

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41795

PODCASTONE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

35-2503373

(I.R.S. Employer
Identification No.)

345 North Maple Drive Suite 295
Beverly Hills, CA

(Address of principal executive offices)

90210

(Zip Code)

(310) 858-0888

(Registrant's telephone number, including area code)

n/a

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.00001 par value per share	PODC	The NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant is required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 11, 2025, there were 26,412,297 shares of the registrant's common stock, \$0.00001 par value per share, issued and outstanding.



PODCASTONE, INC.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I — FINANCIAL INFORMATION</u>	<u>F-1</u>
Item 1. Financial Statements	<u>F-1</u>
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>1</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>13</u>
Item 4. Controls and Procedures	<u>13</u>
<u>PART II — OTHER INFORMATION</u>	<u>15</u>
Item 1. Legal Proceedings	<u>15</u>
Item 1A. Risk Factors	<u>15</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>17</u>
Item 3. Defaults Upon Senior Securities	<u>18</u>
Item 4. Mine Safety Disclosures	<u>18</u>
Item 5. Other Information	<u>18</u>
Item 6. Exhibits	<u>19</u>
Signatures	<u>20</u>

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

	Page
Condensed Consolidated Balance Sheets as of June 30, 2025 (unaudited) and March 31, 2025	F-2
Condensed Consolidated Statements of Operations for the three months ended June 30, 2025 and 2024 (unaudited)	F-3
Condensed Consolidated Statement of Stockholders' Equity for the three months ended June 30, 2025 and 2024 (unaudited)	F-4
Condensed Consolidated Statements of Cash Flows for the three months ended June 30, 2025 and 2024 (unaudited)	F-5
Notes to the Condensed Consolidated Financial Statements (unaudited)	F-6 – F-21

PODCASTONE, INC.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands, except share and per share amounts)

	June 30, 2025	March 31, 2025
	(Unaudited)	(Audited)
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 1,870	\$ 1,079
Accounts receivable, net	6,818	6,246
Prepaid expense and other current assets	131	230
Total Current Assets	8,819	7,555
Property and equipment, net	55	59
Goodwill	12,041	12,041
Intangible assets, net	1,061	1,186
Related party receivable	360	354
Total Assets	\$ 22,336	\$ 21,195
<u>Liabilities and Stockholders' Equity</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,125	\$ 5,539
Related party payable	495	514
Total Current Liabilities	7,620	6,053
Total Liabilities	7,620	6,053
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding as of June 30, 2025 and March 31, 2025, respectively	-	-
Common stock, \$0.00001 par value; 100,000,000 shares authorized; 26,316,762 and 26,016,107 shares issued and outstanding as of June 30, 2025 and March 31, 2025, respectively	-	-
Additional paid in capital	51,839	51,211
Accumulated deficit	(37,123)	(36,069)
Total stockholders' equity	14,716	15,142
Total Liabilities and Stockholders' Equity	\$ 22,336	\$ 21,195

The accompanying notes are an integral part of these condensed consolidated financial statements.

PODCASTONE, INC.
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended	
	June 30,	
	<u>2025</u>	<u>2024</u>
Revenue:	\$ 14,994	\$ 13,159
Operating expenses:		
Cost of sales	13,555	11,709
Sales and marketing	879	847
Product development	12	18
General and administrative	1,477	1,398
Amortization of intangible assets	125	377
Impairment of intangible assets	-	176
Total operating expenses	16,048	14,525
Loss from operations	(1,054)	(1,366)
Other income (expense):		
Total other (expense) income, net	-	-
Loss before provision for income taxes	(1,054)	(1,366)
Provision for income taxes	-	-
Net loss	\$ (1,054)	\$ (1,366)
Net loss per share – basic and diluted	\$ (0.04)	\$ (0.06)
Weighted average common shares – basic and diluted	24,133,630	23,712,530

The accompanying notes are an integral part of these condensed consolidated financial statements.

PODCASTONE, INC.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited, in thousands, except share and per share amounts)

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of March 31, 2025	26,016,107	\$ -	\$ 51,211	\$ (36,069)	\$ 15,142
Stock-based compensation	-	-	66	-	66
Contribution from parent	237,113	-	460	-	460
Common stock issued for services	63,542	-	102	-	102
Net loss	-	-	-	(1,054)	(1,054)
Balance as of June 30, 2025	26,316,762	\$ -	\$ 51,839	\$ (37,123)	\$ 14,716

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of March 31, 2024	23,608,049	\$ -	\$ 45,952	\$ (29,611)	\$ 16,341
Stock-based compensation	-	-	220	-	220
Vested employee restricted stock units	40,625	-	-	-	-
Contribution from parent	-	-	174	-	174
Common stock issued for services	143,093	-	305	-	305
Net loss	-	-	-	(1,366)	(1,366)
Balance as of June 30, 2024	23,791,767	\$ -	\$ 46,651	\$ (30,977)	\$ 15,674

The accompanying notes are an integral part of these condensed consolidated financial statements.

PODCASTONE, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Three Months Ended	
	June 30,	
	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Net loss	\$ (1,054)	\$ (1,366)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	241	443
Stock-based compensation	1,465	394
Impairment of intangibles	-	176
(Reversal of) Provision for credit losses	-	(44)
Changes in operating assets and liabilities:		
Accounts receivable	(573)	(1,033)
Prepaid expenses and other current assets	99	(77)
Related party receivables/payables	435	(39)
Accounts payable and accrued liabilities	290	1,066
Net cash provided by (used in) operating activities	<u>903</u>	<u>(480)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(112)	(74)
Net cash used in investing activities	<u>(112)</u>	<u>(74)</u>
Net change in cash and cash equivalents	791	(554)
Cash and cash equivalents, beginning of period	1,079	1,445
Cash and cash equivalents, end of period	<u>\$ 1,870</u>	<u>\$ 891</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Common stock accrued for to repay with intercompany balance	\$ 460	\$ 174
Common stock accrued for at period end	\$ -	\$ 305
Accrued expenses written off associated with intangible asset impairment	\$ -	\$ 118

The accompanying notes are an integral part of these condensed consolidated financial statements.

PODCASTONE, INC.
Notes to the Condensed Consolidated Financial Statements (Unaudited)
For the Three Months Ended June 30, 2025 and 2024

Note 1 — Organization and Basis of Presentation

Organization

PodcastOne, Inc. (“we,” “us,” “our”, the “Company” or “PodcastOne”), is a Delaware corporation headquartered in Beverly Hills, California. The Company is a leading podcast platform and publisher that makes its content available to audiences via all podcasting distribution platforms, including its website (www.podcastone.com), its PodcastOne app, Apple Podcasts, Spotify, Amazon Music and more.

The Company was incorporated in the State of Delaware on February 25, 2014, and is a majority owned subsidiary of LiveOne, Inc. (“LiveOne”), a Nasdaq listed company. On July 1, 2020, LiveOne through its wholly owned subsidiary, LiveXLive PodcastOne, Inc., acquired the Company. Acquisitions are included in the Company’s financial statements from the date of the acquisition. The Company uses purchase accounting for its acquisitions, which results in all assets and liabilities of acquired businesses being recorded at their estimated fair values on the acquisition dates. In connection with the acquisition, the accounts of the Company were adjusted using the push down basis of accounting to recognize the allocation of the net assets acquired which was determined to be \$16.1 million. In accordance with the push down basis of accounting, the Company’s net assets were adjusted to their fair values as of the date of the acquisition based upon an independent appraisal. The Company has two wholly owned subsidiaries, Courtside, LLC, a Delaware limited liability company, and PodcastOne Sales, LLC, a California limited liability company.

Basis of Presentation

The results of operations and financial position of the Company are consolidated with LiveOne’s financial statements and these financial statements have been derived as if the Company had operated on a standalone basis during the three months ended June 30, 2025 and 2024. The interim unaudited condensed consolidated financial statements have been prepared on the same basis as the Company’s audited consolidated financial statements for the fiscal year ended March 31, 2025, and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company’s interim unaudited condensed consolidated financial statements for the three months ended June 30, 2025. The amounts recorded for related party transactions with LiveOne may not be considered arm’s length transactions and therefore, the financial statements may not necessarily reflect the Company’s results of operations, financial position and cash flows had the Company engaged in such transactions with an unrelated third party during the three months ended June 30, 2025 and 2024. Accordingly, the Company’s historical financial information is not necessarily indicative of what the Company’s results of operations, financial position and cash flows will be in the future, if and when the Company contracts at arm’s length with unrelated third parties for services they receive from LiveOne. The results for the three months ended June 30, 2025 are not necessarily indicative of the results expected for the full fiscal year ending March 31, 2026 (“fiscal 2026”). The condensed consolidated balance sheet as of March 31, 2025 has been derived from the Company’s audited balance sheet included in the Company’s Annual Report on Form 10-K (the “Annual Report”), filed with the United States Securities and Exchange Commission (the “SEC”) on July 2, 2025.

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States (“GAAP”) for interim financial information and in accordance with Article 10 of Regulation S-X. They do not include all the information and footnotes required by GAAP for complete audited financial statements. Therefore, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto included in the Annual Report.

Going Concern and Liquidity

The Company’s interim unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

The Company’s principal sources of liquidity have historically been its debt issuances and its cash and cash equivalents (which cash and cash equivalents amounted to \$1.9 million as of June 30, 2025). The Company has an accumulated deficit of \$37.1 million and working capital of \$1.2 million as of June 30, 2025. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern within one year from the date that these financial statements are filed. The Company’s interim unaudited condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

[Table of Contents](#)

The Company is looking for additional financing sources to attempt to secure additional interim financing, which is needed to continue its current level of business operations and satisfy its current obligations, unless such financing is provided by LiveOne, if at all. In the absence of additional sources of liquidity, management anticipates that existing cash resources will not be sufficient to meet current operating and liquidity needs beyond June 2026. There is no assurance that management will be able to obtain additional liquidity or be successful in raising additional funds or that such required funds, if available, or that LiveOne will provide any financing to the Company, if at all, or that any such financing will be available on attractive terms or that it will not have a significant dilutive effect on the Company's existing stockholders. In addition, management is unable to determine at this time whether any of these potential sources of liquidity will be adequate to support the Company's future business operations. While the Company does not currently anticipate delays or hindrances to its current business operations and initiatives schedule due to liquidity constraints, without additional funding the Company may not be able to continue its current level of business operations in the future. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Principles of Consolidation

The Company's interim unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Acquisitions are included in the Company's interim audited condensed consolidated financial statements from the date of the acquisition. The Company uses purchase accounting for its acquisitions, which results in all assets and liabilities of acquired businesses being recorded at their estimated fair values on the acquisition dates. All intercompany balances and transactions have been eliminated in consolidation.

Note 2 — Summary of Significant Accounting Policies

There have been no material changes in the Company's significant accounting policies from those previously disclosed in the consolidated financial statements included in the Annual Report, except as noted below.

Use of Estimates

The preparation of the Company's interim unaudited condensed consolidated financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant items subject to such estimates and assumptions include revenue, allowance for doubtful accounts, the assigned value of acquired assets and assumed and contingent liabilities associated with business combinations and the related purchase price allocation, useful lives and impairment of property and equipment, intangible assets, goodwill and other assets, the fair value of the Company's equity-based compensation awards and convertible debt and debt instruments, fair values of derivatives, and contingencies.

Actual results could differ materially from those estimates. On an ongoing basis, the Company evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities.

Revenue Recognition Policy

The Company accounts for a contract with a customer when an approved contract exists, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectability of substantially all of the consideration is probable. Revenue is recognized when the Company satisfies its obligation by transferring control of the goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company uses the expected value method to estimate the value of variable consideration on advertising contracts to include in the transaction price and reflect changes to such estimates in periods in which they occur. Variable consideration for these services is allocated to and recognized over the related time period such advertising services are rendered as the amounts reflect the consideration the Company is entitled to and relate specifically to the Company's efforts to satisfy its performance obligation. The amount of variable consideration included in revenue is limited to the extent that it is probable that the amount will not be subject to significant reversal when the uncertainty associated with the variable consideration is subsequently resolved.

Practical Expedients

The Company elected the practical expedient and recognized the incremental costs of obtaining a contract, if any, as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

Allocation of Costs

The Company's interim unaudited condensed consolidated financial statements include an allocation of costs that have been incurred by LiveOne on the Company's behalf. Such expenses incurred include, but are not limited to, salaries, benefits, share-based compensation expense, insurance, accounting, tax, legal and technology services. Such expenses were allocated to the Company based upon certain assumptions and estimates that were made in order to allocate a reasonable share of such expenses to the Company, so that the Company's interim unaudited condensed consolidated financial statements reflect substantially all costs of doing business. The authoritative guidance to allocate such costs is set forth in Staff Accounting Bulletin, or SAB Topic 1-B "Allocations of Expenses and Related Disclosures in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity."

Had the Company been operating on a stand-alone basis, the cost allocated would not be materially different for the three months ended June 30, 2025 and 2024, respectively.

Gross Versus Net Revenue Recognition

The Company reports revenue on a gross basis for all advertising contracts based on management's assessment of whether the Company acts as a principal or agent in the transaction and is evaluated on a transaction-by-transaction basis. To the extent the Company acts as the principal, revenue is reported on a gross basis and gross of revenue sharing expenses owed to the content creators. The determination of whether the Company acts as a principal or an agent in a transaction is based on an evaluation of whether the Company controls the good or service prior to transfer to the customer. The gross amount of revenue recognized is equal to the amounts received from our customer, gross of revenue sharing expenses owed to the content creators.

Advertising Revenue

Advertising revenue primarily consist of revenues generated from the sale of audio, video, and display advertising space to *third-party* advertising exchanges. Revenues are recognized based on delivery of impressions over the contract period to the *third-party* exchanges, either when an ad is placed for listening or viewing by a visitor or when the visitor "clicks through" on the advertisement. The advertising exchange companies report the variable advertising revenue performed on a monthly basis which represents the Company's efforts to satisfy the performance obligation. The Company earns advertising revenues primarily for fees earned from advertisement placement purchased by the customer during the time the podcast is delivered to the viewing audience, under the terms and conditions as set forth in the applicable podcasting agreement calculated using impressions.

