Audioboom

2022

Audioboom Group plc

Annual Report & Financial Statements

Overview

Audioboom Group plc ("Audioboom") is a global leader in podcasting - our shows are downloaded more than 130 million times each month by 34 million unique listeners around the world. Audioboom is ranked as the fourth largest podcast publisher in the US by Edison Research.

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

Audioboom Studios is home to a slate of content developed and produced by Audioboom, including 'Dark Air with Terry Carnation', 'F1: Beyond The Grid', 'RELAX!', 'Covert', 'It's Happening with Snooki & Joey', 'Mafia', 'Huddled Masses' and 'What Makes A Killer'.

Audioboom operates internationally, with operations and global partnerships across North America, Europe, Asia and Australasia. The platform allows content to be distributed via Apple Podcasts, Spotify, Pandora, Amazon Music, Deezer, Google Podcasts, iHeartRadio, RadioPublic, Saavn, Stitcher, Facebook and Twitter, as well as a partner's own websites and mobile apps.

For more information, visit audioboom.com.

Contents

Audioboom

Directors, Advisers and Officers

Company registration number:	85292
Registered office:	PO Box 264 Forum 4 Grenville Street St Helier Jersey JE4 8TQ
Directors:	Michael Tobin OBE (Non-executive Chairman) Stuart Last (Chief Executive Officer) Brad Clarke (Chief Financial Officer) Roger Maddock (Non-executive Director) Steven Smith (Non-executive Director)
Company secretary:	AST Secretaries Limited
Nominated adviser and broker:	finnCap Limited 1 Bartholomew Close London EC1A 7BL
Solicitors:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Registrar:	Link Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Highlights

For the year ended 31 December 2022

Financial and operating highlights

- 2022 revenue of approximately US$74.9 million, up 24% on 2021 (US$60.3 million)
- Annual adjusted EBITDA[1] profit of approximately US$3.6 million, up 15% on 2021 (US$3.1 million)
- Audioboom's revenue growth of 24% continues to significantly outpace wider market growth of 15%[2]
- Average 2022 global monthly downloads of 117.1 million, up 19% on 2021 (98.2 million)
- Average 2022 monthly brand advertiser count of 5,257, up 60% on 2021 (3,278). Given the significant increase in Showcase revenue in 2022, this KPI (and comparable period) now includes those brands advertising on Showcase, our global advertising marketplace
- 2022 eCPM (revenue per 1,000 downloads) of US$52.88, up 3% on 2021 (US$51.46)
- Group cash at year end of US$8.1 million, up US$5.1 million on 31 December 2021 (US$3.0 million), with a further US$1.8 million available via an undrawn overdraft

Key commercial developments

- Continued strong growth of Showcase, our global tech driven advertising marketplace. Revenue from Showcase in 2022 up 70% on 2021 and contributed more than 15% to Group revenue, up from 11% in the prior year
- Expansion of our creator network through new tier one content partnerships, including *The Tim Dillon Show*, *The Nateland Podcast*, *Myths & Legends*, *Speak The Truth*, *Mea Culpa*, *Kendall Rae*, *Minds of Madness* and *Sinisterhood*
- Multi-year renewals of key creator partnerships, including *Dark History*, *No Such Thing As A Fish*, *Murder Mystery Make-Up*, *The Way I Heard it with Mike Rowe*, *RELAX! with Colleen Ballinger & Erik Stocklin* and *Two Hot Takes*
- In December 2022, Audioboom was announced by Edison Research as the fourth largest podcast publisher in the US for the period October 2021 – September 2022, behind only Spotify, SiriusXM and iHeartMedia

Post year end highlights

- Record audience reach achieved in February 2023, with more than 36 million unique users consuming podcasts through the Audioboom platform
- Average monthly downloads for January and February 2023 of 122.2 million, an increase of 10% over Q4 2022 (110.9 million)
- Showcase delivered record inventory levels with more than 540 million impressions being made available to advertisers, compared to 357 million average monthly available impressions during Q4 2022
- Multi-year renewal of the production, technology and commercial partnership with Formula 1, with Audioboom delivering production, distribution and monetisation services for the official F1 podcasts through to 2025
- Continued expansion of Audioboom's creator network through new content partnerships with top tier podcasts, including *Teachers Off Duty*, *The No Sleep Podcast*, *Your Rich BFF*, *Cup of Justice* and *Usual Disclaimer with Eleanor Neale*
- The Company has currently contracted revenue of more than US$50.0 million for 2023 through advance advertising bookings
- Reflecting the Company's strong performance in recent periods and forecasted future growth, it is the Board's current intention to introduce a progressive dividend policy with a maiden dividend in respect of the current financial year of at least 8 pence share being declared and paid in 2024

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

2 PwC June 2022 Global Entertainment and Media Outlook report states that US podcast advertising revenue was expected to grow by 15% in 2022 relative to 2021

Chairman's Statement

I am pleased to introduce these annual results which reflect upon the Company's continuing growth in 2022, albeit the challenging market conditions of the second half of the year constrained the potential for an even stronger performance.

The resilience of the business model in those conditions was illustrated by 24% top-line growth (well ahead of the projected growth of the wider industry), increased adjusted EBITDA profit and further growth across all of its KPIs and operational areas. This growth 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 not just showing good resilience, but is moving forward, fully primed for further growth across 2023.

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 2023 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
22 March 2023

Chief Executive Officer's Review

Introduction

After a defining year for the business in 2021, I am pleased to report on another year of strong growth with 2022 delivering record revenue, record adjusted EBITDA profit, and record cash generation. We continued on our mission to power podcasting for creators and brands, and in doing so we increased our market share considerably and consolidated our position as the world's leading pure-play podcast publisher. Our platform innovation ensured we were resilient during deteriorating macro-economic and advertising market conditions, and whilst these headwinds ultimately limited our progress I am pleased with our performance and remain confident in our future.

In the first half of 2022 the buoyant market conditions continued, with high advertiser sentiment driving strong demand and high pricing for our content. Audioboom focused on accelerating the supply of advertising inventory to meet this demand, continuing to compete to sign partnership deals with top tier independent creators. During this period our revenue grew by 78% over H1 2021.

The second half of 2022 was significantly different. Global economic headwinds abruptly impacted the advertising market, with brands moving quickly to reduce their marketing budgets - as a result July 2022 was the year's revenue low-point for the business. A slow improvement in market conditions enabled month-to-month growth across the remainder of the year, but we estimate a 20% negative revenue impact due to the challenging operating conditions.

We are confident that the business will deliver further growth and record performance in 2023. The advertising market is weaker than a year ago, but progress so far has been encouraging with more than US$50m of advertising revenue booked for the year, and I am pleased to provide a more detailed update on 2023 later in this report.

Strategy

Audioboom powers podcasting. Our platform connects the world's best podcast creators 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.

