



2023

Audioboom Group plc
Annual Report & Financial Statements

Overview

Audioboom Group plc (“Audioboom”) is a global leader in podcasting - our shows are downloaded around 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.

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Directors, Advisers and Officers

Company registration number:	85292
Registered office:	IFC5 St Helier Jersey JE1 1ST
Directors:	Michael Tobin OBE (Non-executive Chairman) Stuart Last (Chief Executive Officer) Brad Clarke (Chief Financial Officer) Roger Maddock (Non-executive Director) Steven Smith (Non-executive Director)
Company secretary:	AST Secretaries Limited
Nominated adviser and broker:	Cavendish Capital Markets Limited 1 Bartholomew Close London EC1A 7BL
Solicitors:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
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Auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Highlights

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 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

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

- 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
- 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

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 through a return to year-on-year top-line growth, a return to adjusted EBITDA positivity, and a return to cash generation, all in Q4. 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 make 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).

Chief Executive Officer's Review

(continued)

- 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. We have removed more than US\$2 million of minimum guarantee obligation for 2024, with a further US\$0.5m expected to be removed throughout the current year.

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 have further payoff 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 points¹:

- 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.

Chief Executive Officer's Review

(continued)

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 2030². 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.

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, 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.

1 Source: Edison Research Infinite Dial study 2024

2 Source: Grand View Research, Podcast Market Size, Share, Trends & Growth Report 2030

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.

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 recently released Q1 2024 Trading Update - 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.

Chief Executive Officer's Review

(continued)

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.

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

Principal Risks and Uncertainties

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

Risk	Description	Mitigation
Industry risk	<p>The Group operates within competitive markets and its business, results, operations and financial condition could be materially adversely affected by the actions of its competitors and suppliers.</p> <p>The Group's competitors could bring superior scale, better known brands, deeper experience or more compelling products to bear against the Group's existing and potential business. Intense competition could increase pricing pressure in the market, manifested, for example, through declining revenue shares, or increased reliance on the payment of advances or minimum guarantees ahead of commercial deals.</p>	<p>The Board believes that it has adopted a competitive business strategy, as described further in this Strategic Report, which it continues to monitor and adapt as required.</p>
Liquidity risk	<p>Whilst the Group's underlying financial performance continues to improve in 2024 after a challenging 2023, until the Group returns to a sustained positive cash generative position, the funding of its operations and overheads, together with future growth and expansion, all place demand on the Group's overall cash resources.</p> <p>Any adverse events relating to the Group's business, such as a significant shortfall in revenue in relation to the Group's expectations, would have an adverse effect on the Group's business, operating results and financial condition.</p>	<p>Management monitors the Group's financial performance closely with a very strong focus on cash control. Due to a softer advertising market in 2023 than expected and with the Company fulfilling all of its partner contractual minimum guarantees in the year, Group cash decreased by US\$4.5 million, ending the year with US\$3.7 million. To supplement available cash reserves, a £1.5 million overdraft with HSBC was renewed in 2023 (and remains undrawn). The overdraft is subject to an annual renewal process and has a renewal date of 30 June 2024.</p> <p>Forecasts have been prepared on a base case basis and the Group's available funds are expected to be sufficient to continue to fund the Group's return to growth. The forecasts assume that contracts that have a minimum guarantee are renegotiated on more favourable terms.</p> <p>Cash flow modelling, sensitivity testing and business contingency planning have all been completed to make this assessment and will be kept under constant review.</p>

Principal Risks and Uncertainties

(continued)