From time to time the Company enters into barter transactions involving advertising provided in exchange for goods and services. Revenue from barter transactions is recognized ratably over time based on the terms of the contract as delivery of impressions is performed on a consistent basis. The transaction price for these contracts is measured at the estimated fair value of the non-cash consideration received unless this is *not* reasonably estimable, in which case the consideration is measured based on the standalone selling price of the advertising spots promised or delivered to the customer. Services received are charged to expense in the same manner. Barter revenue for the three months ended June 30, 2025 and 2024 was \$7.0 million and \$6.0 million, respectively.

[Table of Contents](#)

Cost of Sales

Cost of sales consists of direct costs comprised of revenue sharing expenses owed to content creators and commissions.

Sales and Marketing

Sales and Marketing include the direct and indirect costs related to the Company's event advertising and marketing. Additionally, sales and marketing include merchandising advertising and royalty costs. Advertising expenses to promote the Company's services are expensed as incurred. Advertising expenses included in sales and marketing expense were \$0.1 million and \$0.1 million for the three months ended June 30, 2025 and 2024, respectively.

Product Development

Product development costs not capitalized are primarily expenses for research and development, product and content development activities, including internal software development and improvement costs which have not been capitalized by the Company.

Stock-Based Compensation

Stock-based compensation is allocated to the Company from its parent LiveOne based on the amount of stock-based compensation granted to employees of the Company in the form of stock-based compensation of LiveOne in accordance with SAB Topic 1-B "*Allocations of Expenses and Related Disclosures in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity.*"

LiveOne and the Company measures stock-based compensation cost at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period, on an accelerated basis. LiveOne and the Company accounts for awards with graded vesting as if each vesting tranche is valued as a separate award. LiveOne and the Company uses the Black-Scholes-Merton option pricing model to determine the grant date fair value of stock options. This model requires LiveOne and the Company to estimate the expected volatility and the expected term of the stock options which are highly complex and subjective variables. The variables take into consideration, among other things, actual and projected employee stock option exercise behavior. LiveOne and the Company uses a predicted volatility of its stock price during the expected life of the options that is based on the historical performance of LiveOne and the Company's stock price as well as including an estimate using guideline companies. The expected term is computed using the simplified method as LiveOne and the Company's best estimate given its lack of actual exercise history. LiveOne and the Company has selected a risk-free rate based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the expected term of the option. Management believes that the fair value of the stock options is more reliably measured than the fair value of the services received. Compensation expense resulting from granted restricted stock units and restricted stock awards is measured at fair value on the date of grant and is recognized as share-based compensation expense over the applicable vesting period. Stock-based awards are comprised principally of stock options, restricted stock, restricted stock units ("RSUs"), and restricted stock awards ("RSAs"). Forfeitures are recognized as incurred. LiveOne records the fair value of these equity-based awards and expense at their cost ratably over related vesting periods.

During the year ended March 31, 2024, the Company began to issue equity awards in the form of RSUs directly to its employees under its 2022 Equity Incentive Plan that was approved in December 2022.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Company's consolidated statements of operations in the period that includes the enactment date.

[Table of Contents](#)

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares consist of stock options issued to employees, directors, vendors and consultants, restricted stock units, and convertible notes would be excluded from the diluted earnings per share calculation because their effect is anti-dilutive.

Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. In periods when we have a net loss, stock awards are excluded from our calculation of earnings per share as their inclusion would have an antidilutive effect.

Segment Reporting

The Company presents the financial statements by segment in accordance with ASC Topic *No. 280*, Segment Reporting (“ASC 280”) to provide investors with transparency into how the chief operating decision maker (“CODM”) manages the business. Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in *one* segment, which is the business of being a leading podcast platform and publisher that makes its content available to audiences via all podcasting distribution platforms. The Company determined the CODM is its President. The CODM reviews financial information and allocates resources across its one operating segment.

The CODM evaluates the performance of the operating segment and allocates resources based on net loss that also is reported on the consolidated statements of operations as net loss. The measure of the operating segment assets is reported on the consolidated balance sheet as total assets. All of the Company's revenue is attributable to the United States and all of the Company's assets are located in the United States.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities, when purchased, of three months or less.

The following table provides amounts included in cash and cash equivalents presented in the Company's interim unaudited condensed consolidated statements of cash flows as of June 30, 2025 and March 31, 2025 (in thousands):

	June 30, 2025	March 31, 2025
Total cash and cash equivalents	<u>\$ 1,870</u>	<u>\$ 1,079</u>

Accounts Receivable

The Company evaluates the collectability of its accounts receivable based on a combination of factors. Generally, it records specific reserves to reduce the amounts recorded to what it believes will be collected when a customer's account ages beyond typical collection patterns, or the Company becomes aware of a customer's inability to meet its financial obligations.

[Table of Contents](#)

The Company believes that the credit risk with respect to trade receivables is limited due to the large and established nature of its largest customers and the nature of its receivables.

The Company's accounts receivable at June 30, 2025 and March 31, 2025 are as follows (in thousands):

	June 30, 2025	March 31, 2025
Accounts receivable, gross	\$ 6,890	\$ 6,318
Less: Allowance for credit losses	(72)	(72)
Accounts receivable, net	<u>\$ 6,818</u>	<u>\$ 6,246</u>

Related Party Receivables and Payables

LiveOne has historically maintained an intercompany lending relationship with the Company in order to supplement the Company's working capital needs. As of June 30, 2025 and March 31, 2025, the net (payable) receivable was \$(0.1) million and \$(0.2) million, respectively. LiveOne and the Company do not charge interest on these borrowings.

Property and Equipment

Property and equipment are recorded at cost. Costs of improvements that extend the economic life or improve service potential are also capitalized. Capitalized costs are depreciated over their estimated useful lives. Costs for normal repairs and maintenance are expensed as incurred. The Company capitalizes certain costs related to the development of its platform and other software applications for internal use. In accordance with authoritative guidance, the Company begins to capitalize its costs to develop software when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used as intended. The Company stops capitalizing these costs when the software is substantially complete and ready for its intended use, including the completion of all significant testing. These costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally estimated to be two years. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditure will result in additional functionality and expense costs incurred for maintenance and minor upgrades and enhancements. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded within product development expenses in the Company's consolidated statements of operations.

Depreciation is recorded using the straight-line method over the assets' estimated useful lives, which are generally as follows: computer, machinery, and software equipment (3 to 5 years), furniture and fixtures (3 to 5 years), leasehold improvements are depreciated over the shorter of the estimated useful life or the lease term and capitalized software (2 years).

The Company evaluates the carrying value of its property and equipment if there are indicators of potential impairment. If there are indicators of potential impairment, the Company performs an analysis to determine the recoverability of the asset group carrying value by comparing the expected undiscounted future cash flows to the net book value of the asset group. If it is determined that the expected undiscounted future cash flows are less than the net book value of the asset group, the excess of the net book value over the estimated fair value is recorded in the Company's consolidated statements of operations. Fair value is generally estimated using valuation techniques that consider the discounted cash flows of the asset group using discount and capitalization rates deemed reasonable for the type of assets, as well as prevailing market conditions, appraisals, recent similar transactions in the market and, if appropriate and available, current estimated net sales proceeds from pending offers.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired in a business combination and is carried at cost. Goodwill is not amortized, but is subject to an annual impairment testing, as well as between annual tests when events or circumstances indicate that the carrying value may not be recoverable. The Company performs its annual impairment testing at January 1 of each year.

[Table of Contents](#)

The Company's annual goodwill impairment test is performed at the reporting unit level. The Company generally tests goodwill for possible impairment by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If a qualitative assessment is not used, or if the qualitative assessment is not conclusive, a quantitative impairment test is performed. If a quantitative test is performed, the Company determines the fair value of the related reporting unit and compares this value to the recorded net assets of the reporting unit, including goodwill. The fair value of the Company's reporting unit is determined using a market approach based on quoted prices in active markets. In the event the recorded net assets of the reporting unit exceed the estimated fair value of such assets, an impairment charge is recorded. No indicators of impairments of goodwill were identified during the three months ended June 30, 2025 and 2024, respectively.

Estimations and assumptions regarding future performance, results of the Company's operations and comparability of its market capitalization and net book value will be used.

Intangible Assets with Finite Useful Lives

The Company has certain finite-lived intangible assets that were initially recorded at their fair value at the time of acquisition. These intangible assets consist of Intellectual Property and Content Creator Relationships resulting from business combinations. Intangible assets with finite useful lives are amortized using the straight-line method over their respective estimated useful lives, which are generally as follows: Brand and Trade Names (10 years), Customer, and Content Creator (2 years).

The Company reviews all finite lived intangible assets for impairment when circumstances indicate that their carrying values may not be recoverable. If the carrying value of an asset group is not recoverable, the Company recognizes an impairment loss for the excess carrying value over the fair value in its consolidated statements of operations. The Company recorded impairment losses of none and \$0.2 million during the three months ended June 30, 2025 and 2024, respectively.

Fair Value Measurements - Valuation Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (i.e., an exit price). The Company uses the three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect the Company's own assumptions about the data market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

Level 1 Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.

Level 3 Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety. Proper classification of fair value measurements within the valuation hierarchy is considered each reporting period. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared. The derivative liabilities are recognized at fair value on a recurring basis as of June 30, 2025 and are Level 3 measurements. There have been no transfers between levels.

Concentration of Credit Risk

The Company maintains cash balances at commercial banks. Cash balances commonly exceed the \$250,000 amount insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to any significant credit risk with respect to such cash and cash equivalents.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company adopted ASU 2023-09 on April 1, 2025 on a prospective basis. The adoption of this standard did not have an impact on the Company’s interim condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in ASU 2024-03 require a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors (i) better understand the entity's performance, (ii) better assess the entity's prospects for future cash flows, and (iii) compare an entity's performance over time and with that of other entities. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2024-03.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statement presentation or disclosures.

Note 3 — Property and Equipment

The Company's property and equipment at June 30, 2025 and March 31, 2025 was as follows (in thousands):

	June 30, 2025	March 31, 2025
Property and equipment, net		
Computer, machinery, and software equipment	\$ 137	\$ 132
Furniture and fixtures	14	14
Leasehold improvements	91	91
Capitalized internally developed software	-	944
Total property and equipment	242	1,181
Less accumulated depreciation and amortization	(187)	(1,122)
Total property and equipment, net	<u>\$ 55</u>	<u>\$ 59</u>

Depreciation expense was \$0.025 million and \$0.066 million for the three months ended June 30, 2025 and 2024, respectively.

During the three months ended June 30, 2025 the Company wrote off \$0.9 million of internally developed software and the corresponding accumulated depreciation as a result of no longer using the software in operations.

Note 4 — Goodwill and Intangible AssetsGoodwill

The Company currently has one reporting unit. The following table presents the changes in the carrying amount of goodwill for the three months ended June 30, 2025 (in thousands):

	Goodwill
Balance as of March 31, 2025	\$ 12,041
Acquisitions	-
Balance as of June 30, 2025	<u>\$ 12,041</u>

[Table of Contents](#)

Finite-Lived Intangible Assets

The Company's finite-lived intangible assets were as follows as of June 30, 2025 (in thousands):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Content creator relationships	\$ 3,229	\$ 2,673	\$ 556
Brand and trade names	1,010	505	505
Total	<u>\$ 4,239</u>	<u>\$ 3,178</u>	<u>\$ 1,061</u>

The Company's finite-lived intangible assets were as follows as of March 31, 2025 (in thousands):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Content creator relationships	\$ 3,229	\$ 2,573	\$ 656
Brand and trade names	1,010	480	530
Total	<u>\$ 4,239</u>	<u>\$ 3,053</u>	<u>\$ 1,186</u>

The Company's amortization expense on its finite-lived intangible assets was \$0.1 million and \$1.1 million for the three months ended June 30, 2025 and 2024, respectively. The Company recorded an impairment charge of none and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively. The impairment for the three months ended June 30, 2024 was the result of the winding down of a podcast show acquired by PodcastOne.

Finder's Fee Agreement

In September 2023, the Company entered into a finder's fee arrangement pursuant to which the Company agreed to issue shares of its common stock at a price of \$8.00 per share (subject to adjustment in certain limited circumstances) as a finder's fee to a certain third party podcast platform in the event certain former and/or current podcasts of such platform entered into new podcasting agreements with the Company, with the amount of the fee to be based on the amount of revenues actually derived by the Company from such podcasts during a predetermined period. Payments made to such third party attributed to the Company entering into new podcast contracts were capitalized to content creator relationship intangibles. During the year ended March 31, 2025, the Company made an adjustment of \$0.5 million to accrued common stock and decreased the content creator relationships balance to account for the settlement of the finder's fee agreement attributed to multiple third-party platforms.

The Company expects to record amortization of intangible assets for fiscal years ending March 31, 2026 and future fiscal years as follows (in thousands):

For Years Ending March 31,	
2026 (remaining nine months)	\$ 456
2027	338
2028	101
2029	101
2030	65
Thereafter	-
	<u>\$ 1,061</u>

Note 5 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2025 and March 31, 2025 were as follows (in thousands):

	June 30, 2025	March 31, 2025
Accounts payable	\$ 2,409	\$ 1,285
Accrued revenue share	1,648	1,962
Other accrued liabilities	3,068	2,292
	<u>\$ 7,125</u>	<u>\$ 5,539</u>

Accrued revenue share can be attributed to monies owed to content creators who provide their podcast or other media content for the Company to sell to consumers. The Company accrues a liability based on the percentage of revenue owed to each content creator at the time of sale.

Note 6 — Related Party Transactions

As of June 30, 2025, the Company's parent, LiveOne, owns approximately 18.7 million shares of the Company's common stock and 1,100,000 common stock warrants to purchase shares of the Company at an exercise price of \$3.00 per share. In addition, as of June 30, 2025, directors and management affiliated with LiveOne beneficially own approximately 1.8 million shares of the Company's common stock.

During the three months ended June 30, 2025 and 2024, the Company was allocated expenses by its parent company, LiveOne, attributed to the overhead expenses incurred on behalf of the Company. The amount allocated to the Company from LiveOne for the three months ended June 30, 2025 and 2024 was \$0.4 million and \$0.3 million, respectively.

[Table of Contents](#)

As of June 30, 2025 and March 31, 2025, the Company had a related party payable owed to LiveOne of \$0.5 million and \$0.5 million, respectively, which primarily consisted of expenses related to overhead expenses paid on behalf of the Company. As of June 30, 2025 and March 31, 2025, the Company had a related party receivable from LiveOne of \$0.4 million and \$0.4 million, respectively, which primarily consisted of cash allocated to LiveOne.

