating activities of US$4.5 million (2022: cash inflow of US$3.2 million), mainly due to softer ad market conditions and servicing of all partner minimum guarantee obligations. The Company continues to operate an extremely efficient working capital cycle which is now well established in terms of processes built and refined over the last six years. Debtor collections continue to be strong and, over the last four years, collections have averaged 95% of revenue recognised in the year. In 2023, debtor days of 81 are reported, 13 higher than the 68 reported in 2022, with the increase being due to the return to revenue growth in the final quarter of 2023. We continue to remain below our ongoing debtor day target of 90 days. The Company continues to incur very minimal bad debt write offs (US$0.1

million in 2023 and US$0.2 million in 2022) and average payable days increased to 68 in 2023 from 54 in 2022, again due to the return to revenue growth in Q4 which led to an increase in year-end partner payments that have been satisfied in Q1 2024.

The Company ended 2023 with cash of US$3.7 million. In addition, the Company had access to a US$1.9 million undrawn overdraft with HSBC. Therefore, the Company had access to circa US$5.6 million going into 2024, with the Company being fully funded for its current growth trajectory.

Outlook

2024 is set to be a record year for Audioboom, and - as I highlight in our Q1 2024 Trading Update, released today – we are perfectly positioned to achieve these goals after positive trading in the first 3 months of 2024 in which we delivered revenue of US$17.1 million (up 11% on Q1 2023: US$15.4 million) and adjusted EBITDA profit of US$0.1 million. I expect the revenue growth rate to accelerate through upcoming quarters, and EBITDA profit to grow accordingly.

I am buoyed by the US$55 million of advertising that we currently have booked for the year. This compares with the US$50 million booked at the same stage last year but, in relative terms, we are even further ahead, as in 2023 approximately US$7 million of advertising campaigns were cancelled between April and September due to ad market deterioration.

In 2024 our main investment will be into our sales operation, specifically the growth of our brand awareness team tasked with bringing a new group of blue-chip customers to Audioboom. We recently announced the hiring of 2 key executives – Shaun Wilson, formerly of Sony Entertainment and Spotify, in the role of Head of UK Sales and Molly Harvey, formerly of SiriusXM and CBS Radio in the role of Vice President of Brand Sales.

Operationally 2024 has started well. In January we hit a new record user number with 38.6 million unique listeners downloading content from Audioboom. Our creator network continues to grow with recently announced new signings including *Pretty X Unfiltered*, *Soder*, *BDA with Katherine Schwarzenegger*, *Omnibus*, *Do We Know Them?* and *George Conway Explains It All To Sarah Longwell* expected to add more than 4 million downloads to the network each month. Our pipeline of new business remains strong, and we expect to convert this opportunity to new podcaster partnerships throughout the year.

We continue to focus on the core operational improvements we initiated last year. Alongside the growth of our brand advertising unit and expansion of our creator network, the upward momentum of Showcase, the further exploitation of advertising inventory levels, and the continued growth of our Sonic brand platform, we are forecasting record revenue in 2024.

Record revenue, combined with the improved podcaster revenue shares and removal of more than US$5 million of minimum guarantee obligations through contract restructuring, is expected to take us back to a position of EBITDA profitability for the full year and as a Board, look to the future with confidence.

We are committed to delivering these financial goals despite still operating in a weakened advertising market. Any meaningful recovery in the ad market would bring further upside.

Audioboom is building the world's leading podcasting business, and I am pleased with the start we have made in 2024. I look forward to the future with renewed confidence and would like to thank our creators, clients, customers and partners, as well as our incredibly talented Audioboom team and our supportive shareholders.