Our business model is built on three core beliefs:

1. Podcasting is a creator medium, with low barriers to entry and an open ecosystem in which the authentic voices of independent producers will be successful

2. Podcasting is an advertising supported medium, which has none of the historic limitations of other media that require audiences to pay directly for content

3. Podcasting is a distributed media form in which maximum value is only possible when content is available for consumption across all listening points

The Audioboom platform is fully scalable. Today it handles more than 8,000 content channels, 5,000+ advertisers, and receives more than 130 million episode downloads monthly by a unique audience of more than 34 million. With minimal additional investment, the platform could handle exponentially more podcast channels, advertising campaigns and listeners.

Audioboom's growth strategy continues to focus on the expansion of the content we platform, and the development of tools and products 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, Audioboom's best-practice coaching for ad execution, 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 65% to our top-line in 2022.
- Showcase, an automated tech-driven marketplace launched in 2021, is focused on optimising revenue by monetising back catalogue content and unfilled premium inventory via Dynamic Ad Insertion (DAI). Our ad tech consolidates this large volume of advertising inventory 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. 2022 was a very successful year for Showcase – more than 4 billion advertising impressions were made available in the marketplace, it delivered more than 70% revenue growth, and contributed 15% of the Group's revenue (vs 11% in the prior year).

- Sonic is our brand platform focused on providing tools and services directly to podcast advertisers. The platform enables brands to plan and 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 3 years, and a successful 2022 saw revenue growth of 37% (vs 2021) and a contribution of 20% to Group revenue.

Operating Review

Key Performance Indicators

1. *Average monthly brand advertiser count of 5,257 in 2022, up 60% on 2021 (3,278)*

Brand advertiser count measures Audioboom's active customers across our advertising product and, given the significant increase in Showcase revenue in 2022, this KPI (and comparable period) now includes those brands advertising on Showcase. Key drivers of this KPI growth include: 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; optimal campaign performance with agency campaigns resulting in new agency clients being added.

2. *e-CPM (revenue per 1,000 downloads) in 2022 increased 3% to US$52.88 (2021: US$51.46)*

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 the second half of 2022 by the downturn in the advertising market, having reached a record single-month performance of US$64.64 in May.

3. *Average monthly downloads in 2022 up 19% to 117.1 million (98.2 million in 2021)*

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.

Creator Network

Audioboom successfully expanded its Creator network in 2022, achieving record monthly consumption (global downloads KPI) and recording its highest positions on both Edison Research and Triton Digital's podcast publisher rankers. This was achieved in a highly competitive market, with well-funded competitors including Wondery (Amazon), Sirius XM and Spotify all investing strongly in independent podcast creators to maximise the extremely high advertiser demand the industry was experiencing in the first half of the year.

Indeed, during this period Audioboom lost its largest content partner (Morbid) at the end of its contract as the bidding process for the show reached levels that would have made it significantly loss-making for the Company. Audioboom has taken, and will continue to take, a robust and disciplined approach to providing financial support to creators to seek to ensure that contracts are profitable to the Company.

The development of new partnerships with top tier podcast creators continued to be driven by our strong relationships with Hollywood talent agencies and management companies. Across 2022 we formed exclusive new partnerships with top tier podcasts including *The Tim Dillon Show*, *Nateland*, *Speak The Truth*, *Mea Culpa*, *Sinisterhood*, *Minds of Madness* and *Kendall Rae*.

We also successfully renewed major creator partnerships in 2022 with *Dark History*, *Murder Mystery & Makeup*, *Mike Rowe*, *No Such Thing As A Fish*, *RELAX!*, and *Let's Not Meet*.

Audioboom Studios

In 2022 we continued to develop our in-house production unit with a renewed focus on developing and producing original content for the UK market. New launches in the UK included *Devils in the Dark*, *Glittering A Turd*, *Superpower State*

Chief Executive Officer's Review
(continued)

of Mind and *Killers Cults & Queens*. Creatively, these shows were a success – however, they were not long-term commercial successes due to audience acquisition underperformance and the high costs associated with marketing and launching Original content podcasts.

Our work in Production-as-a-Service was more successful commercially than our Original content development. It also requires less investment risk as development, production and promotional costs are not needed, and thus it will be the key focus of Audioboom Studios moving forward. Production-as-a-Service includes co-production, branded content, ad creative, and production services such as recording, engineering and post-production.

Strong examples of our Production-as-a-Service include our recently renewed partnership with Formula 1, in which we co-produce their official podcasts *F1: Beyond The Grid* and *F1 Nation*. New co–production partnerships launched in 2022 included *National Park After Dark* and *True Crime With Kendall Rae*.

Audioboom Studios' revenue in 2022 was US$2.8 million (growth of 13% over 2021's US$2.4 million) and the unit continues to contribute a more favourable gross margin to the business.

Overview of the Market

Audioboom's position as the world's leading pure-play podcast publisher 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 publishers, Audioboom ranks as 4th for 2021-22, only beaten by Spotify, SiriusXM and iHeartMedia. Edison's list is the only ranker that measures all podcast companies.
- In Triton Digital's US ranker Audioboom is currently the 5th largest publisher in terms of unique audience reach, and during 2022 achieved 4th place on the list.
- Audioboom also ranks as the 3rd largest publisher in Triton's New Zealand, Australian and Canadian rankers.
- Audioboom would rank as the 4th 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.

The market continued to grow in 2022, although was restricted by macro-economic conditions. PwC's Entertainment and Media Outlook report projects podcast industry revenue to have grown by 15% in 2022 – Audioboom's own 24% growth therefore significantly outperforming the market by 60%.

Audioboom has now outperformed the industry's growth in each of the past five years - our average annual outperformance of the industry is 70%.

The clearest and most significant result of this performance is the growth of our market share over this four-year period. In 2017 our market share was 1.9%, growing to 6.3% in 2022.

The podcast market is expected to continue its expansion, albeit tempered by market conditions, with projected growth of 8.1% in 2023 - Audioboom expects to continue to grow at a faster rate than the wider market, further increasing our market share.

2022 saw a lower level of M&A across the industry, with transactions also at a much lower price point than in previous years. Notable corporate activity in 2022 includes:

- Spotify's acquisition of data providers Chartable and Podsights;
- Libsyn's acquisitions of Podcast Ad Reps and Julep Media; and
- Acast's acquisition of Podchaser

Audioboom's business model, structure and financial performance continues to provide strong optionality on our future path. Our global scale and ownership of technology and content production will make us an attractive proposition for major media or technology businesses looking to fast-track a leadership position in podcasting. Alternatively, our profitable business model sees us funded for continued growth and a strong future as the leading independent player in the space. The Board will continue to strive to deliver further shareholder value.

Financial Review

In 2022, the Company recognised record revenue, record adjusted EBITDA and generated US$5.1 million of positive cash flow, consisting of US$3.2 million from operating activities and US$1.9 million from financing activities. The Company continued to take market share from our competitors for the fifth year in a row and we delivered this with our lean efficient headcount of 45 in 2022.