Risk	Description	Mitigation
Retention/ attraction of key staff	The Group is highly dependent on key members of the management team. Their services cannot be guaranteed and the loss of their services may have a material adverse effect on the Group's performance. There can be no assurance that the Group will be able to attract and retain all personnel necessary for the future development and operation of the business.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. Audioboom operates a share option scheme which enables employees to become defacto owners of the business and to benefit from continued growth in the Company.
Continued growth in content partners	<p>Success of the Group's strategy relies heavily on the on-going process of securing commercial deals with high quality third party content creators, and renewing partnerships with key existing shows. There is increasing competition in the industry to both sign and secure these partnerships as larger, well-funded media organisations and broadcasters focus on podcasting. Key competitors in the independent sector of podcasting include Spotify, Amazon and Sirius XM.</p> <p>Any adverse events relating to the Company's business such as a significant shortfall in revenue in relation to the Company's expectations could have an adverse effect on the Company's ability to satisfy minimum guarantees in place with partners.</p>	As the industry professionalises, an increasing amount of new business opportunities with top tier podcasts comes via talent agencies and management companies. Audioboom invests time and resource to develop and maintain strong working relationships with these groups to ensure we remain part of inbound opportunity. Top tier podcasts may require minimum guarantees against annual revenue potential and recoupable advance signing on fees. These incentives are appropriately modelled to ensure that only potentially profitable partners are offered such terms. The Company is currently focused on reducing its minimum guarantee obligations through the restructuring of content partner contracts, offsetting these reductions with other non-monetary services, including marketing, production and distribution in order to continue being competitive.
Ability to monetise the advertising opportunity	<p>Success of the Group's strategy relies heavily on its ability to monetise advertising opportunities. The ability to generate advertising revenue from social and digital media sites is now well established as major companies operating in this space have built up revenues from advertisers who value access to the user groups that are regular visitors to these sites. There can be no assurance that the Group will be successful in continuing to build these revenues if it is exposed to greater competition or suffers lower growth in listens on the platform as well as other factors.</p> <p>Recent changes to Apple's podcast app (part of the iOS17 update in September 2023) have reduced downloads across the wider podcast industry by an average of 32%.</p>	<p>The Group has proven that the monetisation of podcasts is a viable advertising opportunity and it works with a growing number of advertising agencies and brands in the UK and the US to continue to build revenues, as well as advertising partnership agreements in Australia, New Zealand and Canada.</p> <p>While Audioboom's revenue is significantly exposed to the health and performance of the general advertising market, the Company is actively diversifying its advertising model, including: the development of a 'brand awareness' sales unit; the strong growth of programmatic ad-tech; its brand-direct platform through Sonic; and its global advertising partnerships. This will spread risk should elements of the advertising market (either product or location-based) be impacted negatively by wider economic conditions.</p>

Risk	Description	Mitigation
		The impact of the Apple podcast app change does not materially impact revenue from Audioboom's premium advertising product or the Sonic brand-platform. In order to offset the impact on the Company's programmatic ad platform it has actively engaged with content partners to increase the number of advertising slots made available for sale within each podcast episode on the platform. Additionally, the Company will continue to add new podcasts to the platform that will grow downloads and advertising inventory levels.
Technology	Technologies used by the Group may have a shorter commercial life than anticipated due to the invention or development of more successful technology or applications by competitors who may have greater financial, marketing, operational and technological resources than the Group.	The Group strives to continually innovate in terms of its technology, products and services and also recognises opportunities to utilise third party technology solutions when it does not have the financial or staffing resource to innovate itself.
IT infrastructure	Audioboom's platform is hosted externally by Voxnest and Amazon. The Group cannot guarantee that there will not be any disruption in the availability or performance of the platform, or the terms on which it is made available, which could have a material adverse effect on the Group and its business and prospects.	The Voxnest and Amazon cloud infrastructure and distributed content system ensures that many multiple copies of the entire Group's web architecture and growing content library are distributed across multiple nodes of the content distribution network. This ensures that if one node were to fail, then the Group's architecture and content could still be accessed by users via other nodes in the network.
Content	<p>Audioboom provides a platform for third party content. Some of the content may be unsuitable, illegal or defamatory and as such there is a risk that claims may be made against the Group. Audioboom is a provider rather than a publisher and as such should not be liable for content. If, however, Audioboom is held to have published the offending content, that could have a material adverse effect on the Group.</p> <p>Audioboom is aware that music licensing costs may be incurred in the future in respect of music played in podcasts on the platform.</p>	<p>Audioboom operates a content complaints procedure that enables listeners to flag concerning content directly to an editorial team made up of senior staff members. The editorial team consider complaints within the framework of our terms and conditions, which give us unlimited rights to remove content, remove content channels and block users to ensure that we are able to maintain a controlled environment for consumers to access appropriate content.</p> <p>The Company has re-structured contracts with content partners to enable them to collect music licensing costs from podcasters.</p>

Principal Risks and Uncertainties

(continued)

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

The Strategic Report was approved by the Board of Directors on 12 April 2024 and was signed on its behalf by:

Stuart Last - Chief Executive Officer

Board of Directors

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

Board of Directors

(continued)

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

Directors' Report

The Directors present their report together with the audited financial statements for the period ended 31 December 2023.

Strategic Report

Details of the Group's strategy and business model during the period and the information that fulfils the requirements of the strategic report can be found in the Strategic Report on pages 4 to 14. An indication of likely future developments in the business of the Group, and details of research and development activities, are included in the Strategic Report, which is deemed to form part of this report by reference.

Corporate Governance Report

The Corporate Governance Report set out on pages 21 to 25 forms part of this report.