During the three months ended June 30, 2025 and 2024, the Company issued 237,113 and 124,000 shares of its common stock, respectively, with a fair value of \$0.5 million and \$0.2 million, respectively, in exchange for amounts owed under a cost sharing agreement between LiveOne and the Company.

Note 7 — Commitments and Contingencies

Contractual Obligations

As of June 30, 2025, the Company is obligated under agreements with its content providers and other contractual obligations to make guaranteed payments as follows: \$1.0 million, \$0.1 million and \$0.1 million for the fiscal years ending March 31, 2026, 2027 and 2028, respectively.

On a quarterly basis, the Company records the greater of the cumulative actual content acquisition costs incurred or the cumulative minimum guarantee based on forecasted usage for the minimum guarantee period. The minimum guarantee period of time is the period that the minimum guarantee relates to, as specified in each agreement, which may be annual or a longer period. The cumulative minimum guarantee, based on forecasted usage, considers factors such as listening hours, revenue, members, and other terms of each agreement that impact the Company's expected attainment or recoupment of the minimum guarantees based on the relative attribution method.

On June 27, 2025 and effective as of June 1, 2025 (the "Effective Date"), the Company entered into a new employment agreement with Kit Gray, the Company's current President (the "Gray Employment Agreement"). The term of the Gray Employment Agreement is for two years from the Effective Date at an annual salary of \$375,000. Mr. Gray is eligible to earn a discretionary annual performance bonus for each whole or partial fiscal year of his employment period with the Company in accordance with the Company's annual bonus plan applicable to the Company's executive officers. Mr. Gray's "target" performance bonus shall be 100% of his average annualized base salary during the fiscal year for which the performance bonus is earned. Pursuant to the Gray Employment Agreement, Mr. Gray was granted: (i) 700,000 restricted stock units of the Company, and (ii) 150,000 restricted stock units of LiveOne, the Company's parent.

On June 27, 2025 and effective as of the Effective Date, the Company entered into a new employment agreement with Sue McNamara, the Company's current Chief Revenue Officer (the "McNamara Employment Agreement"). The term of the McNamara Employment Agreement is for two years from the Effective Date at an annual salary of \$325,000. Ms. McNamara is eligible to earn a discretionary annual performance bonus for each whole or partial fiscal year of her employment period with the Company in accordance with the Company's annual bonus plan applicable to the Company's executive officers. Ms. McNamara's "target" performance bonus shall be 100% of her average annualized base salary during the fiscal year for which the performance bonus is earned. Pursuant to the McNamara Employment Agreement, Ms. McNamara was granted 150,000 Company RSUs and 25,000 restricted stock units of LiveOne, the Company's parent.

On January 15, 2025, the Company entered into a three-year Enterprise Service and Advertising Agreement (the "Agreement") with ART19 LLC ("ART19"), a subsidiary of Amazon.com, Inc. to move the existing network of PodcastOne programming to the ART19 hosting platform. The Agreement is expected to drive additional monetization opportunities across the Company's vast library of popular podcasts. Pursuant to the Agreement ART19 is required to pay the Company a minimum guarantee of \$15.0 million over the term of the Agreement based on the Company achieving certain minimum impressions amount, which guarantee is subject to adjustment as provided in the Agreement, including if the Company achieves higher minimum impressions amounts. In addition, the Agreement provides for a revenue share split between the Company and ART19 based on gross sales revenue achieved by the Company under the Agreement. During the three months ended June 30, 2025 and 2024 the Company recognized revenue of \$1.4 million and none, respectively, from the Agreement.

Legal Proceedings

From time to time, the Company is involved in legal proceedings and other matters arising in connection with the conduct of its business activities. Many of these proceedings may be at preliminary stages and/or seek an indeterminate amount of damages. In the opinion of management, after consultation with legal counsel, except as set forth below, such routine claims and lawsuits are not significant and we do not currently expect them to have a material adverse effect on our business, financial condition, results of operations, or liquidity.

Parent Company Debt

The May 19, 2025 (the "Closing Date"), LiveOne and the Company entered into a Securities Purchase Agreement (the "SPA") with certain institutional investors (each, a "Purchaser" and collectively, the "Purchasers"), pursuant to which (i) LiveOne sold to the Purchasers LiveOne's Original Issue Discount Senior Secured Convertible Debentures (the "Initial Debentures") in an aggregate principal amount of \$16,775,000 for an aggregate cash purchase price of \$15.25 million, and (ii) if certain conditions are satisfied as set forth in the SPA, including at least one of the Conditions (as defined below), LiveOne may sell at its option to the Purchasers LiveOne's additional Original Issue Discount Senior Secured Convertible Debentures in an aggregate principal amount of \$11,000,000 on substantially the same terms as the Initial Debentures (the "Additional Debentures" and collectively with the Initial Debentures, the "Debentures"), in a private placement transaction. The Debentures are convertible into shares of LiveOne's common stock at the holder's option at a conversion price of \$2.10 per share, subject to certain customary adjustments such as stock splits, stock dividends and stock combinations. LiveOne may sell to the Purchasers the Additional Debentures if within 15 months of the Closing Date either of the following conditions have been satisfied during such 15-month period (the "Conditions"): (x) the VWAP (as defined in the SPA) of the common stock has been equal to or greater than \$4.20 per share (subject to certain customary adjustments such as stock splits, stock dividends and stock combinations) for 30 consecutive trading days, or (y) Free Cash Flow (as defined in the SPA) has been equal to or greater to \$3,000,000 for three consecutive fiscal quarters, and has increased in each of the foregoing quarters from the

immediately preceding fiscal quarter.

The Initial Debentures mature on May 19, 2028 and accrue interest at 11.75% per year. Commencing with the calendar month of August 2025 (subject to the following sentence), the holders of the Initial Debentures will have the right, at their option, to require LiveOne to redeem an aggregate of up to \$100,000 of the outstanding principal amount of the Debentures per month. For the month of August 2025, the holders may not submit a redemption notice for such a redemption prior to August 18, 2025. Commencing from November 18, 2025, May 18, 2026 and May 18, 2027, the holders of the Initial Debentures will have the right, at their option, to require LiveOne to redeem an aggregate of up to \$150,000, \$250,000 and \$300,000, respectively, of the outstanding principal amount of the Initial Debentures per month.

Subject to the satisfaction of certain conditions, including applicable prior notice to the holders of the Initial Debentures, at any time after May 19, 2026, LiveOne may elect to prepay all, but not less than all, of the then outstanding Initial Debentures for a prepayment amount equal to the outstanding principal balance of then outstanding Initial Debentures plus all accrued and unpaid interest thereon, together with a prepayment premium equal to the following (the "Prepayment Premium"): (a) if the Initial Debentures are prepaid after May 19, 2026, but on or prior to May 19, 2027, 5% of the entire outstanding principal balance of the outstanding Initial Debentures (or the applicable portion thereof required to be prepaid by LiveOne); and (c) if the Initial Debentures are prepaid on or after May 19, 2027, but prior to the maturity date of the Initial Debentures, 4% of the entire outstanding principal balance of then outstanding Initial Debentures (or the applicable portion thereof required to be prepaid by LiveOne). Subject to the satisfaction of certain conditions, LiveOne shall be required to prepay the entire outstanding principal amount of all of then outstanding Initial Debentures in connection with a Change of Control Transaction (as defined in the Initial Debentures) for a prepayment amount equal to the outstanding principal balance of then outstanding Initial Debentures, plus all accrued and unpaid interest thereon, plus the applicable Prepayment Premium based on when such Change of Control Transaction occurs within the period set forth above applicable to such Prepayment Premium; provided, that (x) if a Change of Control Transaction occurs on or prior to May 19, 2026, plus 10% of the entire outstanding principal balance of then outstanding Initial Debentures; (y) if the Specified Carve-Out Transaction (as defined in the Debentures) is consummated, LiveOne shall be required to prepay the Initial Debentures, in an aggregate amount equal to the lower of the outstanding principal balance of then outstanding Initial Debentures and \$7,500,000, in each case, plus the applicable Prepayment Premium, and (z) if a Permitted Disposition (as defined in the Debentures) pursuant to clause (g) of the definition thereof is consummated, LiveOne shall be required to prepay the Initial Debentures in an aggregate amount equal to the lower of the outstanding principal balance of then outstanding Initial Debentures and 50% of the first \$1,000,000 of net proceeds resulting from such Permitted Disposition up to \$1,000,000 and 25% of such net proceeds in excess of \$1,000,000, in each case, plus the applicable Prepayment Premium.

LiveOne's obligations under the Debentures can be accelerated upon the occurrence of certain customary events of default. In the event of default and acceleration of LiveOne's obligations, LiveOne would be required to pay the applicable prepayment amount described above.

LiveOne's obligations under the Debentures were guaranteed under a Subsidiary Guarantee, dated as of the Closing Date (the "Subsidiary Guarantee"), by certain of its subsidiaries, including the Company, Slacker, Inc. and LiveXLive, Corp. (collectively, the "Guarantors"). LiveOne's obligations under the Debentures and the Guarantors' obligations under the Subsidiary Guarantee are secured under a Security Agreement (the "Security Agreement") entered into on the Closing Date among LiveOne, the Company and the other Guarantors, certain Purchasers and JGB Collateral, LLC (the "Agent") as agent for the Purchasers (the "Security Agreement"), by a lien on all of LiveOne's, the Company's and the other Guarantors' assets, subject to certain exceptions. In addition, pursuant to the Security Agreement, LiveOne, the Company and the other Guarantors agreed to pay to the Agent a collateral monitoring fee on the outstanding principal balance of the Debentures at per annum rate of 1%, which fee shall accrue daily and shall be payable to the Agent in cash on the last business day of each calendar month. LiveOne must also maintain a specified minimum cash balance (as set forth in the Debentures) and maintain minimum amounts of liquidity. As of June 30, 2025, LiveOne was in compliance with its debt covenants associated with the Initial Debentures.

Note 8 — Employee Benefit Plan

The Company's parent LiveOne sponsors a 401(k) plan (the "401(k) Plan") covering all the Company's employees. Employees are eligible to participate in the 401(k) Plan the first day of the calendar month following their date of hire. The Company may make discretionary matching contributions to the 401(k) Plan on behalf of its employees up to a maximum of 100% of the participant's elective deferral up to a maximum of 5% of the employees' annual compensation. The Company's matching contributions were not material to the interim unaudited condensed consolidated financial statements for the three months ended June 30, 2025 and 2024.

Note 9 — Stockholders' Equity

Spin-Out

Prior to the Spin-Out, LiveOne, through its wholly owned subsidiary, LiveXLive PodcastOne, Inc., canceled 127,984,230 shares of the Company's common stock. As of June 30, 2025, LiveOne owned approximately 18.7 million shares of the Company's common stock (not including any shares of common stock underlying the PC1 Warrants held by LiveOne), which constituted approximately 71% of the Company's issued and outstanding shares of common stock as of June 30, 2025.

Pursuant to the Company's Amended and Restated Certificate of Incorporation which was approved by the Company's board of directors and LiveOne as the sole stockholder on December 15, 2022, which became effective on September 12, 2023, in connection with the completion of the Spin-Out, the Company is authorized to issue up to 110,000,000 shares, consisting of 100,000,000 shares of the Company's common stock and 10,000,000 shares of the Company's preferred stock, \$0.00001 par value per share (the "preferred stock").

On September 8, 2023, the Company completed the Spin-Out and converted the outstanding PC1 Bridge Loan into 2,340,707 shares of common stock based on a fair value of \$4.39 per share, which was the closing price of the stock on the date of conversion. The book value of the PC1 Bridge Loan and the bifurcated embedded derivative were converted into additional paid in capital, which equaled the fair value of the 2,340,707 shares issued for the conversion of the PC1 Bridge Loan. As a result of the completion of the Spin-Out and the Company's shares of common stock becoming publicly traded, the Company reclassified its warrant liability to equity as a result of the strike price and number of warrants becoming fixed at \$3.00 per share, which resulted in a \$9.1 million increase to additional paid in capital. In addition, the Company's derivative liability was written to zero as the redemption feature was unexercised.

LiveOne 2016 Equity Incentive Plan

LiveOne's board of directors and stockholders approved its 2016 Equity Incentive Plan, as amended (the "2016 Plan") which reserved a total of 12,600,000 shares of LiveOne's common stock for issuance. On September 17, 2020, LiveOne's stockholders approved the amendment to the 2016 Plan to increase the number of shares available for issuance under the 2016 Plan by 5,000,000 shares increasing the total up to 17,600,000 shares, which increase was formally adopted by LiveOne on June 28, 2021. Incentive awards authorized under the 2016 Plan include, but are not limited to, nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and stock appreciation rights. If an incentive award granted under the 2016 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to LiveOne in connection with the exercise of an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2016 Plan.

The Company's employees were awarded options and restricted stock awards under the 2016 Plan, therefore an allocation of the share-based compensation was made to the Company from LiveOne. The Company recognized stock-based compensation expense of less than \$0.1 million and \$0.1 million during the three months ended June 30, 2025 and 2024, respectively. The total tax benefit recognized related to share-based compensation expense was none for the three months ended June 30, 2025 and 2024, respectively.

LiveOne Options Grants to the Company's Employees

Stock option awards are granted with an exercise price equal to the fair market value of LiveOne's common stock at the date of grant based on the closing market price of its common stock as reported on The Nasdaq Capital Market. The option awards generally vest over two to four years and are exercisable any time after vesting. The stock options expire ten years after the date of grant.

As of June 30, 2025, unrecognized compensation costs for unvested awards to the Company's employees was less than \$0.1 million, which is expected to be recognized over a weighted-average service period of 0.10 years.

The following table summarizes the activity of LiveOne's options granted to the Company's employees during the three months ended June 30, 2025:

	Number of Shares	Weighted- Average Exercise Price per Share
Outstanding as of March 31, 2025	140,000	\$ 1.51
Granted	-	\$ -
Exercised	-	\$ -
Forfeited or expired	(3,750)	\$ 5.06
Outstanding as of June 30, 2025	<u>136,250</u>	\$ 1.41
Exercisable as of June 30, 2025	<u>136,250</u>	\$ 1.41

The weighted-average remaining contractual term for options to the Company's employees outstanding and options to the Company's employees exercisable as of June 30, 2025 was 6.09 years and 6.09 years, respectively. The intrinsic value of options to employees outstanding and options to employees exercisable was none and none, respectively, at June 30, 2025.