Revenue increased by 24% to US$74.9 million from US$60.3 million in 2021. In 2022, as in the prior year, 96% of Group revenue was generated in the United States - which is the largest and most developed market for podcasting. There was exceptional growth in Showcase revenue which was up 70% year on year, and at Sonic Influencer Marketing, which has trebled its top line revenue in two years to over US$15.0 million.

Group gross margin decreased to 19% in 2022 (2021: 22%) with Audioboom continuing to have a mix of revenue streams, contributing different gross margins. Premium revenue - where advertising is placed on third party podcasts via the Audioboom sales teams - yielded a 16% gross margin as it was impacted by truing up podcast partner minimum guarantee payments, Showcase contributed a 32% gross margin and Audioboom Studios contributed a 27% gross margin. Sonic Influencer Marketing contributes a gross margin of 14% and therefore, given the continued growth of this business, this impacts the overall Group gross margin.

The Company continued to control overheads during the year and we have aligned staff globally to ensure that every employee contributes to the growth of the business. We continue to monitor the cost base closely and align it to the Company's operational demands and this will continue into 2023 as we focus on areas that we believe can drive further revenue growth. Post year end we have reduced our headcount from 45 to 39, in line with the average 2021 headcount.

The Company's overall trading for the period, as measured by adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and before exceptional items), recorded a profit of US$3.6 million, 15% up on the prior year (US$3.1 million).

The total loss before tax for the year was US$0.4 million versus the prior year US$1.7 million profit, mainly due to the higher non-cash share-based payment charge of US$4.4 million related to the awarding of share options during the year. The total comprehensive loss of US$3.0 million (2021: US$7.0 million profit) included a charge of US$0.3 million in relation to the partial unwinding of the deferred tax asset recognised in 2021, which materially inflated the total comprehensive profit in 2021 and can be utilised to offset tax arising on future taxable profits.

The Company generated a cash inflow from operating activities of US$3.2 million (2021: cash outflow of US$0.8 million) as it continued to operate an extremely efficient working capital cycle which is now established in terms of processes built and refined over the last five years. Debtor collections continue to be strong and, over the last three years, collections have averaged 93% of revenue recognised in the year. The implementation of the bespoke podcast advertising booking system in 2018, continued improved cash collection and sustained revenue growth has led to 2022 debtor days of 68 being 26 lower than the 94 reported in 2021. The Company implemented a new accounting system in the year, with Netsuite replacing Xero. We have seen immediate benefits of this implementation with automated debtor chasing and improvements in payment run processes which have both driven further improvements in the working capital cycle. The Company continues to incur very minimal bad debt write offs (US$0.2 million in 2022 and US$0.1 million in 2021) and average payable days remained flat year on year at 55 days in both 2022 and 2021.

The Company ended 2022 with cash of US$8.1 million, US$5.1 million higher than at 31 December 2021 (US$3.0 million). In addition, the Company had access to a US$1.8 million undrawn overdraft with HSBC. Therefore, the Company had access to circa US$9.9 million going into 2023, with the Company being fully funded for its current growth trajectory.

The financial results detailed above are pleasing, especially when set against a challenging market backdrop in H2, and illustrate that the drive to increase revenues whilst maintaining strong cost management is working and should deliver significant shareholder value as the Company continues to take market share in the growing podcast industry.

Chief Executive Officer's Review
(continued)

Outlook

2023 is set to be another positive year for Audioboom. We are still operating in a weakened advertising market, but expect it to recover as the year develops. Brands are continuing to trust podcasting as a key part of their marketing mix, which is highlighted by the US$50 million of advertising revenue that we currently have booked for 2023.

We are ensuring that the business is resilient to any further economic impacts through careful management of our operational costs. In January we implemented a restructure within the Company with a 15% reduction in workforce, and additionally we have successfully renegotiated our third-party ad-tech costs. Combined, these changes will offer significant savings, and alongside our record year-end cash position of US$8.1 million, make us resilient and fit for the future.

We will continue to invest, however, in key revenue-focused areas of the business, primarily the expansion of our advertising sales operation in our key territories of the US and UK in order to grow our Premium customer base beyond the core group of performance-focused or 'direct response' advertisers that have been key to our revenue growth over the past 5 years. Our new investment will build a team focused on the development of a new set of brand-awareness customers. These advertisers are mature brands, with larger global budgets, represented by leading advertising agencies - our renewed investment into our sales operation will enable the business to access these budgets, increase the fill rate of our premium advertising product, develop pricing competition, and optimise our revenue.

Operationally 2023 has started well with further expansion of our Creator Network. Showcase, our tech-based advertising product, is continuing to grow fast - in February we supplied a record 540 million impressions in the marketplace (vs 343 million in December 2022) through a focus on optimising the supply of our advertising inventory. We expect inventory levels to continue to grow throughout the year, with more than 6 billion impressions projected to be made available to advertisers in Showcase during 2023.

Audioboom continues to focus on building the world's leading podcasting business, and I am pleased with the start we have made in 2023. I look forward to the future with 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
22 March 2023

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	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. 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.	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.
Liquidity risk	Whilst the Group's underlying financial performance continues to improve, the funding of its operations and overheads, together with future growth and expansion, all place demand on the Group's overall cash resources. 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. Whilst the Group has made significant progress and generated positive cashflow of US$5.1 million during 2022, consisting of US$3.2 million from operating activities and US$1.9 million from financing activities, there can be no assurance that the Group will be able to maintain this in the event of a revenue downturn to generate positive cashflows in any future period.	Management monitors the Group's financial performance closely with a strong focus on cash control and the Group generated positive cashflow of US$5.1 million in 2022, consisting of US$3.2 million from operating activities and US$1.9 million from financing activities. In addition, to supplement available cash reserves, a £1.5 million overdraft with HSBC was secured in 2022 (and remains undrawn). 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 continued growth. Cash flow modelling, sensitivity testing and business contingency planning have all been completed to make this assessment and will be kept under constant review.
Retention/ attraction of key staff	The Group is highly dependent on key members of the management team. Their services cannot be guaranteed and the loss of their services may have a material adverse effect on the Group's performance. There can be no assurance that the Group will be able to attract and retain all personnel necessary for the future development and operation of the business.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. Audioboom operates a share option scheme which enables employees to become defacto owners of the business and to benefit from continued growth in the Company.

Principal Risks and Uncertainties
(continued)

Risk	Description	Mitigation
Continued growth in content partners	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. 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.	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, in addition to promotional and development budgets. These incentives are appropriately modelled to ensure that only potentially profitable partners are offered such terms.
Ability to monetise the advertising opportunity	Success of the Group's strategy relies heavily on its ability to monetise advertising opportunities. The ability to generate advertising revenue from social and digital media sites is now well established as major companies operating in this space have built up revenues from advertisers who value access to the user groups that are regular visitors to these sites. There can be no assurance that the Group will be successful in continuing to build these revenues if it is exposed to greater competition or suffers lower growth in listens on the platform as well as other factors.	On-going growth in quality content providers, which in turn attracts greater numbers of listens, which in turn attracts brands wanting to advertise on podcasts. The Group has proven that the monetisation of podcasts is a viable advertising opportunity and it works with a growing number of advertising agencies and direct with brands in the UK and the US to continue to build revenues, as well as advertising partnership agreements in Australia, New Zealand and Canada. 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.
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.