Results and dividends

The consolidated statement of comprehensive income for the period is set out on page 37. No dividend has been declared or is proposed for the period (2022: nil).

Directors and their interests

The Directors who served during the period are set out below, together with their beneficial interests in the ordinary shares of the Company. Biographical details are included on pages 15 and 16.

	31 December 2023		31 December 2022	
	Ordinary shares of no par value	Share options	Ordinary shares of no par value	Share options
Brad Clarke	5,000	330,000	5,000	270,000
Stuart Last	41,236	372,000	34,872	312,000
Roger Maddock	356,000 ¹	-	346,961 ¹	-
Steven Smith ²	4,764	-	4,764	-
Michael Tobin ³	787,587	-	714,859	-

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

2 Steven Smith is a director and 10% shareholder of Candy Ventures sarl, which held 2,197,602 ordinary shares in the Company as at 31 December 2023. In addition, Nick Candy, a director and 90% shareholder of Candy Ventures sarl, was the holder of 135,000 ordinary shares and 120,000 warrants to subscribe for ordinary shares. At the period end, Candy Ventures sarl also held 50,000 warrants to subscribe for ordinary shares in connection with the provision of historic guarantees by SPV Investments Limited ("SPV") to certain podcast partners. Candy Ventures sarl was a 50% shareholder in SPV

Further details in respect of the share options and warrants held by Directors are set out in the Remuneration Committee Report on pages 26 to 28.

Substantial shareholdings

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

Shareholder	% holding
Nick Candy ¹	14.2%
Mark Horrocks and family interests	6.0%
Herald Investment Management Limited	5.6%
Michael Tobin	4.9%

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

Employee involvement

Our employees are one of our most important stakeholder groups. The Group's policy is to encourage involvement at all levels, as it believes this is essential for the success of the business. Through an annual survey, employees are encouraged to present

Directors' Report

(continued)

their views and suggestions in respect of the Group's performance and policies. The Board also seeks to deepen employee engagement through the extensive reach of its share option scheme to all levels of staff.

Financial risk management objectives and policies

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

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for 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.

Change of control

The Company is not party to any contracts which enable the counterparties to alter or terminate those arrangements in the event of a change of control of the Company.

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

Directors' indemnity and insurance

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

Directors' responsibility statement

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

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

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

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

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

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

Statement as to disclosure of information to the auditor

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

Auditor

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

Forward looking statements

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

Directors' Report

(continued)

Annual General Meeting

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

ON BEHALF OF THE BOARD

Stuart Last

Chief Executive Officer

12 April 2024

Company registration no: 85292 (Jersey)

Corporate Governance Report

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

Compliance statement

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

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

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

Key governance related matters during the period

During 2023 and since the period end, the following key governance matters were addressed, amongst others:

- Board self-evaluation process, including review of Board composition
- Executive management remuneration review – setting and monitoring performance targets
- Seeking clarity around the holdings (and disclosure thereof) of certain shareholders

Role of the Board and management

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall management and corporate governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals. Further details on the Company's business model and strategy are contained within the Strategic Report on pages 4 to 14.

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

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

Corporate Governance Report

(continued)

Role of Chairman and Chief Executive Officer

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

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

Board processes

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

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

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

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

Risk management and internal control

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

The Company has established financial controls and procedures which have enabled the business to build suitable frameworks allowing it to grow at scale despite maintaining a relatively low headcount. The key financial processes of completing formal monthly financial close, delivering monthly key financial data to the Board, formalised payment run reviews, structured debtor collection and detailed budgeting and forecasting process have all benefitted from the continuing and evolving automation within the business, specifically focused around the development of the Group's advertising booking system and the Group's Netsuite accounting system, which was implemented in 2022.

A summary of the current principal risks and uncertainties is set out in the section of that name in the Strategic Report on pages 11 to 14. Risks facing the Group will continue to be evaluated at each Board and Audit Committee meeting. Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Composition of the Board

The Board currently comprises five Directors. Further detail on the Directors and independence of the Board are included on pages 15 and 16 of this Annual Report. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

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

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

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

Conflict of interest

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

Independent professional advice and access to Company information

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

Committees

Audit Committee

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

Remuneration Committee

The report of the Remuneration Committee is set out on pages 26 to 28.

Nominations Committee

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

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

Corporate Governance Report

(continued)

Directors' attendance record

The following table provides details of attendance by Directors (and/or their alternates where applicable) at Board and Committee meetings held during the period. The majority of these meetings were held via videoconference.