Stuart Last
Chief Executive Officer
12 April 2024

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Majority of business	Onerous contracts	2023 US$'000	2022 US$'000
Continuing operations					
Revenue	2	58,788	6,242	65,030	74,879
Cost of sales		(48,775)	(11,329)	(60,104)	(60,667)
Cost of sales – contract provision	19	-	(7,499)	(7,499)	-
Gross (loss) / profit		10,013	(12,586)	(2,573)	14,212
Other income – forgiven loan liability				-	374
Administrative expenses				(14,078)	(14,909)
Adjusted EBITDA (loss) / profit – Non-GAAP				(396)	3,591
- Share based payments	17			(2,807)	(4,358)
- Depreciation				(33)	(47)
- Depreciation – leases	14			(239)	(250)
- Operating foreign exchange (loss) / gain				(497)	1,141
- Contract settlement				-	(400)
- Onerous contracts net loss	19			(5,087)	-
- Onerous contracts provision	19			(7,499)	-
- Restructuring costs				(93)	-
Operating loss	3			(16,651)	(323)
Finance income				16	(106)
Finance costs	6			(119)	(106)
Loss before tax				(16,754)	(429)
Taxation on continuing operations	7			(2,672)	(328)
Loss for the financial period attributable to equity holders of the parent				(19,426)	(757)
Other comprehensive loss					
Foreign currency translation difference				1,076	(2,233)
Total comprehensive loss for the period				(18,350)	(2,990)
Loss per share from continuing operations Basic and diluted EPS	8			(118.8) cents	(4.7) cents

All results for both periods are derived from continuing operations.

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes		As at 31 December 2023 US$'000		As at 31 December 2022 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	30		59	
Right of use asset	14	1,117		329	
Deferred tax asset	7	1,581		3,609	
			2,728		3,997
Current assets					
Trade and other receivables	11	16,328		16,013	
Cash and cash equivalents		3,726		8,067	
Deferred tax asset	7	395		805	
			20,449		24,885
TOTAL ASSETS			23,177		28,882
Current liabilities					
Trade and other payables	12		(12,399)		(10,614)
Provision	-		-		(400)
Onerous contract provision	19		(5,046)		-
Lease liability	14		(68)		(278)
NET CURRENT ASSETS			2,936		13,593
Non-current liabilities					
Lease liability	14		(1,042)		(80)
Onerous contract provision	19		(2,453)		-
NET ASSETS			2,169		17,510
EQUITY					
Share capital	13		-		-
Share premium	13		63,104		62,902
Issue cost reserve			(2,048)		(2,048)
Foreign exchange translation reserve			(1,426)		(2,502)
Reverse acquisition reserve			(3,380)		(3,380)
Retained earnings			(54,081)		(37,462)
TOTAL EQUITY			2,169		17,510

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 22 were approved and authorised for issue by the Board of Directors on 12 April 2024 and were signed on its behalf by:

Brad Clarke
Chief Financial Officer

AUDIOBOOM GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 US$'000	**2022 US$'000**
Loss from continuing operations	(19,426)	(757)
Loss for the period	(19,426)	(757)
Adjustments for:		
Tax charge	2,672	328
Interest payable	119	106
Interest received	(16)	-
Depreciation of fixed assets	33	47
Depreciation of right of use assets	239	-
Share based payments	2,807	4,358
(Increase) / decrease in trade and other receivables	(316)	2,134
Increase / (decrease) in trade and other payables	1,387	(1,154)
Decrease in lease liability	-	(269)
Increase in onerous contract provision	7,499	-
Foreign exchange gain / (loss)	831	(1,557)
Cash flows (used in) / from operating activities	(4,171)	3,236
Investing activities		
Purchase of property, plant and equipment	(7)	(29)
Net cash used in investing activities	(7)	(29)
Financing activities		
Principle lease payments	(365)	-
Proceeds from issue of ordinary share capital	202	1,891
Net cash generated from financing activities	(163)	1,891
Net increase / (decrease) in cash and cash equivalents	(4,341)	5,098
Cash and cash equivalents at beginning of period	8,067	2,969
Cash and cash equivalents at end of period	3,726	8,067

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

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Issue cost reserve	Reverse acquisition reserve	Foreign exchange translation reserve	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 31 December 2021	-	61,011	(2,048)	(3,380)	(270)	(41,063)	**14,250**
Loss for the period	-	-	-	-	-	(757)	**(757)**
Issue of shares	-	1,891	-	-	-	-	**1,891**
Equity-settled share-based payments	-	-	-	-	-	4,358	**4,358**
Foreign exchange loss on translation of overseas subsidiaries	-	-	-	-	(2,232)	-	**(2,232)**
At 31 December 2022	-	62,902	(2,048)	(3,380)	(2,502)	(37,462)	**17,510**
Loss for the period	-	-	-	-	-	(19,426)	**(19,426)**
Issue of shares	-	202	-	-	-	-	**202**
Equity-settled share-based payments	-	-	-	-	-	2,807	**2,807**
Foreign exchange loss on translation of overseas subsidiaries	-	-	-	-	1,076	-	**1,076**
At 31 December 2023	-	63,104	(2,048)	(3,380)	(1,426)	(54,081)	**2,169**

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.