Risk	Description	Mitigation
IT infrastructure	Audioboom's platform is hosted externally by Voxnest and Amazon. The Group cannot guarantee that there will not be any disruption in the availability or performance of the platform, or the terms on which it is made available, which could have a material adverse effect on the Group and its business and prospects.	The Voxnest and Amazon cloud infrastructure and distributed content system ensures that many multiple copies of the entire Group's web architecture and growing content library are distributed across multiple nodes of the content distribution network. This ensures that if one node were to fail, then the Group's architecture and content could still be accessed by users via other nodes in the network.
Content	Audioboom provides a platform for third party content. Some of the content may be unsuitable, illegal or defamatory and as such there is a risk that claims may be made against the Group. Audioboom is a provider rather than a publisher and as such should not be liable for content. If, however, Audioboom is held to have published the offending content, that could have a material adverse effect on the Group. Audioboom is aware that music licensing costs may be incurred in the future in respect of music played in podcasts on the platform.	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.
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 22 March 2023 and was signed on its behalf by:

Stuart Last - Chief Executive Officer

Board of Directors

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

	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 2022.

Strategic Report

Details of the Group's strategy and business model during the period and the information that fulfils the requirements of the strategic report can be found in the Strategic Report on pages 3 to 11. 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 18 to 22 forms part of this report.

Results and dividends

The consolidated statement of comprehensive income for the period is set out on page 34. No dividend has been declared or is proposed for the period (2021: 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 12 and 13.

	31 December 2022		31 December 2021	
	Ordinary shares of no par value	**Share options**	Ordinary shares of no par value	Share options
Brad Clarke	**5,000**	**270,000**	–	235,000
Stuart Last	**34,872**	**312,000**	18,417	281,000
Roger Maddock	**346,961[1]**	**–**	346,961[1]	–
Steven Smith[2]	**4,764**	**–**	4,764	–
Michael Tobin[3]	**714,859**	**–**	323,515	–

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 2022. In addition, Nick Candy, a director and 90% shareholder of Candy Ventures sarl, is 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 guarantees by SPV Investments Limited (see note 16 to the financial statements)

3 during the period, Michael Tobin exercised 300,000 warrants to subscribe for ordinary shares which were granted on his appointment to the Board. In addition, Michael Tobin exercised 50,000 warrants to subscribe for ordinary shares in connection with the provision of guarantees by SPV Investments Limited (see note 16 to the financial statements)

Further details in respect of the share options and warrants held by Directors are set out in the Remuneration Committee Report on pages 23 to 26.

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]	14.8%
Mark Horrocks and family interests	6.0%
Herald Investment Management Limited	5.6%
Nashida Islam Bonnier	5.4%
Michael Tobin	4.4%

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

Employee involvement

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

Financial risk management objectives and policies

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

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Group ended the year with access to US$8.1 million of cash and a £1.5 million HSBC overdraft remaining available to draw down. The Board's forecasts for the Group, including due consideration of the business forecasting continuing positive EBITDA in 2023, projected increase in revenues and cash utilisation of the Group and taking account of reasonably possible adverse changes in trading performance, including changes outside of expected trading performance, indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond. 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

Whilst the Company's typical terms of business do not include change of control provisions, a small number of contracts enable the counterparties to alter or terminate those arrangements in the event of a change of control of the Company. However, none of those contracts are considered material in the context of the Company as a whole.

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

Directors' indemnity and insurance

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

Directors' Report
(continued)

Directors' responsibility statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with 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.

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
22 March 2023
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 2022 and since the period end, the following key governance matters were addressed, amongst others:

- Review and update of the delegation of Board authority
- Board self-evaluation process
- Executive management remuneration review – setting and monitoring performance targets
- Seeking clarity around the holdings (and disclosure thereof) of certain significant 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 3 to 11.

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

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

Role of Chairman and Chief Executive Officer

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

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

Board processes

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

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

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

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

Risk management and internal control

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

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

A summary of the current principal risks and uncertainties is set out in the section of that name in the Strategic Report on pages 9 to 11. Risks facing the Group will continue to be evaluated at each Board and Audit Committee meeting. Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Corporate Governance Report
(continued)

Composition of the Board

The Board currently comprises five Directors. Further detail on the Directors and independence of the Board are included on pages 12 and 13 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 27 to 28.

Remuneration Committee

The report of the Remuneration Committee is set out on pages 23 to 26.

Nominations Committee

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

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

Directors' attendance record

The following table provides details of attendance by Directors (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	13	13				
Stuart Last	13	13				
Roger Maddock	13	13	2	2	2	2
Steven Smith	13	11	2	1	2	1
Michael Tobin	13	13	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 Governance Report
(continued)

Corporate culture

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

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

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

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

The role of shareholders

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

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

The Board encourages 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 21. 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, £30,000 per annum for non-executive Directors and £35,000 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, as noted further below, on his appointment to the Board on 1 September 2018, Michael Tobin was granted warrants over ordinary shares.

Implementation of the policy

Salary

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

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

There was no increase in non-executive Director fees in the period, however, following a benchmark review (and noting that these had not been increased since the Company's re-admission to AIM in 2014), these fees have been increased for the current year.

Remuneration Committee Report
(continued)

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 an initial 50 per cent linked to meeting internal and market expectations in respect of revenue and adjusted EBITDA, a further 50 per cent linked to outperformance, and a potential additional 50 per cent to further incentivise and reflect exceptional outperformance.

The bonuses awarded to the Executive Directors in respect of the period in review equated to 25 per cent of respective base annual salaries.

Revised bonus parameters have been established for 2023. These would require specific outperformance of market expectations before any revenue/EBITDA related bonus would accrue. Additionally, up to 25% of base annual salary may be earned as a bonus for meeting targets in respect of a number of other criteria which are considered important to the operation of the business.

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. 29,000 options were exercised by Stuart Last and 25,000 options were exercised by Brad Clarke during the year. No options granted to Directors lapsed or were forfeited during the period under review.

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

	Share options	Exercise price	Grant date	Latest exercise date
Brad Clarke	65,000	£2.40	1 September 2018	1 September 2028
	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
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

1 options granted prior to being appointed as a Director

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

Warrants

On his appointment to the Board on 1 September 2018, Michael Tobin was granted 300,000 warrants ('Warrants') over ordinary shares. Following a subsequent amendment to their terms, a first tranche of 100,000 Warrants became exercisable at a price of £1.30 per share after six months from the date of grant and for five years thereafter. A second tranche of 100,000 Warrants vested when the Company's share price exceeded £3.30 for 60 days within a rolling six-month period. The second tranche Warrants became exercisable at a price of £3.30 per share from six months after vesting and for five years from that date. A third tranche of 100,000 Warrants vested when the Company's share price exceeded £5.30 for 60 days within a rolling six-month period. The third tranche Warrants became exercisable at a price of £5.30 per share from six months after vesting and for five years from that date. During the period, Michael Tobin exercised all of these Warrants.