	Board		Audit Committee		Remuneration Committee	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
Brad Clarke	12	12				
Stuart Last	12	12				
Roger Maddock	12	11	2	2	2	2
Steven Smith	12	12	2	2	2	2
Michael Tobin	12	12	2	2	2	2

Time commitment

The Executive Directors are full time employees of the Group. The non-executive Directors are committed to at least 15 working days per annum on Company business (20 days for the Chairman).

Board effectiveness and evaluation

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

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

- consideration of additional non-executive Director(s), with focus on US podcast industry experience and greater diversity
- succession planning
- consideration of strategic growth opportunities
- addressing shareholder register and attracting institutional investors
- a return to more in-person board meetings

Each of the above remain under consideration.

Corporate culture

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

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

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

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

The role of shareholders

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

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

The Board encourages participation of shareholders at the Annual General Meeting (and/or related investor presentations) to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as separate resolutions. Management provide regular investor presentations for existing and potential individual shareholders to complement presentations provided to institutional shareholders.

Remuneration Committee Report

Overview

The role of the Remuneration Committee is documented in its terms of reference.

The key objectives of the Remuneration Committee are to:

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

Composition

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

Remuneration Committee meetings

The Remuneration Committee met twice during the period and addressed a number of matters via email. The attendance of its members at the meetings is set out in the table on page 24. The agenda for Remuneration Committee meetings is prepared in conjunction with the committee chairman. Submissions are circulated in advance and may include remuneration benchmark surveys and guidance on best practice together with papers relating to specific agenda items.

Remuneration policy

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

The remuneration package for the Executive Directors comprise a combination of annual salary, annual performance bonus and share options with performance criteria. Remuneration for non-executive Directors consists of an annual fee (for the period in review, £32,400 per annum for non-executive Directors and £37,800 per annum for the non-executive Chairman). There is no additional fee for serving on Board committees and non-executive Directors are not entitled to bonuses or participation in the share option scheme. However, on his appointment to the Board on 1 September 2018, Michael Tobin was granted warrants over ordinary shares, all of which have since been exercised.

Implementation of the policy

Salary

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

Following a benchmark survey, consideration of sector comparables and recognition of the prevailing inflationary environment, the salaries of the Executive Directors were increased for the period.

Following a benchmark review (and noting that these had not been increased since the Company's re-admission to AIM in 2014), the non-executive Director fees were increased for the period.

Annual bonus

During the period, the Executive Directors were eligible for an annual bonus pursuant to which they could potentially earn up to 150 per cent of their base annual salary, with incremental increases of 25 per cent linked to outperformance of internal and market expectations in respect of revenue and adjusted EBITDA at various levels, with the potential higher levels of bonus intended to further incentivise and reflect exceptional outperformance. Additionally, up to 25 per cent of base annual salary may be earned as a bonus for meeting targets in respect of a number of KPIs and other criteria which are considered important to the operation of the business.

The bonuses awarded to the Executive Directors in respect of the period in review equated to 15 per cent of respective base annual salaries. Whilst internal and market expectations in respect of revenue and adjusted EBITDA were not met, the Committee acknowledged that this was in large part down to macro-economic issues and a softer advertising market, and a bonus was awarded to reflect the meeting of certain of the other bonus criteria.

Revised bonus parameters have been established for 2024.

Share options

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

120,000 options were granted to Directors during the year. No options were exercised by Directors during the year. 16,667 options granted to both of Stuart Last and Brad Clarke were forfeited during the period under review as a result of performance conditions relating to those tranches of options having not been met.

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

	Share options	Exercise price	Grant date	Latest exercise date
Brad Clarke	65,000	£2.40	1 September 2018	1 September 2028
	95,000	£1.30	20 March 2019	20 March 2029
	50,000	£4.45	19 March 2021	19 March 2031
	60,000	£15.55	20 May 2022	20 May 2032
	60,000	£3.61	20 April 2023	20 April 2033
Stuart Last	10,660	£4.125	24 September 2015 ¹	24 September 2025
	7,000	£3.125	9 March 2016 ¹	9 March 2026
	50,340	£2.185	8 May 2017 ¹	8 May 2027
	44,000	£1.30	20 March 2019 ¹	20 March 2029
	90,000	£2.075	20 December 2019	20 December 2029
	50,000	£4.45	19 March 2021	19 March 2031
	60,000	£15.55	20 May 2022	20 May 2032
	60,000	£3.61	20 April 2023	20 April 2033

¹ options granted prior to being appointed as a Director

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

Remuneration Committee Report

(continued)

Warrants

Steven Smith is taken to be interested (by virtue of his interest in Candy Ventures sarl) in 50,000 warrants over ordinary shares in relation to the Company's agreement with SPV Investments Limited ("SPV") pursuant to which SPV previously provided guarantees to certain of the Company's podcast partners. Candy Ventures sarl was a 50% shareholder in SPV. However, these warrants were not awarded in relation to his position as a director of Audioboom.