The fair value of stock options outstanding and exercisable at June 30, 2025 was \$0.2 million and \$0.2 million, respectively. The fair value of stock options outstanding and exercisable at June 30, 2024 was \$0.2 million and \$0.2 million, respectively.

Restricted Stock Units Grants to the Company's Employees

As of June 30, 2025, unrecognized compensation costs for unvested LiveOne restricted stock units awards to the Company's employees was none.

The following table summarizes the activity of LiveOne's restricted stock units granted to the Company's employees during the three months ended June 30, 2025:

	Number of Shares
Outstanding as of March 31, 2025	38,333
Granted	-
Vested	(25,000)
Forfeited	(13,333)
Outstanding as of June 30, 2025	<u>-</u>

[Table of Contents](#)

The fair value of restricted stock units that vested during the three months ended June 30, 2025 and 2024 was none and less than \$0.1 million, respectively.

PodcastOne 2022 Equity Incentive Plan

On December 15, 2022, the Company's board of directors and LiveOne as the sole stockholder, through its wholly owned subsidiary, LiveXLive PodcastOne, Inc., approved the Company's 2022 Equity Incentive Plan (the "2022 Plan") which reserved a total of 2,000,000 shares of the Company's common stock for issuance. Incentive awards authorized under the 2022 Plan include, but are not limited to, nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Code and stock appreciation rights. If an incentive award granted under the 2022 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to the Company in connection with the exercise of an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2022 Plan.

The following table summarizes the activity of the Company's restricted stock units issued to its employees under the 2022 Plan during the three months ended June 30, 2025:

	Number of Shares
Nonvested as of March 31, 2025	232,350
Granted	-
Vested	(2,500)
Forfeited or expired	(73,500)
Nonvested as of June 30, 2025	<u>156,350</u>

As of June 30, 2025, the Company recognized \$2.1 million of stock compensation for vested restricted stock units. Unrecognized compensation costs for unvested PodcastOne restricted stock units issued to employees was \$1.8 million, which is expected to be recognized over a weighted-average service period of 0.78 years.

Authorized Common Stock and Authority to Create Preferred Stock

Pursuant to the Company's Amended and Restated Certificate of Incorporation which was approved by the Company's board of directors and LiveOne as the sole stockholder on December 15, 2023, became effective in connection with the completion of the Spin-Out, the Company is authorized to issue up to 110,000,000 shares, consisting of 100,000,000 shares of the Company's common stock and 10,000,000 shares of the Company's preferred stock.

The Company may issue shares of preferred stock from time to time in one or more series, each of which will have such distinctive designation or title as shall be determined by the Company's board of directors and will have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issue of such class or series of preferred stock as may be adopted from time to time by the Company's board of directors. The Company's board of directors will have the power to increase or decrease the number of shares of preferred stock of any series after the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased, the shares constituting such decrease will resume the status of authorized but unissued shares of preferred stock.

While the Company does not currently have any plans for the issuance of preferred stock, the issuance of such preferred stock could adversely affect the rights of the holders of common stock and, therefore, reduce the value of the common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of the common stock until and unless the Company's board of directors determines the specific rights of the holders of the preferred stock; however, these effects may include: restricting dividends on the common stock, diluting the voting power of the common stock, impairing the liquidation rights of the common stock, or delaying or preventing a change in control of the Company without further action by the stockholders.

Note 10 - Subsequent Events

LiveOne Equity Offering

On July 15, 2025, LiveOne entered into an underwriting agreement (the "Underwriting Agreement") with Lucid Capital Markets, LLC (the "Underwriter") pursuant to which LiveOne will issue and sell to the Underwriter 13,608,334 shares (the "Shares") of LiveOne's common stock, \$0.001 par value per share (the "common stock"), at an offering price of \$0.75 per Share and which includes the grant to the Underwriter of an option for the issuance and sales of up to 1,775,000 additional Shares (the "Option") to be sold by LiveOne (the "Offering"). The aggregate gross proceeds to the Company from the Offering will be approximately \$9.5 million (including the exercise of the Underwriter's Option), after deducting an underwriting discount of 7% of the price to the public, but before deducting expenses payable by the Company in connection with the Offering. Pursuant to the Underwriting Agreement the Company has also agreed to issue the Underwriter's common stock purchase warrants to purchase up to 4% of the securities sold in the Offering at an exercise price of \$0.9375. On July 16, 2025, the Underwriter exercised the Option. The Offering, including the Option, closed on July 17, 2025.

LiveOne expects to use the net proceeds from the Offering to fund the acquisition of cryptocurrencies, the development and implementation of a cryptocurrency treasury strategy and for working capital and general corporate purposes.

LiveOne Debentures Amendment

On August 5, 2025, LiveOne amended certain defined terms contained in the Initial Debentures issued to certain Purchasers on May 19, 2025, to provide that LiveOne and/or its subsidiaries shall be permitted to purchase Bitcoin, Solana or Ethereum (collectively, "Crypto") up to an amount as agreed to by the parties

from time to time in one or more transactions in accordance with the investment guidelines adopted by LiveOne from time to time and reasonably acceptable to the Purchasers (the “Guidelines”), and that LiveOne may retain one or more investment managers to engage in a Bitcoin yield strategy or other active management of any purchased Crypto in accordance with the Guidelines, in each case to further enable LiveOne to pursue its recently announced crypto asset treasury strategy. The terms of the Initial Debentures and other transactions documents entered into in connection therewith remain unchanged. Pursuant to the Security Agreement entered into by the parties in connection with the issuance of the Initial Debentures, the Purchasers will have a security interest in any purchased Crypto.

LiveOne Preferred Stock Exchange

On July 15, 2025, LiveOne entered into letter agreements (collectively, the “Agreements”) with the Harvest Funds and Trinad Capital Master Fund Ltd., a fund controlled by Mr. Ellin, LiveOne’s Chief Executive Officer, Chairman, director and principal stockholder of LiveOne and Executive Chairman of our Company (“Trinad Capital” and collectively with the Harvest Funds, the “Holders”), the holders of LiveOne’s Series A Preferred Stock, which has a stated value of \$1,000 per share. Pursuant to the Agreements (i) the Harvest Funds exchanged \$4,500,000 worth of its shares of Series A Preferred Stock into 3,000,000 shares of LiveOne’s common stock, at a price of \$1.50 per share, and Trinad Capital exchanged \$2,250,000 worth of shares of its Series A Preferred Stock into 1,500,000 shares of LiveOne’s common stock at the same price, and (ii) the Harvest Funds and Trinad Capital received 3,000,000 and 1,500,000 three-year warrants to purchase LiveOne’s common stock exercisable at a price of \$0.01 per share.

The Company further agreed, on or prior to the date that is 45 days after the Effective Date, to prepare and file with the SEC a Registration Statement on Form S-3 (or such other form as applicable) covering the resale under the Securities Act of the Shares, the Warrants and the Warrant Shares. The Company agreed to use its commercially reasonable best efforts to cause such registration statement to be declared effective promptly thereafter on or before 45 days after the filing of such registration statement (or if the SEC issues any comments with respect to such registration statement, on or before 90 days after the filing of such registration statement). Upon effectiveness of such Registration Statement, the Company agreed to use its reasonable best efforts to keep the Registration Statement effective with the SEC for a period equal to three years from the Effective Date for the Warrants, and with respect to the Warrant Shares, so long as any Warrants are outstanding, and to supplement, amend and/or re-file such Registration Statement to comply with such effectiveness requirement.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

As used herein, “PodcastOne,” the “Company,” “we,” “our” or “us” and similar terms include PodcastOne, Inc. and its subsidiaries, unless the context indicates otherwise. The following discussion and analysis of our business and results of operations for the three months ended June 30, 2025, and our financial conditions at that date, should be read in conjunction with our condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this “Quarterly Report”).

Forward-Looking Statements

Certain statements contained in this Quarterly Report that are not statements of historical fact constitute “forward-looking statements” within the meaning of the Securities Litigation Reform Act of 1995, notwithstanding that such statements are not specifically identified. These forward-looking statements relate to expectations or forecasts for future events, including without limitation our earnings, revenues, expenses or other future financial or business performance or strategies, or the impact of legal or regulatory matters on our business, results of operations or financial condition. These statements may be preceded by, followed by or include the words “may,” “might,” “will,” “would,” “could,” “should,” “will likely result,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “continue,” “target” or the negative or other variations thereof or comparable terminology. These forward-looking statements are not guarantees of future performance and are based on information available to us as of the date of this Quarterly Report and on our current expectations, forecasts and assumptions, and involve substantial risks and uncertainties. Actual results may vary materially from those expressed or implied by the forward-looking statements herein due to a variety of factors, including: our ability to successfully implement our growth strategy, including relating to our technology platforms and applications; our ability to attract, maintain and increase the number of our listeners; management’s relationships with industry stakeholders; if and when required, our ability to obtain additional capital, including to fund our and/or LiveOne’s current debt obligations and to fund potential acquisitions and capital expenditures; our and/or LiveOne’s ability to consummate any proposed financing, acquisition, merger, distribution or other transaction, the timing of the consummation of any such proposed event, including the risks that a condition to the consummation of any such event would not be satisfied within the expected timeframe or at all, or that the consummation of any proposed financing, acquisition, merger, special dividend, distribution or transaction will not occur or whether any such event will enhance shareholder value; our ability to continue as a going concern; our ability to identify, acquire, secure and develop content; our ability to recognize and timely implement future technologies in the music and live streaming space; our ability to capitalize on investments in developing our service offerings, including our ability to deliver and develop upon current and future technologies; significant product development expenses associated with our technology initiatives; our ability to timely and economically obtain necessary approval(s), releases and or licenses on a timely basis for the use of our content on an applicable platform; our ability to obtain and maintain international authorizations to operate our service over the proper foreign jurisdictions our listeners utilize; our ability to expand our service offerings and deliver on our service roadmap; our ability to timely and cost-effectively produce, identify and or deliver compelling content that brands will advertise on and/or listeners desire to listen to; general economic and technological circumstances in the podcasting and digital streaming markets; our ability to obtain and maintain our current and new desirable content; the loss of, or failure to realize benefits from, agreements with our content providers and partners; unfavorable economic conditions in the podcasting industry and economy as a whole; our ability to expand our domestic or international operations, including our ability to grow our business with current and potential future podcasting platforms and partners; the effects of service interruptions or delays, technology failures, material defects or errors in our software, damage to our equipment or geopolitical restrictions; costs associated with defending pending or future intellectual property infringement actions and other litigation or claims; increases in our projected capital expenditures due to, among other things, unexpected costs incurred in connection with the roll out of our technology roadmap or our plans of expansion in North America and internationally; fluctuation in our operating results; the demand for podcasting and digital media streaming services and market acceptance for our products and services; LiveOne’s reliance on its largest OEM customer for a substantial percentage of its revenue; LiveOne’s intent to repurchase shares of its and/or our common stock from time to time under LiveOne’s announced stock repurchase program and the timing, price, and quantity of repurchases, if any, under the program; LiveOne’s ability to maintain compliance with certain of its financial and other covenants; our ability to generate sufficient cash flow to make payments on our and/or LiveOne’s indebtedness; LiveOne’s ability to repay its indebtedness when due; LiveOne’s ability to satisfy the conditions for closing on its announced additional convertible debentures financing; the uncertain and unfavorable outcome(s) of any legal proceedings pending or that may be instituted against us and/or LiveOne, our and/or LiveOne’s respective subsidiaries, and/or our or LiveOne’s ability to pay any amounts due in connection with any such legal proceedings, or third parties to whom we and/or LiveOne owes indemnification obligations; changes in laws or regulations that apply to us or our industry; our ability to recognize and timely implement future technologies in the podcasting and digital space; our ability to capitalize on investments in developing our service offerings, including our ability to deliver and develop upon current and future technologies; LiveOne’s ability to implement its recently announced crypto treasury strategy and/or purchase crypto assets from time to time pursuant to such strategy, including for up to the maximum announced amount; risks and uncertainties applicable to the businesses of our Company and/or our subsidiaries; and other risks and uncertainties set forth herein. Other factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those set forth below in Part II – Item 1A and in Item 1A. of our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, filed with the U.S. Securities and Exchange Commission (the “SEC”) on July 2, 2025. Except as required by law, we do not undertake any obligation to update forward-looking statements as a result of new information, future events or developments or otherwise.

Overview

We incorporated in the State of Delaware on February 5, 2014 and are a leading podcast platform and publisher that makes our content available to audiences via all podcasting distribution platforms, including our website (www.podcastone.com), our PodcastOne app, Apple Podcasts, Spotify, Amazon Music and more. We were recently ranked as high as #8 on the list of Top Podcast Publishers by the podcast metric company Podtrac.

On September 8, 2023, we completed our spin-out from LiveOne and our direct listing on The Nasdaq Capital Market (the “Spin-Out”) and our shares of common stock began trading on the Nasdaq under the symbol of “PODC”. On September 21, 2023, we changed our corporate name to “PodcastOne, Inc.” After the completion of the Spin-Out, we became a standalone publicly traded company trading on The Nasdaq Capital Market. We remain a majority owned subsidiary of LiveOne, a Nasdaq listed company.

We produce vodcasts (video podcasts), branded podcasts, merchandise and live events on behalf of our talent and clients. With a proven 360-degree advertiser solution for multiplatform integration opportunities and hyper-targeting, we deliver millions of monthly impressions, 6.0+ million monthly unique listeners and 17+ million IAB monthly downloads. With content covering all verticals (i.e. sports, entertainment, true-crime, business, audio dramas, self-growth, etc.), we provide a platform for brands to reach their most sought after targeted audiences. We intend to continue to acquire multiple assets over time and across a broad spectrum of podcast related media and companies. We intend to develop these assets to provide returns via organic growth, revenue production, out-licensing, sale or spin out.