In addition, Michael Tobin and Steven Smith are taken to be interested in further warrants over ordinary shares in relation to the Company's agreement with SPV Investments Limited ("SPV") pursuant to which SPV previously provided guarantees to certain of the Company's podcast partners, as described further in note 16 to the financial statements. However, these warrants were not awarded in relation to their position as directors of Audioboom. During the period, Michael Tobin exercised the warrants in which he was interested.

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:

	2022			2021
	Salary/fees US$'000	**Bonus US$'000**	**Total emoluments US$'000**	Total emoluments US$'000
Current Directors:				
Brad Clarke	**199**	**48**	**247**	392
Stuart Last	**270**	**66**	**336**	479
Roger Maddock (non-executive)	**37**	**–**	**37**	41
Steven Smith (non-executive)	**37**	**–**	**37**	41
Michael Tobin (non-executive Chairman)	**43**	**–**	**43**	48
	586	**114**	**700**	1,001

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$7,875 during the period (2021: US$6,300), and for Brad Clarke with contributions of US$5,799 (2021: US$5,157). 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 14.

Remuneration Committee Report
(continued)

Committee performance evaluation

Post period-end, the operation and performance of the Remuneration Committee were considered by the Board as a component of its self-evaluation process. No material areas of concern were raised, although it was noted that the appointment of a new non-executive Director with experience of the US podcast market would be beneficial in contributing to discussions around executive incentivisation and remuneration. 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
22 March 2023

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 21. 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 39) in respect of going concern considerations.

Other activities

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

- monitoring the Group's working capital and cash position and adequacy of available facilities and funding;
- monitoring and updating the identified principal risks and uncertainties facing the business and the measures to mitigate these (see pages 9 to 11);
- review and approval of the 2021 audited financial statements;
- review and approval of the 2022 unaudited interim financial statements;

Audit Committee Report
(continued)

- review and approval of the 2022 audit plan; and
- review and approval of the 2022 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 18 July 2022. The Haysmacintyre LLP Senior Statutory Auditor is Christopher Cork and he has fulfilled that role since the 2019 audit, following a rotation due to the previous incumbent's length of tenure.

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

Auditor independence and provision of non-audit services

The Audit Committee reviews with management the engagement of the external auditor for non-audit services and the level of associated non-audit fees. For the period to 31 December 2022, 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 9 to 11.

Roger Maddock
Chair of the Audit Committee
22 March 2023

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

For the year ended 31 December 2022

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 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2022 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 components. Our audit work therefore covered 100% of Group revenue, Group profit and total Group assets and 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.

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 and loss-making contracts including minimum guarantee payments in excess of revenue generated by them. 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.

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.

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

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
Onerous contracts and accounting treatment of minimum guarantee As at the balance sheet date, the Group has made additional payments to content providers over and above revenue share rates to meet minimum guarantee commitments. Where additional payments have been recognised as a deferred cost of sale asset, there is a risk that the corresponding asset is materially overstated if revenue generation relating to this contract does not substantially increase. The risk is heightened by the fact that revenue generation in the latter periods of this contract is subject to uncertainty. There is a further risk that material onerous contract provisions should be recognised in relation to any deficit that is not expected to be recouped in later periods.	In response to this risk, we performed the following procedures: • 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. • Considered the Group accounting policy in relation to the treatment of the minimum guarantee payments to assess whether in line with the relevant accounting standards. • Challenged management's assessment for the recoverability of any material minimum guarantee assets. We verified inputs to historical trends where possible and critically assessed the assumptions built into the model by comparing to other similar contracts. • For contracts where minimum guarantee payments had been required without supporting revenue, we reviewed management's assessment pertaining to whether a provision for an onerous contract was required. We reviewed such assessments by considering the reasonableness of management's assumptions around future download growth and advertising rates in conjunction with the relevant accounting standards.
Revenue recognition The Group recognises revenue in respect of the provision of advertising and sponsorship services on its distributed content. There is a risk that revenue has been materially misstated either as a result of fraud or error.	In response to this risk, we performed the following procedures: • Assessed the Group's accounting policy for each material revenue stream and performed walkthrough procedures to assess the design and implementation of controls. • Evaluated management review controls in respect of revenue recognition. • Performed substantive procedures on a sample of revenue generating transactions and analytical procedures on the balance in total. • Performed substantive cut-off procedures to assess the accuracy of revenue recognised around the reporting date.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We determined overall materiality for the Group financial statements as a whole to be US$900,000 being 1.18% of revenue for the year. We considered it appropriate to determine our materiality based on revenue as we consider this to be the key metric in assessing the financial performance and position of the Company. We apply a different level of materiality, performance materiality, to determine the extent of our testing and this was set at 75% of the overall financial statements' materiality.

We agreed with the Audit Committee that we would report to it all audit differences in excess of US$45,000 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.

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 16, 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.

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
22 March 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 US$'000	2021 US$'000
Continuing operations			
Revenue	2	**74,879**	60,317
Cost of sales		**(60,667)**	(47,066)
Gross profit		**14,212**	13,251
Other income – forgiven loan liability		**374**	–
Administrative expenses		**(14,909)**	(11,452)
Adjusted operating profit		**3,591**	3,133
– Share based payments	17	**(4,358)**	(1,174)
– Depreciation		**(47)**	(55)
– Depreciation – leases	14	**(250)**	(252)
– Operating foreign exchange gain		**1,141**	163
– Contract settlement	19	**(400)**	–
– Restructuring costs		**–**	(16)
Operating (loss) / profit	3	**(323)**	1,799
Finance costs	6	**(106)**	(87)
(Loss) / profit before tax		**(429)**	1,712
Taxation on continuing operations	7	**(328)**	5,275
(Loss) / profit for the financial period attributable to equity holders of the parent		**(757)**	6,987
Other comprehensive (loss) / profit			
Foreign currency translation difference		**(2,233)**	6
Total comprehensive (loss) / profit for the period		**(2,990)**	6,993
(Loss) / profit per share from continuing operations			
Basic and diluted EPS	8	**(4.7) cents**	–
Diluted EPS	8	**–**	40 cents
Basic EPS	8	**–**	45 cents

All results for both periods are derived from continuing operations.