Directors' remuneration (audited)

The following table shows emoluments paid (or payable) to Directors during the period, applying the average exchange rates (GBP to US\$) used in the financial statements:

	2023			2022
	Salary/fees US\$'000	Bonus US\$'000	Total emoluments US\$'000	Total emoluments US\$'000
Current Directors:				
Brad Clarke	216	32	248	247
Stuart Last	292	43	335	336
Roger Maddock (non-executive)	40	-	40	37
Steven Smith (non-executive)	40	-	40	37
Michael Tobin (non-executive Chairman)	47	-	47	43
	635	75	710	700

Service contracts

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

Pensions and private healthcare

There were pension arrangements in place for Stuart Last with pension contributions of US\$8,505 during the period (2022: US\$7,875), and for Brad Clarke with contributions of US\$6,297 (2022: US\$5,799). There are no private healthcare arrangements in place.

Directors' share interests

The Directors' shareholdings in the Company are set out in the Directors' Report on page 17.

Committee performance evaluation

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

Michael Tobin

Chairman of the Remuneration Committee

12 April 2024

Audit Committee Report

Overview

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

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

The role of the Audit Committee is documented in its terms of reference. Its role of is one of oversight. The Audit Committee has no executive powers with regard to its recommendations and does not relieve the Executive Directors of their responsibilities for these matters.

Composition

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

Audit Committee meetings

The Audit Committee met twice during the period. The attendance of its members at those meetings is set out in the table on page 24. Representatives from the external auditors, Haysmacintyre LLP, and the Executive Directors were invited to attend meetings as required, although the Audit Committee reserves time for discussion without invitees present.

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

Activities of the Audit Committee

Key financial reporting activities

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

Attention is drawn to note 1 of the financial statements (page 42) in respect of going concern considerations.

Other activities

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

- monitoring the Group's working capital, cost controls and cash position and adequacy of available facilities and funding;
- monitoring and updating the identified principal risks and uncertainties facing the business and the measures to mitigate these, including risks associated with minimum guarantee provisions (see pages 11 to 14);
- review and approval of the 2022 audited financial statements;
- review and approval of the 2023 unaudited interim financial statements;

Audit Committee Report

(continued)

- review and approval of the 2023 audit plan; and
- review and approval of the 2023 audited financial statements.

Committee performance evaluation

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

External auditor

Haysmacintyre LLP were first appointed as the Group's external auditor following the Company's re-admission to AIM in 2014. They were last re-appointed at the AGM on 28 April 2023. The Haysmacintyre LLP Senior Statutory Auditor is Christopher Cork and he has fulfilled that role since the 2019 audit.

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

Auditor independence and provision of non-audit services

The Audit Committee reviews with management the engagement of the external auditor for non-audit services and the level of associated non-audit fees. For the period to 31 December 2023, the auditor earned £nil in respect of non-audit fees. The Audit Committee is satisfied as to the independence of the auditor.

Risk management and internal control

The Group's approach to risk management, identified principal risks and the steps taken to manage those risks are outlined on pages 11 to 14.

Roger Maddock

Chair of the Audit Committee

12 April 2024

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

For the year ended 31 December 2023

Opinion

We have audited the financial statements of Audioboom Group plc (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

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

An overview of the scope of our audit

Our audit scope covered all the Group's component, with the scope of the audit testing based on the significance of each component to the Group. We determined the Group to be made up of two significant components, the Company and Audioboom Limited ("Limited") which required full statutory audits, one material component, Austin Advertising Inc ("Austin") and one relevant component, Audioboom Inc ("Inc") which required specific scope testing. Our audit work therefore covered 100% of Group revenue, 84% Group profit and 99% total Group assets and 87% total Group liabilities. It was performed to the materiality levels set out below, with component materiality levels adopted for the relevant subsidiary entities.

We communicated with both the Directors and the Audit Committee our planned audit work via our audit planning report and relevant discussion at the audit planning meeting.

We communicated audit progress with the Audit Committee through interim audit progress meetings. We have communicated any issues to the Audit Committee and the Directors in our final audit findings report.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period 12 months from the date of the signing of the financial statements. The risks that we considered most likely to affect the Group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of trade receivables to cash, growth in revenues, adverse changes in working capital trends, loss-making contracts (including minimum guarantee payments in excess of revenue generated by them) and continued availability of financing facilities. We considered these risks through a review of the application of reasonably foreseeable downside scenarios that could arise with reference to the level of available financial resources indicated by the Group's financial forecasts and management's assessment of these risks, including potential mitigations available. We also considered the Group's access to additional financing facilities and the likelihood of these remaining available over the course of the going concern forecast period.