Retained earnings
Includes all current and prior period retained profits and losses and equity settled share-based payment charges.

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 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 Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). 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.

These results are audited, however the financial information set out in this announcement does not constitute the Group's statutory accounts for the period ended 31 December 2023, but is derived from the 2023 Annual Report & Accounts. The auditors have reported on those accounts; their report was unqualified.

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 and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IAS 1: Classifications of Liabilities as Current or Non-Current (effective for periods commencing on or after 1 January 2023);
- IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for periods commencing on or after 1 January 2023);
- IAS 8: Definition of Accounting Estimates (effective for periods commencing on or after 1 January 2023); and
- IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for periods commencing on or after 1 January 2023).

New and revised IFRS Accounting Standards in issue but 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 2024 or later years and which the Group has decided not to adopt early:

- IFRS 7 and IAS 7: Supplier Finance Arrangements (effective for periods commencing on or after 1 January 2024);
- IAS 1: Non-current liabilities with covenants (effective for periods commencing on or after 1 January 2024).

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

ACCOUNTING POLICIES (continued)

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 at least twelve months from the date of approval of the financial statements. The Group ended the year with access to US$3.7 million of cash and a US$1.8 million HSBC overdraft remaining available to draw down. The overdraft is subject to an annual renewal process and has a renewal date of 30 June 2024. At the date of this report, there is no indication that the HSBC overdraft will not be renewed, but should the HSBC overdraft not be renewed, then the Board believes that it would be able to obtain alternative financing options that can be called upon, if required. The Board's forecasts for the Group, including due consideration of the business forecasting a return to positive adjusted EBITDA in 2024, projected increase in revenues and cash utilisation of the Group and taking account of reasonably possible adverse changes in trading performance, including changes outside of expected trading performance, indicate that the Group will have sufficient cash and financing facilities available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond. This includes considering those partner contracts that have minimum guarantees attached to them and assessing whether there will be any adverse effect should there be prolonged adverse trading performance. 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 HSBC. 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
- 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.

The Group entities, Audioboom Limited and Sonic Influencer Marketing, are both considered to be the principal entity in terms of revenue recognition. The entities set or communicate the advertising pricing that is required to advertise on represented podcast content, contracts directly with the brand or agency to secure the advertising and confirms the date at which that advertising will be allocated. The entities are also responsible for invoicing and collecting payment from customers who have booked advertising slots and furthermore bear inventory risk associated with advertising slots acquired but not sold.

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 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, as this is the period over which the content providers' obligations are discharged to the Group and accordingly the basis

ACCOUNTING POLICIES (continued)

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.

Should a contract be considered onerous (i.e., it is expected to give rise to an unavoidable loss) then that loss is provided for at the reporting date if the contract and conditions associated with it were in place at the year end.

Should a multi-year contract generate a revenue share that is lower than the MG in the initial stages of the contract but is expected to generate revenue share that is higher than the MG over the entire length of the contract, the payments made will be held as an asset on the balance sheet.

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 recognised in Audioboom Limited, whose functional currency is sterling, along with the Audioboom Group plc entity. These entities are consolidated at a Group level in US Dollars, along with Audioboom Inc and Austin Advertising Inc, whose 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.

ACCOUNTING POLICIES (continued)

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of Audioboom Group plc and all its subsidiary undertakings up to 31 December 2023, with comparative information presented for the year ended 31 December 2022. No profit and loss account is presented for Audioboom Group plc as permitted by Companies (Jersey) Law 1991.

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies and is exposed to or has rights over variable returns from its involvements with the investee and has the power to affect returns. Audioboom Group plc obtains and exercises control through more than half of the voting rights for all its subsidiaries. All subsidiaries have a reporting date of 31 December and are consolidated from the acquisition date, which is the date from which control passes to Audioboom Group plc.

The results of associate undertakings are consolidated under the equity method of accounting. The Group applies uniform accounting policies and all intra-group transactions, balances, income and expenses are eliminated on consolidation.

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.