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	As at 31 December 2022 US$'000	As at 31 December 2022 US$'000	As at 31 December 2021 US$'000	As at 31 December 2021 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	**59**		77	
Right of use asset	14	**329**		576	
Deferred tax asset	7	**3,609**		4,650	
			3,997		5,303
Current assets					
Trade and other receivables	11	**16,013**		18,147	
Cash and cash equivalents		**8,067**		2,969	
Deferred tax asset	7	**805**		625	
			24,885		21,741
TOTAL ASSETS			**28,882**		27,044
Current liabilities					
Trade and other payables	12		**(10,614)**		(12,167)
Provision	19		**(400)**		–
Lease liability	14		**(278)**		(269)
NET CURRENT ASSETS			**13,593**		9,305
Non-current liabilities					
Lease liability	14		**(80)**		(358)
NET ASSETS			**17,510**		14,250
EQUITY					
Share capital	13		**–**		–
Share premium	13		**62,902**		61,011
Issue cost reserve			**(2,048)**		(2,048)
Foreign exchange translation reserve			**(2,502)**		(270)
Reverse acquisition reserve			**(3,380)**		(3,380)
Retained earnings			**(37,462)**		(41,063)
TOTAL EQUITY			**17,510**		14,250

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 22 March 2023 and were signed on its behalf by:

Brad Clarke
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Notes	2022 US$'000	2021 US$'000
(Loss) / profit from continuing operations		**(757)**	6,987
(Loss) / profit for the period		**(757)**	6,987
Adjustments for:			
Tax charge / (credit)		**328**	(5,275)
Interest payable		**106**	87
Depreciation of fixed assets		**47**	55
Share based payments		**4,358**	1,174
Decrease / (increase) in trade and other receivables		**2,134**	(10,120)
(Decrease) / increase in trade and other payables		**(1,154)**	6,712
Decrease in lease liability		**(269)**	(348)
Foreign exchange loss		**(1,557)**	(80)
Cash flows from operating activities		**3,236**	(808)
Investing activities			
Purchase of property, plant and equipment		**(29)**	(43)
Net cash used in investing activities		**(29)**	(43)
Financing activities			
HSBC loan proceeds	12	**–**	374
Proceeds from issue of ordinary share capital		**1,891**	189
Net cash generated from financing activities		**1,891**	563
Net increase / (decrease) in cash and cash equivalents		**5,098**	(288)
Cash and cash equivalents at beginning of period		**2,969**	3,257
Cash and cash equivalents at end of period		**8,067**	2,969

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 2022

	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 2020	–	60,822	(2,048)	(3,380)	(276)	(49,224)	**5,894**
Profit for the period	–	–	–	–	–	6,987	**6,987**
Issue of shares	–	189	–	–	–	–	**189**
Equity-settled share-based payments	–	–	–	–	–	1,174	**1,174**
Foreign exchange gain on translation of overseas subsidiaries	–	–	–	–	6	–	**6**
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**

Share premium

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

Issue cost reserve

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

Reverse acquisition reserve

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

Foreign exchange translation reserve

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

Notes to the Financial Statements

For the year ended 31 December 2022

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 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

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 2023 or later years and which the Group has decided not to adopt early:

- IFRS 17: Insurance Contracts (effective for periods commencing on or after 1 January 2023);
- 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).

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

Key accounting policies

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Group ended the year with access to US$8.1 million of cash and a £1.5 million HSBC overdraft remaining available to draw down. The Board's forecasts for the Group, including due consideration of the business forecasting continuing positive EBITDA in 2023, projected increase in revenues and cash utilisation of the Group and taking account of reasonably possible adverse changes in trading performance, including changes outside of expected trading performance, indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond. 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
- Sponsorship income: the value of goods and services is recognised over the time to which it relates
- Sale of subscriptions: the value of goods and services is recognised across the period of subscription

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

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

Content partner minimum revenue guarantees

In order to attract and retain leading podcast partners, the Group offers certain partners minimum revenue guarantees ("MG") over the life of the agreement between the parties. The MG offers guaranteed revenue over the life of the agreement in the form of monthly payments and/or an upfront advance payment, which is then recouped over the life of the agreement, thus reducing future expected payments proportionally. The MGs provided secure the right of access to future content and therefore

Notes to the Financial Statements
(continued)

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.

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 2022, with comparative information presented for the year ended 31 December 2021. 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.

Notes to the Financial Statements
(continued)

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.

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.

2. Revenue

	2022 US$'000	2021 US$'000
Subscription	**479**	504
Advertising	**74,400**	59,813
	74,879	60,317

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.

Notes to the Financial Statements
(continued)

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:

	2022 US$'000	2021 US$'000
United Kingdom	**3,327**	2,536
USA	**71,552**	57,781
	74,879	60,317

The Group invoiced two customers who each represented more than 10% of the reported revenue and in aggregate 31% of the total invoiced.

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

3. Operating profit

	2022 US$'000	2021 US$'000
Operating profit for the period has been arrived at after charging the following:		
Depreciation of property, plant & equipment	**47**	55
Operating foreign exchange gain	**1,141**	163
Staff costs (refer to note 5 for detail)	**11,039**	7,599

4. Auditor's remuneration

	2022 US$'000	2021 US$'000
Audit services		
Fees for the audit of the consolidated annual financial statements and the audit of the Company's subsidiaries pursuant to legislation	**98**	89
	98	89

5. Staff costs

	2022 Number	2021 Number
Average number of production, editorial and sales staff	**34**	29
Average number of management and administrative staff	**11**	8
	45	37

	US$'000	US$'000
Wages and salaries	**5,469**	5,900
Social security costs	**794**	419
Pension costs (defined contribution scheme)	**418**	290
Share based payments	**4,358**	990
	11,039	7,599

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 23 to 26.

6. Finance costs

	2022 US$'000	2021 US$'000
Depreciation – lease interest (see note 14)	**87**	87
Overdraft arrangement fee	**19**	–
	106	87

The Company has a £1.5 million overdraft facility with HSBC and this was not utilised as at the date of this report.

Notes to the Financial Statements
(continued)

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:

	2022 US$'000	2021 US$'000
(Loss) / profit on ordinary activities before tax	**(429)**	1,712
Tax at UK corporation tax rate of 19.00% (2021: 19.00%)	**(82)**	325
Expenses not deductible for tax purposes	**7**	8
Utilisation of tax losses brought forward	**(385)**	(5,765)
Effect of share-based payments	**788**	157
Tax charge / (credit) and effective tax rate for the period	**328**	(5,275)

	2022 US$'000	2021 US$'000
Current tax		
Foreign tax charge on profits in the year	**33**	–
Deferred tax charge / (credit)	**295**	(5,275)
Tax charge / (credit) recognised in the consolidated statement of income	**328**	(5,275)

The Group has carried forward UK losses amounting to US$26.7 million as of 31 December 2022 (2021: US$31.9 million). The gross amount of losses upon which the deferred tax asset has been recognised amounts to US$17.9 million (2021: US$22.5 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.

In March 2021 a change to the future corporation tax rate was substantively enacted to increase from 19% to 25% from 1 April 2023. Accordingly, the rate used to calculate the deferred tax balances at 31 December 2022 is 25% as the timing of the release of this asset is materially expected to be after this date.