Our operating model is focused on offering white glove service to our shows, talent, and advertising clients. With an in-house sales, production, marketing, and tech team, we believe PodcastOne delivers more to clients and talent than any other publisher in the marketplace. This allows us to scale our operations while attracting talent who bring in brand advertisers and revenue. We earn revenue through the sale of embedded host read ads, dynamic ads (host read and otherwise), segment sponsorships, and programmatic monetization channels. We also provide the opportunity for clients to have 100% share of voice with branded podcast episodes or series as well as live tours, merch, and IP ownership for original programming.

In addition to our core business, we also build, own and operate a solution for the growing number of independent podcasters, LaunchpadOne. LaunchpadOne is a free innovative self-publishing podcast hosting, distribution, and monetization platform that provides an end-to-end podcast solution, created to provide a low or no cost tool for independent podcasters without access to parent podcasting networks or state of the art equipment to create shows. LaunchpadOne serves as a talent pool for us to find new podcasts and talent.

We have experienced significant growth in recent years driven by increased advertising activity. For the three months ended June 30, 2025 and 2024, our revenue was \$15.0 million and \$13.2 million, respectively, representing year-over-year growth of 14%.

We are more than a podcast company. We are in the relationship business. Brands and creators partner with us to reach consumers who will purchase, listen and subscribe to their favorite PodcastOne podcasts across the audio landscape. We offer content for every type of listener with verticals including reality TV, sports, true crime self-help, and business. The visibility and reach of our network is evident with shows which consistently rank in the top 100 on the Apple Charts.

Recent Developments for the Quarter Ended June 30, 2025

During the quarter ended June 30, 2025, we expanded our programming slate to 194 shows and surpassed 3.8 billion network downloads.

We were recently ranked as high as #8 on the list of Top Podcast Publishers by the podcast metric company Podtrac.

As of the date of this Quarterly Report, we have continued to expand our slate of original programming, having acquired exclusive rights to certain podcasts, including ownership and intellectual property and derivative rights to several true crime podcasts for potential television and/or film projects and distribution.

We are also actively pursuing potential other podcasts, shows and other asset acquisitions consistent with our strategy.

Our Business Model

We are an Ad-Supported Service that provides free content to listeners via their mobile and desktop devices. We generate revenue from the sale of audio, video and social advertising delivered through advertising impressions. We generally enter into arrangements with advertising agencies that purchase advertising on our platform on behalf of the agencies’ clients. These advertising arrangements typically specify the type of advertising product, pricing, insertion dates, and number of impressions in a stated period. Revenue for our Ad-Supported segment is affected primarily by the number of a show’s listeners and our ability to provide innovative advertising products that are relevant to our Ad-Supported Users and enhance returns for our advertising partners. Our advertising strategy centers on the belief that advertising products that are based on content and are relevant to the Ad-Supported User can enhance Ad-Supported Users’ experiences and provide even greater returns for advertisers through the strength of our host-read embedded promos. According to a Super Listener Survey in 2021, an estimated 49% of listeners believe the hosts actually use the products and services they recommend and 60% of podcast listeners say they have bought something from hearing a podcast ad. Offering advertisers additional ways to purchase advertising on a programmatic basis is another key way that we expand our portfolio of advertising products and enhance advertising revenue. Furthermore, we continue to focus on analytics and measurement tools to evaluate, demonstrate, and improve the effectiveness of advertising campaigns on our platform.

[Table of Contents](#)

When we onboard new talent both parties have the common interest of creating content that advertisers want to purchase. We craft our deals with a percentage split of the advertising revenue (host-read embedded ads, DAI and programmatic) which strengthens our partnerships because when advertisers spend, we all win.

Key Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Impressions

The digital advertising industry is introducing new ways to measure and price advertising inventory. For example, a significant portion of advertisers are in the process of moving from purchasing advertisement impressions based on the number of advertisements served by the applicable ad server to a new “viewable” impression standard (based on number of pixels in view and duration) for select products. In the absence of a uniform industry standard, agencies and advertisers have adopted several different measurement methodologies and standards. In addition, measurement services may require technological integrations, which are still being evaluated by the advertising industry without an agreed-upon industry standard metric. As these trends in the industry continue to evolve, our advertising revenue may be adversely affected by the availability, accuracy, and utility of the available analytics and measurement technologies as well as our ability to successfully implement and operationalize such technologies and standards.

Further, the digital advertising industry is shifting to data-driven technologies and advertising products, such as automated buying. These data-driven advertising products and automated buying technologies allow publishers and advertisers to use data to target advertising toward specific groups of users who are more likely to be interested in the advertising message delivered to them. These advertising products and programmatic technologies are currently more developed in terms of advertising technology and industry adoption on the web than they are on mobile or on other software applications, and may not integrate with our desktop software version of the ad-supported services. Because the majority of our ad-supported user hours occur on mobile devices, if we are unable to deploy effective solutions to monetize the mobile device usage by our ad-supported user base, our ability to attract advertising spend, and ultimately our advertising revenue, may be adversely affected by this shift. In addition, we rely on third-party advertising technology platforms to participate in automated buying, and if these platforms cease to operate or experience instability in their business models, it also may adversely affect our ability to capture advertising spend.

We generate revenue by charging a cost per thousand impressions (“CPM”) based on the volume of purchased digital ads that we measure on behalf of these customers. If the volume of impressions we measure does not continue to grow or decreases for any reason, our business will suffer. For example, if digital ad spending remains constant and our advertiser customers transition to higher CPM ad inventory, overall impression volumes may decrease, which may result in fewer impressions for us to verify and a corresponding decline in our revenues.

Podcast Services

Our podcasts are available to users online alongside LiveOne’s digital Internet radio. Our users are able to listen to a variety of podcasts, from music, radio personalities, news, entertainment, comedy and sports. The podcasts are available on our platform, the LiveOne platforms and also on other leading podcast listening platforms, though various car manufacturers such as Apple Music, Spotify, and Amazon. We monetize podcasts through paid advertising. We own one of the largest networks of podcast content in North America, which has over 300 exclusive podcast shows that produces over 275 episodes per week and has generated over 3.6 billion downloads during the year ended March 31, 2025.

In addition to our core business, we also built, own and operate a solution for the growing number of independent podcasters, LaunchPadOne. LaunchPadOne is a self-publishing podcast platform, created to provide a low or no cost tool for independent podcasters without access to parent podcasting networks or state of the art equipment to create shows. LaunchPadOne serves as a talent pool for us to find new podcasts and talent.

Key Business Metric

We review various operating and financial metrics, including the number of podcasts downloaded to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. However, while we believe that other than the number of podcasts downloaded on our platform, such metrics do not materially help to evaluate our business, measure our performance or provide a better understanding of our results, our management uses its experience and understanding of the podcasting and advertising industry to evaluate such metrics, as well as CPM and various underlying podcast agreement terms (such as minimum guarantee payments, term, marketing spend) and others, such as advertiser engagement with a show, on a show by show basis and in totality across all shows on our network to predict our future business and financial performance. Accordingly, we are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies who may calculate similarly-titled metrics in a different way, and provide the number of podcasts downloaded on our platform as the metric that we believe provides the best understanding of our results, as more fully discussed below.

	Year Ended March 31,		YoY Growth	Three Months Ended June 30,		YoY Growth
	2025	2024		2025	2024	
Number of podcast downloads	204,709,000	368,812,413	(44)%	51,423,500	55,856,000	(8)%

The decrease in the number of podcast downloads is largely due to modified download behavior by Apple iOS 17 as it continues to be adopted by podcast listeners, as well as the departure of non-revenue generating partner networks from our podcast network.

Number of Podcast Downloads

We are an Ad-Supported Service that provides free content to listeners via their mobile and desktop devices. We generate revenue from the sale of audio, video and social advertising delivered through advertising impressions. We generally enter into arrangements with advertising agencies that purchase advertising on our platform on behalf of the agencies' clients. These advertising arrangements typically specify the type of advertising product, pricing, insertion dates, and number of impressions in a stated period. Revenue for our Ad-Supported segment is affected primarily by the number of a show's listeners and our ability to provide innovative advertising products that are relevant to our Ad-Supported Users and enhance returns for our advertising partners. Therefore, we believe our ability to grow and measure our effectiveness of advertisers is dependent on tracking the number of podcast downloaded on our platform.

Components of Results of Operations

Revenue

We generate revenue primarily from the sale of audio, video, and display advertising space to third-party advertising exchanges. Revenues are recognized based on delivery of impressions over the contract period to the third-party exchanges, either when an ad is placed for listening or viewing by a visitor or when the visitor “clicks through” on the advertisement. The advertising exchange companies report the variable advertising revenue performed on a monthly basis which represents our efforts to satisfy the performance obligation. We earn advertising revenues primarily for fees earned from advertisement placement purchased by the customer during the time the podcast is delivered to the viewing audience, under the terms and conditions as set forth in the applicable podcasting agreement calculated using impressions.

Cost of Sales

Cost of sales consists of direct costs comprised of revenue sharing expenses owed to content creators and commissions.

Operating Expenses

Our operating expenses consist of cost of sales, product development, sales and marketing, and general and administrative expenses. Personnel-related expenses are the most significant component of operating expenses and consist of salaries, benefits, stock-based compensation expense, and, in the case of sales and marketing expenses, sales commissions. Operating expenses also include an allocation of overhead costs for facilities and shared IT-related expenses. As we continue to invest in our business, we expect our operating expenses to continue to increase in dollar amount, and although we believe our operating expenses as a percentage of revenue will decrease over the longer term, we expect operating expenses as a percentage of revenue will increase in the short term as we invest in product innovation and sales growth and incur additional professional services and compliance costs as we operate as a public company.

Sales and Marketing

Sales and Marketing include direct and indirect costs related to our event advertising and marketing. Additionally, sales and marketing include merchandising advertising and royalty costs. Advertising expenses to promote our services are expensed as incurred.

Product Development

Product development costs not capitalized are primarily expenses for research and development, product and content development activities, including internal software development and improvement costs which have not been capitalized by us.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses for our finance, human resources, information technology, and legal organizations. These expenses also include non-personnel costs, such as outside legal, accounting, and other professional fees, software subscriptions, as well as certain tax, license, and insurance-related expenses, and allocated overhead costs.

We also recognized certain expenses as part of our transition to a publicly-traded company, consisting of professional fees and other expenses. In the quarters leading up to the listing of our common stock, we incurred professional fees and expenses, and in the quarter of our listing we incurred fees paid to our financial advisors in addition to other professional fees and expenses related to such listing. After the listing of our common stock, we continue to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a U.S. securities exchange and costs related to compliance and reporting obligations pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). In addition, as a public company, we continue to incur additional costs associated with accounting, compliance, insurance, and investor relations. As a result, we expect our general and administrative expenses to continue to increase in dollar amount for the foreseeable future but to generally decrease as a percentage of our revenue over the longer term, although the percentage may fluctuate from period to period depending on the timing and amount of our general and administrative expenses, including in the short term as we expect to incur increased compliance and professional service costs.

Results of Operations**Three Months Ended June 30, 2025, as compared to Three Months Ended June 30, 2024**

The following tables set forth our results of operations for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results (in thousands):

	Three Months Ended June 30,	
	2025	2024
Revenue:	\$ 14,994	\$ 13,159
Operating expenses:		
Cost of sales	13,555	11,709
Sales and marketing	879	847
Product development	12	18
General and administrative	1,477	1,398
Amortization of intangible assets	125	377
Impairment of intangible assets	-	176
Total operating expenses	16,048	14,525
Income (loss) from operations	(1,054)	(1,366)
Other income (expense):		
Total other income (expense), net	-	-
Loss before provision for income taxes	(1,054)	(1,366)
Provision for income taxes	-	-
Net loss	\$ (1,054)	\$ (1,366)
Net loss per share – basic and diluted	\$ (0.04)	\$ (0.06)
Weighted average common shares – basic and diluted	24,133,630	23,712,530

[Table of Contents](#)

The following table sets forth the depreciation expense included in the above line items (in thousands):

	Three Months Ended June 30,		% Change
	2025	2024	
Depreciation expense			
Cost of sales	\$ 23	\$ 37	(38)%
Sales and marketing	13	24	(46)%
General and administrative	(11)	5	(320)%
Total depreciation expense	\$ 25	\$ 66	(62)%

The following table sets forth the stock-based compensation expense included in the above line items (in thousands):

	Three Months Ended June 30,		% Change
	2025	2024	
Stock-based compensation expense			
Cost of sales	\$ 920	\$ 22	4082%
Sales and marketing	4	(41)	(110)%
General and administrative	541	413	31%
Total stock-based compensation expense	\$ 1,465	\$ 394	272%

The following table sets forth our results of operations, as a percentage of revenue, for the periods presented:

	Three Months Ended June 30,		
	2025	2024	
Revenue	100%	100%	
Operating expenses			
Cost of sales	90%	89%	
Sales and marketing	6%	6%	
Product development	0%	0%	
General and administrative	10%	11%	
Amortization of intangible assets	0%	0%	
Impairment of intangible assets	0%	0%	
Total operating expenses	107%	110%	
Income (loss) from operations	(7)%	(10)%	
Other income (expense), net	0%	0%	
Loss before income taxes	(7)%	(10)%	
Income tax provision	0%	0%	
Net loss	(7)%	(10)%	

Revenue

Revenue increased \$1.8 million, or 14%, to \$15.0 million for the three months ended June 30, 2025, as compared to \$13.2 million for the months ended June 30, 2024. The increase in revenue was primarily due to growth in barter revenue of \$1.0 million and advertising inventory.

Cost of Sales

Cost of sales increased \$1.8 million, or 16%, to \$13.6 million for the three months ended June 30, 2025, as compared to \$11.7 million for the months ended June 30, 2024. The increase was in line with our revenue growth as revenue share splits with our content creators remained consistent.

Other Operating Expenses

Other operating expenses were as follows (in thousands):

	Three Months Ended June 30,		% Change
	2025	2024	
Sales and marketing expenses	\$ 879	\$ 847	4%
Product development	12	18	(33)%
General and administrative	1,477	1,398	6%
Amortization of intangible assets	125	377	(67)%
Impairment of intangible assets	-	176	(100)%
Total Other Operating Expenses	\$ 2,493	\$ 2,816	(11)%

Sales and Marketing Expenses

Sales and Marketing expenses increased by \$0.1 million, or 4%, to \$0.9 million for the three months ended June 30, 2025, as compared to \$0.8 million for the three months ended June 30, 2024. The increase was primarily due to an increase in advertising spending as the amount of marketing programs was increased.