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

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

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

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
<p>Onerous contracts and accounting treatment of minimum guarantees</p> <p>As at the balance sheet date, the Group has recognised an onerous contract provision in relation to two minimum guarantee contracts. The provision totals US\$7,499k at the balance sheet date which reflects the losses for the contracts being recognised in the financial statements as they exceed revenues expected to be generated over the life of the contracts.</p> <p>There is a risk that provisions relating to onerous contracts are inappropriately calculated and therefore materially misstated in the financial statements, and a further risk that other contracts may be expected to be loss making over their life but not appropriately provided for. This risk is heightened by the reduction in revenue noted within the financial statements when compared to the prior year.</p>	<p>In response to this risk, we performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained and reviewed the relevant contracts to understand the terms of the agreement with the content providers and the period over which the minimum guarantees are calculated and payable. • We verified the arithmetical accuracy and integrity of management's assessment of expected losses arising over the life of onerous contracts. • We reviewed management's assessment of the performance of these contracts to date, and analysed the expected performance for the remainder of the contracts. • We challenged management's calculations for provisions for onerous contracts, including the discount rate applied to the calculations, and critically assessed the weighted average cost of capital used in performing this discounting. • We obtained management's assessment of other significant minimum guarantee contracts and compared this to current and forecasted revenues. We reviewed the process performed by management for forecasting individual contracts. • We critically assessed management's review in line with the International Financial Reporting Standards.
<p>Revenue recognition</p> <p>The Group recognises revenue in respect of the provision of advertising and sponsorship services on its distributed content. There is a risk that revenue has been materially overstated either as a result of fraud or error. The fraud or error is likely to occur in the recognition around year-end and therefore cut-off has been highlighted as a significant risk.</p>	<p>In response to this risk, we performed the following procedures:</p> <ul style="list-style-type: none"> • We assessed the Group's accounting policy for each material revenue stream and performed walkthrough procedures to assess the design and implementation of controls.

Key Audit Matter	How our scope addressed this matter
	<ul style="list-style-type: none"> • We evaluated management's accounting policies in accordance with IFRS 15 to ensure that the revenue recognition policy was in line with IFRS 15. • We performed substantive procedures on a sample of revenue generating transactions and analytical procedures on revenue in total. We formed an expectation of revenue based on cash receipts and obtained an understanding of any reconciling items. • We performed substantive analytical procedures involving a cash to sales reconciliation in both Limited and Austin as well as using data analytics to ensure significant coverage over in year revenue. • We performed substantive cut-off procedures to assess the accuracy of revenue recognised around the reporting date. • We specifically assessed the cut-off implications of the broadcast calendar and challenged management to provide their considerations for the impact on the financial statements.
<p>Going concern</p> <p>The Group has recognised significant losses in the year. The losses have coincided with a significant reduction in revenue to US\$65m (from US\$75m).</p> <p>The Group has also recorded significant cash outflows in the year due to a combination of challenging economic conditions and minimum guarantee payments being required on certain contracts. Cash outflows of US\$4.3m during the year have reduced the Group's cash balance to US\$3.7m at the balance sheet date from US\$8m at the end of the prior year.</p> <p>There is therefore a risk that any uncertainty around the Group's ability to continue as a going concern is material but inadequately disclosed in the financial statements.</p>	<p>In response to this risk, we performed the following procedures:</p> <ul style="list-style-type: none"> • We obtained management's assessment of going concern including cashflow forecasts for the period of at least 12 months from signing of the financial statements. • We critically assessed the assumptions made by management in forming this assessment, considering the historical accuracy of the budgeting process in comparison to actual figures. • We reviewed post year-end performance of the Group, obtained latest bank statements to assess cashflow and performed sensitivity analysis to assess the robustness of the model produced by management. • We challenged management on assumptions around the revenue growth built into the forecasts. • We obtained management's considerations around mitigating measures available to limit the impact of any downturn in performance and assessed the overdraft facility. • We critically assessed the post year-end gross margins and whether they were tracking in line with management forecasts. We considered the impact of the provision accounting post year-end as part of this assessment.

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

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We determined overall materiality for the Group financial statements as a whole to be US\$784,000 being 1.21% of revenue for the year. We considered it appropriate to determine our materiality based on revenue as we consider this to remain as the key metric in assessing the financial performance and position of the Company. We apply a different level of materiality, performance materiality, to determine the extent of our testing and this was set at 65% of the overall financial statements' materiality.