There was a deferred tax liability of US$nil (2021: US$nil).

	2022 US$'000	2021 US$'000
Deferred tax asset at beginning of period	**5,275**	–
Utilisation of tax losses	**(295)**	–
Foreign exchange effect	**(566)**	–
Total deferred tax asset	**4,414**	5,275

	2022 US$'000	2021 US$'000
Deferred tax current asset (unutilised tax losses)	**805**	625
Deferred tax non-current asset (unutilised tax losses)	**3,609**	4,650
Total deferred tax asset	**4,414**	5,275

8. Loss per share

Basic earnings per share is calculated by dividing the profit 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) / Profit	Weighted average number of shares	Per share amount
		2022	
	US$'000	**Thousand**	**Cents**
Basic and diluted EPS			
Loss attributable to equity holders	**(757)**	**16,192**	**(4.7)**
		2021	
	US$'000	Thousand	Cents
Basic EPS			
Profit attributable to equity holders	6,987	15,695	45
Diluted EPS			
Profit attributable to equity holders	6,987	17,353	40

Notes to the Financial Statements
(continued)

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 2020	26	223	3	124	376
Additions	–	43	–	–	43
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
Depreciation					
At 31 December 2020	14	160	3	109	286
Charge for the period	4	34	–	17	55
Foreign exchange effect	1	2	–	(2)	1
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
Net book value					
At 31 December 2020	12	63	–	15	90
At 31 December 2021	7	70	–	–	77
At 31 December 2022	1	49	–	9	59

10. Subsidiaries

As at 31 December 2022, Audioboom Group plc held more than 20% of the share capital of the following companies:

	Registered office	Class of shares	% held by parent
Audioboom Limited	57 Southwark Street, City Bridge House, Southwark, SE1 1RU	Ordinary	100%
Audioboom Inc.	251 Little Falls Drive, Wilmington, Delaware 19808, USA	Ordinary	100%
Austin Advertising Inc.	1013 Centre Road, Suite 403S, Wilmington, Delaware 19805, USA	Ordinary	100%

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

11. Trade and other receivables

	2022 US$'000	2021 US$'000
Amounts receivable for the sale of goods and services	**13,966**	15,483
Allowance for doubtful debts	**(325)**	(131)
Net receivables	**13,641**	15,352
Deferred cost of sales relating to minimum guarantee payments	**93**	–
Other receivables	**237**	254
Prepayments and accrued income	**1,923**	2,456
Taxes recoverable	**119**	85
	16,013	18,147

The average credit period taken on sales of goods and services is 68 days (2021: 94 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$2.3 million (2021: US$2.5 million) which are past due at the reporting date.

In addition, US$0.1 million (2021: US$nil) 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. The Company expects to recoup these payments over the life of the contract.

Having considered the Group's exposure to bad debts and the probability of default by customers, no expected credit losses have been recognised in accordance with IFRS 9 (2021: US$nil).

Accrued income carried forward into 2023, that will reverse fully in 2023, is US$0.6 million (2021: US$2.0 million).

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**	**42**	**65**	**191**	**325**

As at 31 December 2021 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	0.2%	3%	0%	0.5%	
Gross carrying amount	5,265	4,349	3,397	2,472	15,483
Loss provision	10	109	–	12	131

Notes to the Financial Statements
(continued)

12. Trade and other payables

	2022 US$'000	2021 US$'000
Current liabilities		
Trade payables	**5,932**	7,653
Other taxes and social security	**37**	77
Accruals	**4,522**	3,880
Other payables	**123**	183
Loan liability	**–**	374
Trade and other payables due within less than one year	**10,614**	12,167

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 54 days (2021: 55 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.

On 17 February 2021, Audioboom Inc received a US$374,000 Paycheck Protection Program loan from HSBC Bank USA operating under the US Small Business Administration where financial support is given to US domiciled companies during the Covid-19 pandemic. The loan has now been forgiven and does not need to be repaid and has been included in other operating income in the consolidated statement of comprehensive income.

13. Stated capital account

	No. of shares	Share capital US$'000	Share premium US$'000
At 31 December 2020	**15,674,494**	**–**	**60,822**
Shares issued in the period			
Share options exercised	93,523	–	189
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**

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

14. Right of use asset leases

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

	Office Lease Total US$'000
At 31 December 2020	822
Depreciation expense	(252)
Foreign exchange	6
At 31 December 2021	576
Depreciation expense	**(250)**
Foreign exchange	**3**
At 31 December 2022	**329**

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

	2022 US$'000	2021 US$'000
Balance at 1 January	**627**	888
Payment of lease liabilities	**(356)**	(348)
Imputed lease interest costs	**87**	87
Balance at 31 December	**358**	627
Current	**278**	269
Non-current	**80**	358

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

	2022 US$'000	2021 US$'000
Depreciation expense of right of use assets	**250**	252
Interest expense on lease liabilities	**87**	87
Total amount recognised	**337**	339

The Company recorded total cash outflows for leases of US$442,000 in 2022 (2021: US$435,000).

The following are the total value of the commitments on an undiscounted basis:

	2022 US$'000	2021 US$'000
Under one year	**365**	356
One to five years	**109**	474
Total value of commitments	**474**	830

Notes to the Financial Statements
(continued)

15. Operating lease arrangements

	2022 $'000	2021 $'000
The Group as lessee		
Lease payments under operating leases recognised as an expense in the year	**94**	78

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Under one year	**110**	73
	110	73

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.

Content funding facility

On 17 June 2019, the Company agreed a content funding facility with SPV Investments Ltd ('SPV), a special purpose vehicle. SPV was established and owned equally by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder. The SPV was established to provide minimum revenue guarantees of up to US$4 million to certain leading new and existing content partners of the Company. Under its terms Audioboom would pay the SPV 8% of the net advertising revenue (after paying the content partner its share) received by Audioboom, in relation to those podcasts. The underlying providers of the guarantees were to be granted 25,000 warrants to subscribe for ordinary shares in the Company for every US$1 million of guarantee provided, subject to a maximum of 100,000 warrants. The exercise price of all warrants associated with the SPV content funding facility is £3.30 per ordinary share each, with such warrants being exercisable for five years from grant. A total of 100,000 warrants have been issued pursuant to the facility, which is the maximum number of warrants being capable of issue in this regard. 50,000 warrants belonging to Candy Ventures sarl remain outstanding following Michael Tobin exercising 50,000 warrants in the period. The facility subsequently expired in January 2022.

US$4 million loan facility

In February 2020, the Company announced a US$4 million secured loan facility arrangement (the "Facility") with SPV. The Facility attracted interest at a rate of 8 per cent. per annum on drawn down funds, together with a US$80,000 arrangement fee payable on the first draw down, equivalent to 2 per cent. of the full US$4 million available under the Facility. The Facility was secured against the assets of Audioboom Limited. US$0.7 million was drawn down and repaid in full in 2020 (including interest and loan arrangement fees amounting to US$113,000). The Facility subsequently expired in February 2022.