Product Development

Product development expenses decreased by \$6,000, or 33%, to \$12,000 for the three months ended June 30, 2025, as compared to \$18,000 for the three months ended June 30, 2024, as no significant projects took place during both periods.

General and Administrative

General and administrative expenses increased by \$0.1 million, or 6%, to \$1.5 million for the three months ended June 30, 2025, as compared to \$1.4 million for the three months ended June 30, 2024, as we incurred additional cost for professional services and payroll in the current year which was offset by a decrease in stock compensation expense.

Amortization of Intangible Assets

Amortization of intangible assets decreased by \$0.3 million, or 67%, to \$0.1 million for the three months ended June 30, 2025, as compared to \$0.4 million during the three months ended June 30, 2024. The decrease can be attributed to the decrease in content related amortization associated with the write-off of certain podcasts in Q4 of fiscal 2025.

Impairment of Intangible Assets

Impairment of intangible assets decreased \$0.2 million, or 100%, to none for the three months ended June 30, 2025, as compared to \$0.2 million for the three months ended June 30, 2024, which is attributed to the cancellation of a show acquired previously acquired (see Note 4 – Goodwill and Intangible Assets).

Non-GAAP Financial Measures

The following table presents certain non-GAAP financial measures, along with the most directly comparable U.S. GAAP measure, for each period presented below. In addition to our results determined in accordance with U.S. GAAP, we believe these non-GAAP financial measures are useful in evaluating our operating performance. See below for a description of the non-GAAP financial measures and their limitations as an analytical tool. A reconciliation is also provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP.

Contribution Margin

Contribution Margin is a non-GAAP financial measure defined as Revenue less Cost of Sales before share-based compensation, depreciation and amortization of developed technology.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) before (a) non-cash GAAP purchase accounting adjustments for certain deferred revenue and costs, (b) legal, accounting and other professional fees directly attributable to acquisition activity, (c) employee severance payments and third party professional fees directly attributable to acquisition or corporate realignment activities, (d) certain non-recurring expenses associated with legal settlements or reserves for legal settlements in the period that pertain to historical matters that existed at acquired companies prior to their purchase date, (e) depreciation and amortization (including goodwill and intangible asset impairment, if any), and (f) certain stock-based compensation expense. We use Adjusted EBITDA to evaluate the performance of our operating segment. We believe that information about Adjusted EBITDA assists investors by allowing them to evaluate changes in the operating results of our business separate from non-operational factors that affect net income (loss), thus providing insights into both operations and the other factors that affect reported results. Adjusted EBITDA is not calculated or presented in accordance with GAAP. A limitation of the use of Adjusted EBITDA as a performance measure is that it does not reflect the periodic costs of certain amortizing assets used in generating revenue in our business. Accordingly, Adjusted EBITDA should be considered in addition to, and not as a substitute for, operating income (loss), net income (loss), and other measures of financial performance reported in accordance with GAAP. Furthermore, this measure may vary among other companies; thus, Adjusted EBITDA as presented herein may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA Margin

Adjusted EBITDA Margin is a non-GAAP financial measure that we define as the ratio of Adjusted EBITDA to Revenue.

[Table of Contents](#)

The following table sets forth the reconciliation of Adjusted EBITDA to net loss, the most comparable GAAP financial measure for the three months ended June 30, 2025 (in thousands):

	Net Income (Loss)	Depreciation and Amortization	Stock-Based Compensation	Non- Recurring Acquisition and Realignment Costs	Other (Income) Expense	(Benefit) Provision for Taxes	Adjusted EBITDA
Three Months Ended June 30, 2025							
Total	\$ (1,054)	\$ 152	\$ 1,465	\$ 17	\$ -	\$ -	\$ 580
Three Months Ended June 30, 2024							
Total	\$ (1,366)	\$ 619	\$ 394	\$ 37	\$ -	\$ -	\$ (316)

The following table sets forth the reconciliation of Contribution Margin to Revenue, the most comparable GAAP financial measure (in thousands):

	Three Months Ended June 30,	
	2025	2024
Revenue:	\$ 14,994	\$ 13,159
Less:		
Cost of sales	(13,555)	(11,709)
Amortization of developed technology	(31)	(60)
Gross Profit	1,408	1,390
Add backs:		
Share-based compensation	932	22
Depreciation	23	37
Amortization of developed technology	31	60
Contribution Margin	\$ 2,394	\$ 1,509

Limitations and Reconciliations of Non-GAAP Financial Measures

Non-GAAP financial measures are presented for supplemental informational purposes only. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for financial information presented under U.S. GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus comparable financial measures determined under U.S. GAAP. For example, other companies in our industry may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance. In addition, free cash flow does not reflect our future contractual commitments and the total increase or decrease of our cash balance for a given period. All of these limitations could reduce the usefulness of these non-GAAP financial measures as analytical tools. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures and to not rely on any single financial measure to evaluate our business.

Liquidity and Capital Resources

Current Financial Condition

As of June 30, 2025, our principal sources of liquidity were our cash and cash equivalents in the amount of \$1.9 million, which primarily are invested in cash in banking institutions in the U.S. The vast majority of our cash proceeds were received as a result of our operations, completed private placement offering of our unsecured convertible notes with an original issue discount of 10% (the “OID”) in the aggregate principal amount of \$8.8 million (the “Bridge Notes”), which were converted in full in September 2023, and intercompany loans from our parent, LiveOne. As of June 30, 2025, we had a related party payable balance of \$0.1 million. Our parent is required to maintain a minimum cash balance as a result of debt covenants on its debt.

On July 15, 2022, we completed a private placement offering of the Bridge Notes for gross proceeds of \$8.0 million. In connection with the sale of the Bridge Notes, the holders of the Bridge Note received the Bridge Warrants, and we issued the Placement Agent Warrants to the placement agent. The Bridge Notes were scheduled to mature on July 15, 2023, subject to a one-time three-month extension at our election. We elected the extension and extended the maturity date to October 15, 2023. The Bridge Notes bore interest at a rate of 10% per annum payable on maturity. On September 8, 2023, we completed our direct listing on The NASDAQ Capital Market (our spin-out from LiveOne to become a standard publicly trading company) and as a result of the direct listing, all of the remaining Bridge Notes (including interest thereunder) in the aggregate amount of approximately \$7.02 million converted into approximately 2,341,000 shares of our common stock.

In August 2023, LiveOne entered into a \$1.7 million secured loan with Capchase which accrues interest at 8% and matures 30 months from issuance (the “Capchase Loan”). On September 8, 2023 and effective as of August 22, 2023, LiveOne entered into a new Business Loan Agreement with the senior credit facility provider to convert the senior credit facility into an assets backed loan credit facility, which shall continue to be collateralized by a first lien on all of the assets of LiveOne and its subsidiaries (the “ABL Credit Facility”). The Business Loan Agreement provides LiveOne with borrowing capacity of up to the Borrowing Base (as defined in the Business Loan Agreement). Pursuant to the Business Loan Agreement, the requirement that LiveOne and its related entities shall at all times maintain a certain minimum deposit with the senior credit facility provider was reduced from \$7,000,000 to \$5,000,000. On January 28, 2025, LiveOne entered into a new Business Loan Agreement (the “2025 Business Loan Agreement”) with the senior lender to update certain terms of the ABL Credit Facility, including to reduce the principal amount outstanding under the promissory note underlying the ABL Credit Facility (the “Promissory Note”) to \$3,750,000, reflecting LiveOne’s repayment of the ABL Credit Facility as of such date, and to extend the maturity date of the Promissory Note to November 20, 2025. Pursuant to the Change in Terms Agreement, dated as of January 28, 2025 (the “2025 Change in Terms Agreement”), entered into between LiveOne and the senior lender in connection with the 2025 Business Loan Agreement, LiveOne agreed to repay the remaining outstanding principal amount of the Promissory Note in 9 equal monthly payments of \$400,000 each beginning February 20, 2025, and the final 10th payment of \$151,291.67 on November 20, 2025. Pursuant to the 2025 Business Loan Agreement, the requirement that LiveOne and its related entities shall at all times maintain a certain minimum cash deposit with the senior lender is maintained at \$5,000,000. The ABL Credit Facility continues to be collateralized by a first lien on all of the assets of LiveOne and its subsidiaries, including the Company. In November and December 2024 and in January 2025, LiveOne repaid a total of \$3.25 million of the principal amount underlying the ABL Credit Facility and accordingly decreased the size of the facility to \$3.75 million.

On May 19, 2025 (the “Closing Date”), LiveOne and our Company entered into a Securities Purchase Agreement (the “SPA”) with certain institutional investors (each, a “Purchaser” and collectively, the “Purchasers”), pursuant to which (i) LiveOne sold to the Purchasers its Original Issue Discount Senior Secured Convertible Debentures (the “Initial Debentures”) in an aggregate principal amount of \$16,775,000 for an aggregate cash purchase price of \$15.25 million, and (ii) if certain conditions are satisfied as set forth in the SPA, including at least one of the Conditions (as defined below), we may sell at its option to the Purchasers our additional Original Issue Discount Senior Secured Convertible Debentures in an aggregate principal amount of \$11,000,000 on substantially the same terms as the Initial Debentures (the “Additional Debentures” and collectively with the Initial Debentures, the “Debentures”), in a private placement transaction. The Debentures are convertible into shares of LiveOne’s common stock at the holder’s option at a conversion price of \$2.10 per share, subject to certain customary adjustments such as stock splits, stock dividends and stock combinations. LiveOne may sell to the Purchasers the Additional Debentures if within 15 months of the Closing Date either of the following conditions have been satisfied during such 15-month period (the “Conditions”): (x) the VWAP (as defined in the SPA) of the common stock has been equal to or greater than \$4.20 per share (subject to certain customary adjustments such as stock splits, stock dividends and stock combinations) for 30 consecutive trading days, or (y) Free Cash Flow (as defined in the SPA) has been equal to or greater to \$3,000,000 for three consecutive fiscal quarters, and has increased in each of the foregoing quarters from the immediately preceding fiscal quarter. The Initial Debentures mature on May 19, 2028 and accrue interest at 11.75% per year. Commencing with the calendar month of August 2025 (subject to the following sentence), the holders of the Initial Debentures will have the right, at their option, to require LiveOne to redeem an aggregate of up to \$100,000 of the outstanding principal amount of the Debentures per month. For the month of August 2025, the holders may not submit a redemption notice for such a redemption prior to August 18, 2025. Commencing from November 18, 2025, May 18, 2026 and May 18, 2027, the holders of the Initial Debentures will have the right, at their option, to require LiveOne to redeem an aggregate of up to \$150,000, \$250,000 and \$300,000, respectively, of the outstanding principal amount of the Initial Debentures per month.

Subject to the satisfaction of certain conditions, including applicable prior notice to the holders of the Initial Debentures, at any time after May 19, 2026, LiveOne may elect to prepay all, but not less than all, of the then outstanding Initial Debentures for a prepayment amount equal to the outstanding principal balance of then outstanding Initial Debentures plus all accrued and unpaid interest thereon, together with a prepayment premium equal to the following (the “Prepayment Premium”): (a) if the Initial Debentures are prepaid after May 19, 2026, but on or prior to May 19, 2027, 5% of the entire outstanding principal balance of the outstanding Initial Debentures (or the applicable portion thereof required to be prepaid by LiveOne); and (c) if the Initial Debentures are prepaid on or after May 19, 2027, but prior to the maturity date of the Initial Debentures, 4% of the entire outstanding principal balance of then outstanding Initial Debentures (or the applicable portion thereof required to be prepaid by LiveOne). Subject to the satisfaction of certain conditions, LiveOne shall be required to prepay the entire outstanding principal amount of all of then outstanding Initial Debentures in connection with a Change of Control Transaction (as defined in the Initial Debentures) for a prepayment amount equal to the outstanding principal balance of then outstanding Initial Debentures, plus all accrued and unpaid interest thereon, plus the applicable Prepayment Premium based on when such Change of Control Transaction occurs within the period set forth above applicable to such Prepayment Premium; provided, that (x) if a Change of Control Transaction occurs on or prior to May 19, 2026, plus 10% of the entire outstanding principal balance of then outstanding Initial Debentures; (y) if the Specified Carve-Out Transaction (as defined in the Debentures) is consummated, the Company shall be required to prepay the Initial Debentures, in an aggregate amount equal to the lower of the outstanding principal balance of then

outstanding Initial Debentures and \$7,500,000, in each case, plus the applicable Prepayment Premium, and (z) if a Permitted Disposition (as defined in the Debentures) pursuant to clause (g) of the definition thereof is consummated, LiveOne shall be required to prepay the Initial Debentures in an aggregate amount equal to the lower of the outstanding principal balance of then outstanding Initial Debentures and 50% of the first \$1,000,000 of net proceeds resulting from such Permitted Disposition up to \$1,000,000 and 25% of such net proceeds in excess of \$1,000,000, in each case, plus the applicable Prepayment Premium. LiveOne's obligations under the Debentures can be accelerated upon the occurrence of certain customary events of default. In the event of default and acceleration of our obligations, we would be required to pay the applicable prepayment amount described above.

LiveOne's obligations under the Debentures have been guaranteed under a Subsidiary Guarantee, dated as of the Closing Date, by certain of its wholly owned subsidiaries, including our Company (collectively, the "Guarantors"). LiveOne's obligations under the Debentures and the Guarantors' obligations under the Subsidiary Guarantee are secured under a Security Agreement (the "Security Agreement") entered into on the Closing Date among LiveOne, the Guarantors, certain Purchasers and JGB Collateral, LLC (the "Agent") as agent for the Purchasers (the "Security Agreement"), by a lien on all of LiveOne's and the Guarantors' assets, including our assets, subject to certain exceptions.

In connection with the issuance of the Initial Debentures, LiveOne paid off all obligations owed under, and terminated, the ABL Credit Facility and all related loan agreements. As of June 30, 2025, LiveOne was in compliance with all covenants under the Capchase Loan and the Initial Debentures.