ACCOUNTING POLICIES (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

Minimum guarantees

The Group offers contracts of between one and three years to secure advertising representation of third party podcast partners. The contracts can include commitments to pay Minimum Guarantee (MGs) revenue shares over the contractual period to the third party. Should the revenue share generated not be above the MG contractual amount, the Group will need to true up the revenue share payments to the MG level. The Group continually assesses its exposure to onerous contracts by assessing contractual MGs (see note 18 for further detail on MGs contracted at the year end). There is an element of uncertainty with all contracts signed as they are based on future expected revenue generation and if the future performance does not meet expectations, it may result in a material cash outflow and the recognition of expected losses in the financial period in which the contract is considered to become onerous.

Onerous contract provisions

The Group continually assesses its exposure to onerous contracts by assessing contractual minimum guarantees versus future revenue and growth expectations. Should future revenue and growth expectations be lower than previously anticipated which take a partner contract into a loss-making scenario, a provision will be created using a range of growth scenarios to estimate the total estimated net loss of the contract. A weighted average of the different growth scenarios will be used as the performance of future advertising markets and the specific show under review can only be estimated at the balance sheet date. A weighted average cost of capital discount factor has been applied to future revenues to discount the provision to current value. The revenue, net loss and projected net loss of the contract are disaggregated within the consolidated statement of comprehensive income so that the specific impact of onerous contracts and provisions recognised in relation to them is clear to users of the financial statements. No other overheads or costs will be included in the provision assessment because the main cost of the contract is the revenue share owed to the partner. The onerous contract provision calculations are estimates and actual outcomes may be materially different to the value of provision estimated.

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. Certain share options include performance criteria and the charge will vary depending on whether that criteria is met, therefore it is an estimate and is uncertain.

ACCOUNTING POLICIES (continued)

Warrants

The Group has issued warrants to certain Directors and third parties. 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.

Bad debt provision

The Group creates a specific bad debt provision for all debtors which are over 365 days old and reviews all debtors on a continual basis, providing for any under 365 days which are not deemed to be recoverable. The Group utilises the expected credit loss model to calculate an appropriate bad debt provision, which incorporates an assessment of historical losses in deriving a provision to be recognised against the likelihood of future bad debt. Such an assessment requires the application of judgement, and bad debts may materially exceed the amount provided for at the reporting date.

Recognition and measurement of deferred tax assets

The Group recognises deferred tax assets in relation to unutilised tax losses which can be utilised to offset tax arising on future taxable profits. Utilisation of these tax losses is dependent on the timing and extent of future taxable profits of the Group. Therefore the recognition and measurement of deferred tax assets is based on the judgement of the Directors as to this profitability and represents an area of material estimation uncertainty. Refer to note 7.

2. REVENUE

	2023 US$'000	2022 US$'000
Subscription – recognised over time	432	479
Advertising – recognised at point in time	64,598	74,400
	65,030	74,879

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 the UK and the USA.

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

	2023 US$'000	2022 US$'000
United Kingdom	1,772	3,327
USA	63,258	71,552
	65,030	74,879

The Group invoiced three customers who each represented more than 10% of the reported revenue and in aggregate 37% of the total invoiced. The three customers are advertising agencies and represent a number of brands, thus reducing the customer concentration.

The Group currently has two material 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 PROFIT

	2023 US$'000	2022 US$'000
Operating profit for the period has been arrived at after charging the following:		
Depreciation of property, plant & equipment	33	47
Operating foreign exchange (loss) / gain	(497)	1,141
Staff costs (refer to note 5 for detail)	8,725	11,039

4. AUDITOR'S REMUNERATION

	2023 US$'000	2022 US$'000
Audit services		
Fees for the audit of the consolidated annual financial statements and the audit of the Company's subsidiaries pursuant to legislation	109	98
	109	98

5. STAFF COSTS

	2023 Number	2022 Number
Average number of production, editorial and sales staff	27	34
Average number of management and administrative staff	12	11
	39	45

	US$'000	US$'000
Wages and salaries	4,986	5,469
Social security costs	496	794
Pension costs (defined contribution scheme)	436	418
Share based payments	2,807	4,358
	8,725	11,039

Details of Directors' remuneration are set out in the Remuneration Committee Report in the Annual Report.

6. FINANCE COSTS

	2023 US$'000	2022 US$'000
Depreciation – lease interest (see note 14)	100	87
Overdraft arrangement fee	19	19
	119	106

The Company has a US$1.8 million overdraft facility with HSBC and this was not utilised as at the date of this report.