We agreed with the Audit Committee that we would report to it all audit differences in excess of US\$39,200 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on pages 18-19, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and industry, we considered the extent to which non-compliance with laws and regulations could have a material effect on the financial statements. We also identified and considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies (Jersey) Law 1991, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

Use of our report

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

Christopher Cork (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

12 April 2024

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.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	As at 31 December 2023		As at 31 December 2022	
		US\$'000	US\$'000	US\$'000	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 21 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

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)
Principle lease payments	(365)	(269)
Increase in onerous contract provision	7,499	-
Foreign exchange gain / (loss)	831	(1,557)
Cash flows (used in) / from operating activities	(4,536)	3,236
Investing activities		
Purchase of property, plant and equipment	(7)	(29)
Net cash used in investing activities	(7)	(29)
Financing activities		
Proceeds from issue of ordinary share capital	202	1,891
Net cash generated from financing activities	202	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.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital US\$'000	Share premium US\$'000	Issue cost reserve US\$'000	Reverse acquisition reserve US\$'000	Foreign exchange translation reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
At 31 December 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.

Notes to the Financial Statements

For the year ended 31 December 2023

1. Accounting policies

General information and basis of preparation

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

The Group prepares its consolidated financial statements in accordance with International 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.

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.

Notes to the Financial Statements

(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, contract directly with the brand or agency to secure the advertising and confirm 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 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.

Notes to the Financial Statements

(continued)

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

Leases

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

Lease rental payments are split between a reduction in the lease liability and finance cost, with depreciation charges of the right of use asset over its useful economic life recognised as an expense in the Group's income statement. Payments made under operating leases, where the risks and rewards are not transferred to the Group, are recognised as an expense in the income statement.

Cash and cash equivalents

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

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.

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.

Notes to the Financial Statements

(continued)

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.

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.

Notes to the Financial Statements

(continued)

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 on pages 26 to 28.

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 US\$'000	2022 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 US\$'000	2022 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.

Notes to the Financial Statements

(continued)

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

	2023 US\$'000	2022 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
	US\$'000	2023 Thousand	Cents
Basic and diluted EPS			
Loss attributable to equity holders	(19,426)	16,357	(118.8)
	US\$'000	2022 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.

Notes to the Financial Statements

(continued)

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.

Notes to the Financial Statements

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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	2022
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

Notes to the Financial Statements

(continued)

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	2022
	US\$'000	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	2022
	US\$'000	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 these contracts 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 contracts is the revenue share owed to the partner.

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	-

Notes to the Financial Statements

(continued)

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.

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

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.

21. Post balance sheet events

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

Notice of Annual General Meeting

AUDIOBOOM GROUP PLC

(Incorporated and registered in Jersey with registered number 85292)

NOTICE OF ANNUAL GENERAL MEETING 2024

Wednesday, 24 July 2024 at 10.00 a.m.

To be held at

One Bartholomew Close, London EC1A 7BL

Investor Presentation

Shareholders should note that there is no presentation planned for the Annual General Meeting itself. Instead, following positive feedback to online presentations, Stuart Last (Chief Executive Officer) and Brad Clarke (Chief Financial Officer) will provide a live presentation via the Investor Meet Company platform following the planned release of the H1 interim financial results around the time of the AGM. The presentation will be open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9.00 a.m. the business day before the meeting or at any time during the live presentation. Management may not be in a position to answer every question it receives but will address those it can while remaining within the confines of information already disclosed to the market.

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

Audioboom Group plc

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

Notice is given that the annual general meeting of the members of the Company will be held at One Bartholomew Close, London EC1A 7BL on Wednesday 24 July 2024 at 10.00 a.m. to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 4 will be proposed as ordinary resolutions and Resolutions 5 and 6 will be proposed as special resolutions.

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the audited accounts of the Company for the year ended 31 December 2023 together with the report of the auditors thereon.
2. To re-elect Michael Tobin who retires at the meeting and who, being eligible, offers himself for re-election as a director of the Company (each a **Director** and together the **Directors**).
3. To re-appoint haysmacintyre as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