On July 15, 2025, LiveOne entered into an underwriting agreement (the "Underwriting Agreement") with Lucid Capital Markets, LLC (the "Underwriter") pursuant to which LiveOne will issue and sell to the Underwriter 13,608,334 shares (the "Shares") of LiveOne's common stock at an offering price of \$0.75 per Share and which includes the grant to the Underwriter of an option for the issuance and sales of up to 1,775,000 additional Shares (the "Option") to be sold by LiveOne (the "Offering"). The aggregate gross proceeds to the Company from the Offering will be approximately \$9.5 million (including the exercise of the Underwriter's Option), after deducting an underwriting discount of 7% of the price to the public, but before deducting expenses payable by the Company in connection with the Offering. Pursuant to the Underwriting Agreement the Company has also agreed to issue the Underwriter's common stock purchase warrants (the "Underwriter's Warrant") to purchase up to 4% of the shares sold in the Offering at an exercise price of \$0.9375. On July 16, 2025, the Underwriter exercised the Option. The Offering, including the Option, closed on July 17, 2025.

As of June 30, 2025, LiveOne's total outstanding consolidated indebtedness was \$15.9 million, net of fees and discounts, which consisted of LiveOne's Initial Debentures and the Capchase Loan.

On October 1, 2024, LiveOne announced an amended relationship with its largest OEM customer. The OEM customer will no longer subsidize LiveOne's products to some of its customers, however, LiveOne will offer all OEM customer vehicles in North America the opportunity to convert to become direct subscribers of LiveOne's LiveOne music app. The direct subscription to the LiveOne app will allow such users for the first time to access their LiveOne music and LiveOne's other service offerings directly across all of their devices. LiveOne's music streaming button/icon, which allows users to directly connect their subscription to LiveOne, is expected to remain in the OEM customer's music streaming services dashboard in perpetuity. The OEM customer will continue to pay LiveOne monthly for grandfathered vehicles for the term of the OEM license agreement. Accordingly, the change in LiveOne's relationship with the OEM customer in October 2024 is likely to cause its liquidity and cash flows to fluctuate significantly beyond December 31, 2024, which may then have an impact on our liquidity and potentially cause our liquidity to fluctuate significantly beyond December 31, 2024. LiveOne's liquidity will depend upon its ability to convert as many of the OEM drivers as possible to become direct subscribers of its LiveOne app and the OEM customer continuing to pay for any grandfather users, as well as LiveOne's ability to enter into new B2B agreements to provide its services that could materially contribute to our liquidity and cash flows, which may then have an impact on our liquidity and potentially cause our liquidity to fluctuate significantly. In addition, LiveOne's liquidity will depend on its ability to negotiate with its music labels, publishers and other partners to achieve flexibility in the terms of its license agreements to match our OEM driver conversions, which may then have an impact on our liquidity and potentially cause our liquidity to fluctuate significantly. Furthermore, LiveOne's liquidity will be dependent on its ability to extend and/or refinance the terms of its senior secured line of credit and/or its ability to pay any amounts that LiveOne has agreed to pay under the SX Settlement Agreement, which may then have an impact on our liquidity and potentially cause our liquidity to fluctuate significantly.

We are looking to secure additional interim financing in the immediate future, which is needed to continue our current level of operations in the future and satisfy our obligations. In the absence of additional sources of liquidity, management anticipates that existing cash resources will not be sufficient to meet current operating and liquidity needs beyond August 2026. There is no assurance that we will be able to obtain additional liquidity or be successful in raising additional funds or that such required funds, if available, will be available on attractive terms, or at all, or that they will not have a significant dilutive effect on our existing stockholders. In addition, management is unable to determine at this time whether any of these potential sources of liquidity will be adequate to support our future business operations. While we do not currently anticipate delays or hindrances to our current business operations and initiatives schedule due to liquidity constraints, without additional funding we may not be able to continue our current level of business operations in the future.

[Table of Contents](#)

As reflected in our consolidated financial statements included elsewhere in this Quarterly Report, we have a history of losses and had working capital of \$1.2 million as of June 30, 2025. These factors, among others, raise substantial doubt about our ability to continue as a going concern within one year from the date that the financial statements are issued. In addition, our independent registered public accounting firm in their audit report to our financial statements for the fiscal year ended March 31, 2025 expressed substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to execute our strategy and on our ability to raise additional funds through the sale of equity and/or debt securities via public and/or private offerings.

Our long-term ability to continue as a going concern is dependent upon our ability to increase revenue, reduce costs, achieve a satisfactory level of profitable operations, and obtain additional sources of suitable and adequate financing. Our ability to continue as a going concern is also dependent its ability to further develop and execute on our business plan. We may also have to reduce certain overhead costs through the reduction of salaries and other means and settle liabilities through negotiation. There can be no assurance that management's attempts at any or all of these endeavors will be successful.

Sources and Uses of Cash

The following table provides information regarding our cash flows for the three months ended June 30, 2025 and 2024 (in thousands):

	Three Months Ended June 30,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 903	\$ (480)
Net cash used in investing activities	(112)	(74)
Net cash used in financing activities	-	-
Net change in cash, cash equivalents and restricted cash	\$ 791	\$ (554)

Operating Activities

For the three months ended June 30, 2025

Net cash provided by our operating activities of \$0.9 million for the three months ended June 30, 2025 primarily resulted from our net loss during the period of \$1.1 million, which included non-cash charges of \$1.7 million largely comprised of depreciation and amortization and stock-based compensation. In addition, \$0.3 million of the change for the three months ended June 30, 2025 was from changes in our working capital, primarily from timing of accounts receivable, accounts payable and accrued liabilities and related party payables.

For the three months ended June 30, 2024

Net cash used in our operating activities of \$0.5 million for the three months ended June 30, 2024 primarily resulted from our net loss during the period of \$1.4 million, which included non-cash charges of \$1.1 million largely comprised of depreciation and amortization, stock-based compensation and impairment of intangibles. The remainder of our sources of cash used operating activities of \$0.2 million for the three months ended June 30, 2024 was from changes in our working capital, primarily from timing of accounts receivable, accounts payable and accrued liabilities and related party payable.

Investing Activities

For the three months ended June 30, 2025

Net cash used in investing activities of \$0.1 million for the three months ended June 30, 2025 was for the purchase of fixed assets.

[Table of Contents](#)

For the three months ended June 30, 2024

Net cash used in investing activities of \$74,000 for the three months ended June 30, 2024 was for the purchase of fixed assets.

Financing Activities

For the three months ended June 30, 2025

No cash was used in or provided by financing activities for the three months ended June 30, 2025.

For the three months ended June 30, 2024

No cash was used in or provided by financing activities for the three months ended June 30, 2024.

Debt Covenants

As of June 30, 2025, we did not have any debt covenants, and LiveOne was in compliance with all covenants under the Initial Debentures and the Capchase Loan.

Recent Accounting Pronouncements

See Note 2 — *Summary of Significant Accounting Policies* to our consolidated financial statements included elsewhere in this Quarterly Report for a discussion of new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our President (Principal Executive Officer) and Chief Financial Officer, to allow timely decisions regarding required disclosures.

As of the end of the period covered by this Quarterly Report, we carried out an evaluation (the “Evaluation”), under the supervision and with the participation of our management, including our President and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) pursuant to Rule 13a-15 of the Exchange Act. Based upon that evaluation in our Annual Report on Form 10-K, filed with the SEC on July 1, 2024 (the “Annual Report”), our President (Principal Executive Officer) and Chief Financial Officer concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective.

Limitations of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to reasonably ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. A control system, no matter how well designed and operated, can provide only reasonable assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports. Inherent limitations to any system of disclosure controls and procedures include, but are not limited to, the possibility of human error and the circumvention or overriding of such controls by one or more persons. In addition, we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, and our system of controls may therefore not achieve its desired objectives under all possible future events.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CEO and CFO Certifications

Exhibits 31.1 and 31.2 to this Quarterly Report are the Certifications of our President (Principal Executive Officer) and Chief Financial Officer, respectively. These Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act (the “Section 302 Certifications”). This Item 4 of this Quarterly Report, which you are currently reading, is the information concerning the Evaluation referred to above and in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are from time to time, party to various legal proceedings arising out of our business. Certain legal proceedings in which we are involved are discussed in Note 7 - Commitments and Contingencies, to the condensed consolidated financial statements included elsewhere in this Quarterly Report, and are incorporated herein by reference. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Item 1A. Risk Factors.

We operate in a rapidly changing environment that involves a number of risks, which could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this Quarterly Report on Form 10-Q, the risks and uncertainties that we believe are most important for you to consider are discussed in Part I-Item 1A under the heading "Risk Factors" in our Annual Report. During the three months ended June 30, 2025, there were no material changes to the risk factors that were disclosed in our Annual Report on Form 10-K for the year ended March 31, 2025 except as noted below.

Risks Related to Our Business and Industry

We have incurred significant operating and net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.

As reflected in our consolidated financial statements included elsewhere herein, we have a history of losses, incurred significant operating and net losses in each year since our inception, including net losses of \$6.5 million and \$14.7 million for the fiscal years ended March 31, 2025 and 2024, respectively, and cash (used in) provided by operating activities of \$(0.2) million and \$2.2 million for the fiscal years ended March 31, 2025 and 2024, respectively, and had cash provided by (used in) operating activities of \$0.9 million and \$(0.5) million for the three months ended June 30, 2025 and 2024, respectively. We incurred a net loss of \$1.1 million and \$1.4 million for the three months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, we had an accumulated deficit of \$37.1 million and a working capital of \$1.2 million.

We expect to continue to incur substantial and increased expenses as we continue to execute our business approach, including expanding and developing our content and platform and potentially making other accretive acquisitions, and anticipate incurring additional losses until such time that we can generate significant increases to our revenues, and/or reduce our operating costs and losses. To date, we have financed our operations through cash generated by our business, the sale of equity and/or debt securities (including convertible securities) of our Company and after our acquisition by LiveOne on July 1, 2020, also through the sale of LiveOne's equity and/or debt securities (including convertible securities) and/or intercompany loans from LiveOne. The size of our future net losses will depend, in part, on the rate of future expenditures and our ability to significantly grow our business and increase our revenues. We expect to continue to incur substantial and increased expenses as we grow our business. We also expect a continued increase in our expenses associated with our operations as a publicly-traded company. We may incur significant losses in the future for a number of other reasons, including unsuccessful acquisitions, costs of integrating new businesses, expenses, difficulties, complications, delays and other unknown events. As a result of the foregoing, we expect to continue to incur significant losses for the foreseeable future and we may not be able to achieve or sustain profitability.

The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a growing company, the difficulties that may be encountered with integrating acquired companies and the highly competitive environment in which we operate. For example, while several companies have been successful in the digital music streaming industry and the online video streaming industry, companies have had no or limited success in operating a premium Internet network devoted to live music and music-related video content. We cannot assure you that our business will be profitable or that we will ever generate sufficient revenue to fully meet our expenses and support our anticipated activities.

Our ability to meet our total liabilities of \$7.6 million as of June 30, 2025, and to continue as a going concern, is dependent on our ability to increase revenue, reduce costs, achieve a satisfactory level of profitable operations, obtain additional sources of suitable and adequate financing and further develop and execute on our business plan. We may never achieve profitability, and even if we do, we may not be able to sustain being profitable. As a result of the going concern uncertainty, there is an increased risk that you could lose the entire amount of your investment in our company, which assumes the realization of our assets and the satisfaction of our liabilities and commitments in the normal course of business.

Risks Related to Our Company

We rely on key members of management, particularly our Executive Chairman, Mr. Robert Ellin, our President, Kit Gray, our Chief Revenue Officer, Sue McNamara, and our Chief Financial Officer, Treasurer and Secretary, Ryan Carhart, and the loss of any of their services or investor confidence in them could adversely affect our success, development and financial condition.

Our success depends, to a large degree, upon certain key members of our management, particularly our Executive Chairman, Mr. Robert Ellin, our President, Kit Gray, our Chief Revenue Officer, Sue McNamara, and our Chief Financial Officer, Treasurer and Secretary, Ryan Carhart. Each of such persons have extensive knowledge about our business and our operations, and the loss of any of them or any other key member of our senior management (including other members of our senior management) would likely have a material adverse effect on our business and operations. We do not currently have an employment agreement with Messrs. Ellin and Ryan, and LiveOne does not currently have an effective employment agreement with Mr. Ellin. We do not currently maintain a key-person insurance policy for any of Messrs. Ellin, Gray or Carhart, Ms. McNamara or any other member of our management. Our executive team's expertise and experience in acquiring, integrating and growing businesses, particularly those focused on podcasting, have been and will continue to be a significant factor in our growth and ability to execute our business strategy. The loss of Messrs. Ellin, Gray or Carhart or Ms. McNamara or any other members of our senior management or key employees could slow the growth of our business or have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Our Relationship with LiveOne and its Indebtedness

LiveOne may not have the ability to repay the amounts then due under its Debentures at maturity. If LiveOne does not comply with the provisions of its Debentures financing agreements, the senior lenders may, among other things, terminate their obligations to LiveOne, accelerate its debt and/or require us to repay all outstanding amounts owed thereunder to and/or take possession of our assets and property constituting the collateral thereunder.

On May 19, 2025 (the "Closing Date"), LiveOne and our Company entered into a Securities Purchase Agreement (the "SPA") with certain institutional investors (each, a "Purchaser" and collectively, the "Purchasers"), pursuant to which (i) LiveOne sold to the Purchasers Original Issue Discount Senior Secured Convertible Debentures (the "Initial Debentures") in an aggregate principal amount of \$16,775,000 for an aggregate cash purchase price of \$15,250,000, and (ii) if certain conditions are satisfied as set forth in the SPA, including at least one of the Conditions (as defined below), LiveOne may sell at its option to the Purchasers additional Original Issue Discount Senior Secured Convertible Debentures in an aggregate principal amount of \$11,000,000 on substantially the same terms as the Initial Debentures (the "Additional Debentures" and collectively with the Initial Debentures, the "Debentures"). The Debentures are convertible into shares of LiveOne's common stock at the holder's option at a conversion price of \$2.10 per share, subject to certain customary adjustments such as stock splits, stock dividends and stock combinations. LiveOne may sell to the Purchasers the Additional Debentures if within 15 months of the Closing Date either of the following conditions have been satisfied during such 15-month period (the "Conditions"): (x) the VWAP (as defined in the SPA) of LiveOne's common stock has been equal to or greater than \$4.20 per share (subject to certain customary adjustments such as stock splits, stock dividends and stock combinations) for 30 consecutive trading days, or (y) Free Cash Flow (as defined in the SPA) has been equal to or greater to \$3,000,000 for three consecutive fiscal quarters, and has increased in each of the foregoing quarters from the immediately preceding fiscal quarter. The Initial Debentures mature on May 19, 2028 and accrue interest at 11.75% per year. Commencing with the calendar month of August 2025 (subject to the following sentence), the holders of the Initial Debentures will have the right, at their option, to require us to redeem an aggregate of up to \$100,000 of the outstanding principal amount of the Debentures per month. Commencing from November 18, 2025, May 18, 2026 and May 18, 2027, the holders of the Initial Debentures will have the right, at their option, to require us to redeem an aggregate of up to \$150,000, \$250,000 and \$300,000, respectively, of the outstanding principal amount of the Initial Debentures per month.