7. TAXATION

Tax reconciliation

The taxation charge 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:

	2023	**2022**
	US$'000	**US$'000**
Loss on ordinary activities before tax	(16,754)	(429)
Tax at UK corporation tax rate of 23.5% (2022: 19.00%)	(3,937)	(82)
Expenses not deductible for tax purposes	2	7
Foreign taxes at different rates	(8)	-
Movement in deferred tax	2,670	-
Utilisation of tax losses brought forward	(69)	(385)
Unrelieved tax losses	3,368	-
Effect of share-based payments	646	788
Tax charge and effective tax rate for the period	2,672	328

	2023	**2022**
	US$'000	**US$'000**
Current tax		
Foreign tax charge on profits in the year	2	33
Deferred tax charge	2,670	295
Tax charge recognised in the consolidated statement of income	2,672	328

The Group has carried forward UK losses amounting to US$40.8 million as of 31 December 2023 (2022: US$26.7 million). The gross amount of losses upon which the deferred tax asset has been recognised amounts to US$7.9 million (2022: US$17.9 million). This is based on expected utilisation of future taxable profits as estimated by the Directors. The deferred tax asset is expected to be utilised within five years. Refer to the *Recognition and measurement of deferred tax assets* accounting judgement detail in the accounting policies section for further disclosure.

There was a deferred tax liability of US$nil (2022: US$nil).

	2023	**2022**
	US$'000	**US$'000**
Deferred tax asset at beginning of period	4,414	5,275
Asset derecognised in the year	(2,670)	(295)
Foreign exchange effect	232	(566)
Total deferred tax asset	1,976	4,414
Deferred tax current asset (unutilised tax losses)	395	805
Deferred tax non-current asset (unutilised tax losses)	1,581	3,609
Total deferred tax asset	1,976	4,414

8. LOSS PER SHARE

Basic earnings per share 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, 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.

	Loss	Weighted average number of shares	Per share amount
		2023	
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to equity holders	(19,426)	16,357	(118.8)
		2022	
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to equity holders	(757)	16,192	(4.7)

9. PROPERTY, PLANT AND EQUIPMENT

	Furniture & equipment US$'000	Computers US$'000	Technical US$'000	Studio US$'000	Total US$'000
Cost					
At 31 December 2021	26	266	3	124	419
Additions	-	29	-	-	29
Disposals	-	(130)	-	(23)	(153)
Foreign exchange effect	(2)	-	-	-	(2)
At 31 December 2022	24	165	3	101	293
Additions	-	7	-	-	7
Disposals	(24)	(88)	(3)	(95)	(210)
Foreign exchange effect	-	2	-	-	2
At 31 December 2023	-	86	-	6	92
Depreciation					
At 31 December 2021	19	196	3	124	342
Charge for the period	2	28	-	17	47
Disposals	-	(130)	-	(23)	(153)
Foreign exchange effect	2	22	-	(26)	(2)
At 31 December 2022	23	116	3	92	234
Charge for the period	2	23	-	8	33
Disposals	(24)	(88)	(3)	(95)	(210)
Foreign exchange effect	(1)	6	-	-	5
At 31 December 2023	-	57	-	5	62
Net book value					
At 31 December 2021	7	70	-	-	77
At 31 December 2022	1	49	-	9	59
At 31 December 2023	-	29	-	1	30

10. SUBSIDIARIES

As at 31 December 2023, 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	2-6 Boundary Row, London, SE1 8HP	Ordinary	100%
Audioboom Inc.	251 Little Falls Drive, Wilmington, Delaware 19808, USA	Ordinary	100%
Austin Advertising Inc.	1013 Centre Road, Suite 403S, Wilmington, Delaware 19805, USA	Ordinary	100%

Audioboom Inc is held through Audioboom Limited. Austin Advertising Inc is held through Audioboom Inc.

11. TRADE AND OTHER RECEIVABLES

	2023 US$'000	2022 US$'000
Amounts receivable for the sale of goods and services	14,504	13,966
Allowance for doubtful debts	(149)	(325)
Net receivables	14,355	13,641
Deferred cost of sales relating to minimum guarantee payments	-	93
Other receivables	246	237
Prepayments and accrued income	1,626	1,923
Taxes recoverable	101	119
	16,328	16,013

The average credit period taken on sales of goods and services is 81 days (2022: 68 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$2.1 million (2022: US$2.3 million) which are past due at the reporting date.