4. That the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Articles of Association of the Company (**Articles**) to exercise all the powers of the Company to allot ordinary shares of no par value in the capital of the Company (**Ordinary Shares**) and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to a maximum of 5,450,000 Ordinary Shares, being approximately one third of the current issued share capital of the Company. The authority conferred on the Directors under this Resolution 4 shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
5. That, subject to the passing of Resolution 5, the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot equity securities (within the meaning of Article 6.6) for cash or otherwise pursuant to the authority conferred by Resolution 4, as if Article 6.3 did not apply to any such allotment, provided that this power, shall be limited to the allotment of equity securities consisting of, or the right to subscribe for, or convert any security into shares in the Company, up to a maximum of 1,637,000 Ordinary Shares, being approximately 10% of the current issued share capital of the Company, and this authority shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
6. That the Company be and is hereby generally and unconditionally authorised to make one or more market purchases of Ordinary Shares pursuant to Article 57 of the Companies (Jersey) Law 1991 as amended (the **Law**) provided that:
 - 6.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 2,450,000 (being approximately 14.99 % of the share capital of the Company in issue as at the date of this document);
 - 6.2 the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1 penny;

Notice of Annual General Meeting

(continued)

- 6.3 the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any Ordinary Share is contracted to be purchased by the Company;
- 6.4 the Directors can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares;
- 6.5 this authority will expire at the conclusion of the next annual general meeting of the Company held after the date on which this resolution is passed or, if earlier, 18 months after that date;
- 6.6 this authority shall only be capable of variation, revocation or renewal by special resolution of the Company; and
- 6.7 the Company may make a contract or contracts to purchase Ordinary Shares under this authority before this authority expires which will or may be executed and completed wholly or partly after its or their expiration and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts after its or their expiration.

By order of the board

[AST Secretaries Limited](#)
Company Secretary

Registered office:
IFC 5
St Helier
Jersey JE1 1ST

Date: 14 June 2024

Notes

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend and (on a poll) vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. Under Jersey law a special resolution requires a two-thirds rather than three quarters majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.
3. Pursuant to Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members registered on the register of members of the Company at close of business on 22 July 2024 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend and vote at the meeting.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact Link Group, the Company's registrar. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
6. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.
8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
9. To appoint a proxy using the proxy form, it must be:
 - 9.1 completed and signed;
 - 9.2 sent or delivered to PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL; and
 - 9.3 received no later than 10.00 a.m. on 22 July 2024.
10. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
11. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Notice of Annual General Meeting

(continued)

Appointment of proxy by joint members

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

Changing proxy instructions

13. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
14. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company.
15. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

16. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
17. The revocation notice must be received by the Company no later than 10.00 a.m. on 22 July 2024.
18. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 19 below, your proxy appointment will remain valid.
19. Appointment of a proxy does not preclude you from attending the meeting and voting in person but you should note that you are strongly discouraged from attending in person this year. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

CREST

20. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 10.00 a.m. on 24 July 2024 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
21. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

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

Proxymity

24. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io.

Your proxy must be lodged by 10:00 a.m. on 22 July 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Total voting rights

25. As at 14 June 2024, the Company's issued share capital comprises 16,376,936 ordinary shares of no par value. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 14 June 2024 is 16,376,936.

Communication

26. Except as provided above, members who have general queries about the meeting should contact Link Group by email at shareholderenquiries@linkgroup.co.uk, or you may call Link on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, contact by post at Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Explanatory Information for the Resolutions

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

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

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

Accordingly, Resolution 4 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares up to a maximum of 5,450,000 ordinary shares. This represents approximately one third of the current total issued ordinary share capital of the Company, in accordance with current guidelines. This authority will expire immediately following the Annual General Meeting in 2025 or, if earlier, 18 months following the Resolution being passed.

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

If the Directors wish to exercise the authority under Resolution 4 and offer shares for cash, the Company's articles of association require that, unless shareholders have given specific authority for the waiver of the contractual pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings. The authority granted at the Company's last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 6 would authorise the Directors to disapply the contractual pre-emption provisions.

This would provide the Directors with a degree of flexibility to act in the best interests of the Company by allotting shares for cash to persons other than pro rata to existing shareholders up to a maximum of 1,637,000 ordinary shares. This represents approximately 10% of the current total issued ordinary share capital of the Company, in accordance with market practice. This authority will expire immediately following the Annual General Meeting in 2025 or, if earlier, 18 months following the Resolution being passed.

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

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

This Resolution is to authorise the Company to buy back up to 2,450,000 ordinary shares. The authority would expire at the conclusion of the 2025 Annual General Meeting or, if earlier, 18 months following the Resolution being passed.

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

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

Action to be taken

You will find enclosed a Form of Proxy for use at the Annual General Meeting. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon. Forms of Proxy should be returned so as to be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and in any event no later than 48 hours before the time appointed for holding the Annual General Meeting. Institutional investors may vote via CREST or by using Proximity – more information on how to vote by these means can be found in the notes to the Notice of AGM.

Recommendation

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