Warrant exercises

During the year, the Company's Chairman, Michael Tobin, exercised 350,000 warrants. 300,000 warrants were granted to him upon becoming Chairman in 2018 and he exercised 100,000 at an exercise price of £1.30, 100,000 at an exercise price of £3.30 and 100,000 at an exercise price of £5.30. A further 50,000 were granted as per the terms of the content funding facility detailed above, and were exercised at a price of £3.30.

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:

	2022		2021	
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of period	**1,147,213**	**2.650**	1,038,737	1.822
Granted during the period	**442,831**	**15.550**	202,000	6.379
Forfeited/lapsed during the period	**(7,000)**	**7.693**	–	–
Exercised during the period	**(179,402)**	**1.646**	(93,524)	1.504
Outstanding at end of period – time vesting based	**753,968**	**5.420**	725,213	1.967
Outstanding at end of period – performance vesting based	**649,674**	**8.483**	422,000	3.825
Total outstanding at end of period	**1,403,642**	**6.838**	1,147,213	2.650
Exercisable at end of period	**926,591**	**4.587**	840,213	2.118

The options outstanding at 31 December 2022 had a weighted average exercise price of £6.838, and an average remaining contractual life of 7 years. The inputs into the Black-Scholes model are as follows:

	2022	2021
Weighted average share price	**£15.550**	£7.867
Weighted average exercise price	**£15.550**	£7.867
Expected volatility	**63%**	85%
Expected life	**10 years**	10 years
Risk-free rate	**2.39%**	0.5%
Expected dividend yield	**0%**	0%

Notes to the Financial Statements
(continued)

Expected volatility was determined by assessing the share price volatility from the current and prior year. The Group recognised total expenses of US$4.358 million related to equity-settled share-based payment transactions for the year ended 31 December 2022 (31 December 2021: US$1.174 million).

	2022 US$'000	2021 US$'000
Share option charge	**4,358**	990
Warrant charge	**–**	184
	4,358	1,174

At the period end, the Company had in issue outstanding share warrants for a total of 170,000 shares (2021: 520,000 shares) with a weighted average exercise price of £2.74 (2021: £3.12). All 170,000 (2021: 520,000) of the warrants were exercisable at the period end.

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 2022, US$0.1 million (2021: US$nil) is included within trade and other receivables and relates to deferred cost of sales relating to podcast partner contractual minimum guarantee payments. These are payments which were made to a podcast partner with a multi-year contract during the year due to revenue shares earned being lower than the contractual minimum guaranteed amount. The Company expects to recoup these payments over the life of the contract.

	2022 US$'000	2021 US$'000
MG expenditure committed in 12 months or less	**24,348**	8,279
MG expenditure committed in more than 12 months	**23,408**	3,454
Total MG amount committed to expenditure	**47,756**	11,733

Included within the above minimum guarantees are:

	2022 US$'000	2021 US$'000
MG amount that is backed by the SPV content funding facility	**–**	73
MG amount available in SPV content funding facility	**–**	3,927
Total SPV content funding facility (see note 16)	**–**	4,000

19. Contract settlement

A provision of US$0.4 million has been made in relation to a disputed contract with a third party podcast partner which had a minimum guarantee within the contractual terms. US$0.4 million has been recognised as an expense in the comprehensive statement of consolidated income. There were no previous provisions or other amounts charged or used in the current or prior period. The provision represents the lower of the cost of fulfilling the original contract and any compensation arising from the disputed contract. It represents the best and most realistic estimate of the total expected costs to be incurred.

20. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. As at the period end, the Group did not have any external borrowings and was not subject to externally imposed capital requirements. In February 2020, the Company secured a US$4 million debt facility with two related parties (see note 16) which expired in February 2022. On 14 April 2022 the Company secured a £1.5 million overdraft with HSBC which remains undrawn.

Categories of financial instruments

	2022 US$'000	2021 US$'000
Loans & receivables		
Trade and other receivables	**13,878**	15,605
Cash and cash equivalents	**8,067**	2,969
Financial liabilities at amortised cost		
Trade and other payables	**6,054**	7,837

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.

Notes to the Financial Statements
(continued)

Credit risk management

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

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. Please refer to note 11 for more detail on the trade receivables collection period.

The ageing of trade receivables (US$'000s) as at 31 December 2022 was:

Current	Over 30 days	Over 60 days	90 days +	Total
US$5,334	US$4,227	US$2,148	US$2,258	US$13,966
38%	30%	15%	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.

AUDIOBOOM GROUP PLC

(Incorporated and registered in Jersey with registered number 85292)

NOTICE OF ANNUAL GENERAL MEETING 2023

Friday, 28 April 2023 at 8.30 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 on 19 April 2023 at 3.00 p.m. following the planned release of the Q1 trading update. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9.00 a.m. the 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.

Notice of Annual General Meeting

Audioboom Group plc

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

Notice is given that the annual general meeting of the members of the Company will be held at One Bartholomew Close, London EC1A 7BL on Friday 28 April 2023 at 8.30 a.m. to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 5 will be proposed as ordinary resolutions and Resolutions 6 and 7 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 2022 together with the report of the auditors thereon.

2. To re-elect Stuart Last 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-elect Steven Smith who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

4. 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

5. 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 5,440,000 Ordinary Shares, being approximately one third of the current issued share capital of the Company. The authority conferred on the Directors under this Resolution 5 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.

6. 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 5, 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 1,632,000 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.

7. 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:

   7.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 2,446,000 (being approximately 14.99 % of the share capital of the Company in issue as at the date of this document);

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

7.3 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;

7.4 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;

7.5 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;

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

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

By order of the board

AST Secretaries Limited
Company Secretary

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

Date: 28 March 2023

Notice of Annual General Meeting
(continued)

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 26 April 2023 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 8.30 a.m. on 26 April 2023.

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

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

Appointment of proxy by joint members

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

Changing proxy instructions

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

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

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

Termination of proxy appointments

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

17. The revocation notice must be received by the Company no later than 8.30 a.m. on 26 April 2023.

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 8.30 a.m. on 28 April 2023 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.

Notice of Annual General Meeting
(continued)

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.

Total voting rights

24. As at 28 March 2023, the Company's issued share capital comprises 16,320,711 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 28 March 2023 is 16,320,711.

Communication

25. 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, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Explanatory Information for the Resolutions

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

Authority of Directors to allot shares (Resolution 5 – 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 5 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 5,440,000 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 2024 or, if earlier, 18 months following the Resolution being passed.

Disapplication of pre-emption rights (Resolution 6 – special resolution)

If the Directors wish to exercise the authority under Resolution 5 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 1,632,000 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 2024 or, if earlier, 18 months following the Resolution being passed.

Authority for the Company to purchase its own shares (Resolution 7 – 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 2,446,000 ordinary shares. The authority would expire at the conclusion of the 2024 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.

Recommendation

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

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