In addition, US$nil (2022: US$0.1 million) relates to deferred cost of sales relating to podcast partner contractual minimum guarantee payments. These are payments which were made to a podcast partner with a multi-year contract during the year due to revenue shares earned being lower than the contractual minimum guaranteed amount.

Having considered the Group's exposure to bad debts and the probability of default by customers, no material adjustment has been identified between recognition of bad debts on a specific basis and expected credit losses outlined below in accordance with IFRS 9 (2022: US$nil).

Accrued income carried forward into 2024, that will reverse fully in 2024, is US$0.4 million (2022: US$0.6 million).

As at 31 December 2023 the lifetime expected loss provision for trade receivables was:

US$'000	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.3%	1%	1%	3%	
Gross carrying amount	6,799	3,483	1,988	2,234	14,504
Loss provision	20	29	22	78	149

As at 31 December 2022 the lifetime expected loss provision for trade receivables was:

US$'000	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.5%	1%	3%	8%	
Gross carrying amount	5,334	4,227	2,148	2,257	13,966
Loss provision	27	27	65	191	325

12. TRADE AND OTHER PAYABLES

	2023 US$'000	2022 US$'000
Current liabilities		
Trade payables	9,156	5,932
Other taxes and social security	29	37
Accruals	3,144	4,522
Other payables	70	123
Trade and other payables due within less than one year	12,399	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 68 days (2022: 54 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.

13. STATED CAPITAL ACCOUNT

	No. of shares	Share capital US$'000	Share premium US$'000
At 31 December 2021	**15,768,017**	**-**	**61,011**
Shares issued in the period			
Share options exercised	179,402	-	357
Warrants exercised	350,000	-	1,534
At 31 December 2022	**16,297,419**	**-**	**62,902**
Shares issued in the period			
Share options exercised	79,517	-	202
At 31 December 2023	**16,376,936**	**-**	**63,104**

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.

14. RIGHT OF USE ASSET LEASES

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Lease Total US$'000
At 31 December 2021	576
Depreciation expense	(250)
Foreign exchange	3
At 31 December 2022	329
Depreciation expense	(239)
Lease modification	1,023
Foreign exchange	4
At 31 December 2023	1,117

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 US$'000	**2022 US$'000**
Balance at 1 January	358	627
Payment of lease liabilities	(365)	(356)
Imputed lease interest costs	100	87
Lease modification	1,017	-
Balance at 31 December	1,110	358
Current	68	278
Non-current	1,042	80

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

	2023 US$'000	**2022 US$'000**
Depreciation expense of right of use assets	239	250
Interest expense on lease liabilities	100	87
Total amount recognised	339	337

The Company recorded total cash outflows for leases of US$481,000 in 2022 (2022: $442,000).
The following are the total value of the commitments on an undiscounted basis:

	2023 US$'000	**2022 US$'000**
Under one year	199	365
One to five years	1,376	109
Total value of commitments	1,575	474

15. OPERATING LEASE ARRANGEMENTS

	2023 $'000	2022 $'000
The Group as lessee		
Lease payments under operating leases recognised as an expense in the year	113	94

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:

	2023 $'000	2022 $'000
Under one year	91	110
	91	110

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.

16. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

See the Remuneration Committee Report for details relating to key management personnel remuneration during the year. Key management during the year being Stuart Last, CEO and Brad Clarke, CFO.

17. SHARE-BASED PAYMENTS

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:

	2023		2022	
	Number of Share options	**Weighted Average Exercise Price (£)**	**Number of Share options**	**Weighted Average Exercise Price (£)**
Outstanding at beginning of period	1,403,642	6.838	1,147,213	2.650
Granted during the period	457,000	3.567	442,831	15.550
Forfeited/lapsed during the period	(96,674)	11.108	(7,000)	7.693
Exercised during the period	(79,517)	2.004	(179,402)	1.646
Outstanding at end of period – time vesting based	852,451	5.041	753,968	5.420
Outstanding at end of period – performance vesting based[1]	832,000	6.845	649,674	8.483
Total outstanding at end of period	1,684,451	5.932	1,403,642	6.838
Exercisable at end of period	1,225,401	5.477	926,591	4.587

[1]Options with performance-based vesting will vest, subject to Remuneration Committee discretion, if the Company meets market expectations for revenue and adjusted EBITDA targets

The options outstanding at 31 December 2023 had a weighted average exercise price of £5.932, and an average remaining contractual life of 7 years. The inputs into the Black-Scholes model are as follows:

	2023	2022
Weighted average share price	£3.567	£15.550
Weighted average exercise price	£3.567	£15.550
Expected volatility	60%	63%
Expected life	10 years	10 years
Risk-free rate	4.02%	2.39%
Expected dividend yield	0%	0%

Expected volatility was determined by assessing the share price volatility from the current year. The Group recognised total expenses of US$2.807 million related to equity-settled share-based payment transactions for the year ended 31 December 2023 (31 December 2022: US$4.358 million).

	2023 US$'000	2022 US$'000
Share option charge	2,807	4,358
	2,807	4,358

At the period end, the Company had in issue outstanding share warrants for a total of 170,000 shares (2022: 170,000 shares) with a weighted average exercise price of £2.74 (2022: £2.74). All 170,000 (2022: 170,000) of the warrants were exercisable at the period end. Post period end 120,000 of the warrants have lapsed, with the remaining 50,000 warrants having an exercise price of £3.30.

18. 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 contracted 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.

As at 31 December 2023, US$nil (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.

As at 31 December 2023, of the US$33 million (2022: US$47.8 million) total minimum guarantee amount committed to expenditure, US$18.5 million (2022: US$29.9 million) relates to the two onerous contracts provided for detailed in note 19.

The amounts detailed below are undiscounted.

	2023 US$'000	**2022 US$'000**
MG expenditure committed in 12 months or less	24,396	24,348
MG expenditure committed in more than 12 months	9,020	23,408
Total MG amount committed to expenditure	33,416	47,756

19. ONEROUS CONTRACT PROVISION

A provision has been recognised as at 31 December 2023 in relation to two partner contracts. As advertising markets have performed below the expectations previously modelled for these agreements, it is now assumed that it is unavoidable that the contracts will generate a loss through to their conclusion in January 2025 and July 2025 respectively. The contracts, which were both negotiated in early 2022 during buoyant podcast advertising market conditions, recorded a net loss of US$5.1 million in 2023 and in light of revenue growth being lower than projected at the previous reporting date it is considered likely that they will continue to be loss making through to their 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 shows being lowered due to the advertising markets being more challenging for longer than anticipated during 2023. Consequently, 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 contracts, high, medium and low growth projections have been used to estimate the total net loss of the contracts. The provision has been recognised as, even under the high growth scenario, it is estimated that the contracts will incur a net loss due to insufficient time and opportunity to derive sufficient revenue growth for the contracts to generate a profit before their expiration in January 2025 and July 2025 respectively. A weighted average of the different growth scenarios has been used as the performance of future advertising markets and the specific shows 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 because the main cost of the contract is the revenue share owed to the partner.

19. ONEROUS CONTRACT PROVISION (continued)

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

	2023 US$'000	2022 US$'000
Onerous contracts net loss incurred in 2023	5,087	-
Onerous contracts provision for expected future net losses	7,499	-
Total	12,586	-

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:

	2023 US$'000	2022 US$'000
Current contract provision	5,046	-
Non-current contract provision	2,453	-
Total contract provision	7,499	-

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. On 14 April 2022 the Company secured a £1.5 million overdraft with HSBC which remains undrawn.

Categories of financial instruments

	2023 US$'000	2022 US$'000
Loans & receivables		
Trade and other receivables	14,601	13,878
Cash and cash equivalents	3,726	8,067
Financial liabilities at amortised cost		
Trade and other payables	9,228	6,054

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.

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.

21. FINANCIAL INSTRUMENTS (continued)

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 11 for more detail on the trade receivables collection period.

The ageing of trade receivables (US$'000s) as at 31 December 2023 was:

Current	Over 30 days	Over 60 days	90 days +	Total
US$6,799	US$3,483	US$1,988	US$2,234	US$14,504
49%	25%	14%	16%	

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 12 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.

22. POST BALANCE SHEET EVENTS

There are no post balance sheet events as at the date of this report.