Over the term of the Debentures and at maturity, the outstanding principal amount of the Debentures and the Capchase Loan (as defined below), will become due and payable by us in installments. As of June 30, 2025, \$13.6 of the principal amount of the Debentures is due and matures in fiscal 2029. The holders of the Debentures may also require LiveOne to redeem the Debentures up to \$0.8 million due in fiscal 2026, \$1.2 million due in fiscal 2027, \$1.2 million due in fiscal 2028 and \$13.6 million due in fiscal 2029.

LiveOne's failure to repay any outstanding amount under the Debentures would constitute a default under the Debentures. LiveOne's Debentures financing agreements contain provisions that limit its and our operating activities, including covenant relating to the requirement to maintain a certain amount cash (as provided in the Debentures financing agreements). LiveOne's Debentures are secured by all of our and our subsidiaries' assets. If an event of default occurs and is continuing, the senior lenders may among other things, terminate its obligations thereunder, accelerate its debt and require us to repay all amounts thereunder. If for any reason LiveOne fails to comply with the terms of the Debentures financing agreements, the senior lenders will have the right to declare a default under the Debentures financing agreements and at its option may immediately accelerate their debt and require LiveOne and/or our Company to repay all outstanding amounts owed under the Debentures, which would materially adversely impact our business, operating results and financial condition. Furthermore, upon the occurrence and during the continuation of any event of default, the holders of the Debentures shall have the right to, among other things, take possession of our assets and property constituting the collateral thereunder and the right to assign, sell, lease or otherwise dispose of all or any part of the collateral. As of June 30, 2025, LiveOne was in compliance with covenants under the Debentures and the Capchase Loan.

LiveOne's debt agreements contain restrictive and financial covenants that may limit our operating flexibility, and LiveOne's substantial indebtedness may limit cash flow available to fund our business and/or invest in the ongoing needs of our business.

LiveOne has a significant amount of indebtedness. LiveOne's total outstanding consolidated indebtedness as of June 30, 2025, was \$15.9 million, net of fees and discounts. While LiveOne and our Company have certain restrictions and covenants with LiveOne's current indebtedness, we could in the future incur additional indebtedness beyond such amount including by issuing the Additional Debentures subject to Conditions. LiveOne's Debentures financing agreements contain certain restrictive covenants that limit our ability to merge with other companies or consummate certain changes of control, make certain investments, pay dividends or repurchase shares of our common stock, transfer or dispose of assets, or enter into various specified transactions. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of our senior secured lenders and/or repay the amount owed to such lenders. LiveOne's debt agreements also contain certain covenants, including maintaining a minimum cash amount at all times and are secured by substantially all of our and our subsidiaries' assets. There is no guarantee that LiveOne and/or our Company will be able to generate sufficient cash flow or revenues to pay the principal and interest owed under our debt agreements or to satisfy all of the covenants. We and/or our subsidiaries may also incur significant additional indebtedness in the future.

LiveOne's substantial debt combined with its and our other financial obligations and contractual commitments could have other significant adverse consequences, including:

- requiring us to dedicate a substantial portion of our cash flow from operations to the payment of interest on, and principal of, LiveOne's debt, which will reduce the amounts available to fund our working capital, capital expenditures, product development efforts and other general corporate purposes;
- increasing our vulnerability to adverse changes in general economic, industry and market conditions;
- obligating us to restrictive covenants that may reduce our ability to take certain corporate actions or obtain further debt or equity financing;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options.

LiveOne intends to satisfy its current and future debt service obligations with its and our existing cash and cash equivalents and funds from external sources, including its and/or its subsidiaries' equity and/or debt financing. However, LiveOne and its subsidiaries (including our Company) may not have sufficient funds or may be unable to arrange for additional financing to pay the amounts due under our existing debt. Funds from external sources may not be available on acceptable terms, if at all. In the event of an acceleration of amounts due under our debt instruments as a result of an event of default, including upon the occurrence of an event that would reasonably be expected to have a material adverse effect on our business, operations, properties, assets or condition or a failure to pay any amount due, LiveOne and/or our Company may not have sufficient funds or may be unable to arrange for additional financing to repay LiveOne's and/or our indebtedness or to make any accelerated payments.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuance of Unregistered Securities

Other than as set forth below and as reported in our Current Reports on Form 8-K, there have been no other sales or issuances of unregistered securities during the period covered by this Quarterly Report that were not registered under the Securities Act.

During the three months ended June 30, 2025, we issued 63,542 shares of our common stock valued at \$0.1 million to various consultants. We valued these shares at prices between \$1.79 and \$1.98 per share, the market price of our common stock on the date of issuance.

During the three months ended June 30, 2025, we issued 237,113 shares of our common stock valued at \$0.5 million to LiveOne. We valued these share prices between \$1.94 and \$2.00 per share.

We believe the offers, sales and issuances of the securities described above were made in reliance on the exemption from registration contained in Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder and involved a transaction by an issuer not involving any public offering. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs*
April 1, 2025 – April 30, 2025	-	\$ -	-	\$ 6,500,000
May 1, 2025 – May 31, 2025	24,056	\$ 0.74	24,056	\$ 6,500,000
June 1, 2025 – June 30, 2025	267,403	\$ 0.81	291,459	\$ 6,500,000
Total (April 1, 2025 – June 30, 2025)	291,459	\$ -	291,459	\$ 6,500,000

* Represents LiveOne's repurchase program pursuant to which LiveOne may repurchase shares of its and/or our common stock.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 18, 2023).
3.2	Certificate of Amendment, dated September 21, 2023, to the Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 27, 2023).
3.3	Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on September 18, 2023).
4.1	Form of Warrants, dated July 15, 2022, issued by the Company to the Purchasers (Incorporated by reference to Exhibit 4.3 to the Company's Registration Statement, as amended, filed with the SEC on December 27, 2022).
10.1	Form of Subscription Agreement, dated as of July 15, 2022, between the Company and the Purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement, as amended, filed with the SEC on December 27, 2022).
10.2†	The Company's 2022 Equity Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement, as amended, filed with the SEC on December 27, 2022).
10.3†	Form of Director Option Agreement under the 2022 Equity Incentive Plan (Incorporated by reference to Exhibit 10.3 to the Company's Registration Statement, as amended, filed with the SEC on March 13, 2023).
10.4†	Form of Employee Option Agreement under the 2022 Equity Incentive Plan (Incorporated by reference to Exhibit 10.4 to the Company's Registration Statement, as amended, filed with the SEC on March 13, 2023).
10.5†	Employment Agreement, dated as of June 27, 2025, between the Company and Kit Gray (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 2, 2025).
10.6†	Employment Agreement, dated as of June 27, 2025, between the Company and Sue McNamara (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on July 2, 2025).
10.7†	Form of Indemnification Agreement between the Company and each of its directors and executive officers (Incorporated by reference to Exhibit 10.6 to the Company's Registration Statement, as amended, filed with the SEC on March 13, 2023).
10.8	Form of Administrative Services Agreement (Incorporated by reference to Exhibit 10.9 to the Company's Registration Statement, as amended, filed with the SEC on May 10, 2023).
10.9	Form of Separation Agreement (Incorporated by reference to Exhibit 10.10 to the Company's Registration Statement, as amended, filed with the SEC on May 10, 2023).
19.1*	Company Insider Trading Policy
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 14, 2025

PODCASTONE, INC.

By: /s/ Kit Gray
Name: Kit Gray
Title: President
(Principal Executive Officer)

Date: August 14, 2025

By: /s/ Ryan Carhart
Name: Ryan Carhart
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

**PODCASTONE, INC.
INSIDER TRADING COMPLIANCE POLICY**

CONTENTS

	Page
I. SUMMARY	1
II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING	1
III. EXPLANATION OF INSIDER TRADING	2
IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING	5
V. ADDITIONAL PROHIBITED TRANSACTIONS	8
VI. RULE 10b5-1 TRADING PLANS, SECTION 16 AND RULE 144	9
VII. EXECUTION AND RETURN OF CERTIFICATION OF COMPLIANCE	14
<u>ATTACHMENT A</u> SHORT-SWING PROFIT RULE SECTION 16(B) CHECKLIST	15
<u>ATTACHMENT B</u> CERTIFICATION OF COMPLIANCE	16

PODCASTONE, INC.
INSIDER TRADING COMPLIANCE POLICY

I. SUMMARY

Preventing insider trading is necessary to comply with securities laws and to preserve the reputation and integrity of PodcastOne, Inc. (together with its subsidiaries, the “Company”) as well as that of all persons affiliated with the Company. “Insider trading” occurs when any person purchases or sells a security while in possession of inside information relating to the security. As explained in Section III below, “inside information” is information that is both “material” and “non-public.” Insider trading is a crime. The penalties for violating insider trading laws include imprisonment, disgorgement of profits, civil fines, and criminal fines of up to \$5 million for individuals and \$25 million for corporations. Insider trading is also prohibited by this Insider Trading Compliance Policy (this “Policy”), and violation of this Policy may result in Company-imposed sanctions, including removal or dismissal for cause.

This Policy applies to all officers, directors, employees, temporary employees and consultants of the Company. Individuals subject to this Policy are responsible for ensuring that members of their households also comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual’s own account. This Policy extends to all activities within and outside an individual’s Company duties. Every officer, director, employee, temporary employees and consultants must review this Policy. Questions regarding the Policy should be directed to the Company’s General Counsel or Chief Financial Officer.

II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

No officer, director or employee shall purchase or sell any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other company.

Additionally, no officer, director or employee shall purchase or sell any security of the Company during the period beginning on the 1st calendar day before the end of any fiscal quarter of the Company and ending upon completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company.

These prohibitions do not apply to:

- purchases of the Company’s securities from the Company or sales of the Company’s securities to the Company;
 - exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, that in each case do not involve a market sale of the Company’s securities (the “cashless exercise” of a Company stock option through a broker does involve a market sale of the Company’s securities, and therefore would not qualify under this exception);
 - *bona fide* gifts of the Company’s securities; or
 - purchases or sales of the Company’s securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1 (“Rule 10b5-1”) promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”), (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy. For more information about Rule 10b5-1 trading plans, see Section VI below.
-

No officers, directors, employees, temporary employees or consultants shall directly or indirectly communicate (or “tip”) material, non-public information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.

III. EXPLANATION OF INSIDER TRADING

“*Insider trading*” refers to the purchase or sale of a security while in possession of “material,” “non-public” information relating to the security.

“*Securities*” includes stocks, bonds, notes, debentures, options, warrants and other convertible securities, as well as derivative instruments.

“*Purchase*” and “*sale*” are defined broadly under the federal securities law. “*Purchase*” includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. “*Sale*” includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, and acquisitions and exercises of warrants or puts, calls or other derivative securities.

It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non-public information, if the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; and
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

A. What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or if the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information about dividends; corporate earnings or earnings forecasts; possible mergers, acquisitions, tender offers or dispositions; major new products or product developments; important business developments such as major contract awards or cancellations, developments regarding strategic collaborators; management or control changes; significant borrowing or financing developments including pending public sales or offerings of debt or equity securities; defaults on borrowings; bankruptcies; and significant litigation or regulatory actions. Moreover, material information does not have to be related to a company’s business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

A good general rule of thumb: **When in doubt, do not trade.**

B. What is Non-public?

Information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Business Wire, Reuters, The Wall Street Journal, Associated Press, or United Press International, a broadcast on widely available radio or television programs, publication in a widely available newspaper, magazine or news web site, a Regulation FD-compliant conference call, or public disclosure documents filed with the SEC that are available on the SEC’s web site.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow two full trading days following publication as a reasonable waiting period before such information is deemed to be public.

C. Who is an Insider?

“Insiders” include officers, directors, employees, temporary employees and consultants of a company and anyone else who has material inside information about a company. Insiders have independent fiduciary duties to their company and its stockholders not to trade on material, non-public information relating to the company’s securities. All officers, directors, employees, temporary employees and consultants of the Company should consider themselves insiders with respect to material, non-public information about the Company’s business, activities and securities. Officers, directors, employees, temporary employees and consultants may not trade in the Company’s securities while in possession of material, non-public information relating to the Company, nor may they tip such information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.

Individuals subject to this Policy are responsible for ensuring that members of their households also comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual’s own account.

D. Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material, non-public information to a third party (“tippee”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information that has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

E. Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The Securities and Exchange Commission (“SEC”) and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1,425,000 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to \$5,000,000 (\$25,000,000 for an entity); and
- Jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated in connection with insider trading.

F. Size of Transaction and Reason for Transaction Do Not Matter

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. The SEC has the ability to monitor even the smallest trades, and the SEC performs routine market surveillance. Brokers or dealers are required by law to inform the SEC of any possible violations by people who may have material, non-public information. The SEC aggressively investigates even small insider trading violations.

G. Examples of Insider Trading

Examples of insider trading cases include actions brought against corporate officers, directors, and employees who traded in a company’s securities after learning of significant confidential corporate developments; friends, business associates, family members and other tippees of such officers, directors, and employees who traded in the securities after receiving such information; government employees who learned of such information in the course of their employment; and other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and, consequently, not intended to reflect on the actual activities or business of the Company or any other entity.

Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Prior to the public announcement of such earnings, the officer purchases X Corporation's stock. The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution, including up to \$5,000,000 in additional fines and 20 years in jail. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation's stock in advance of the announcement. The officer is jointly liable with his friend for all of the friend's profits, and each is liable for all civil penalties of up to three times the amount of the friend's profits. The officer and his friend are also subject to criminal prosecution and other remedies and sanctions, as described above.

H. Prohibition of Records Falsification and False Statements

Section 13(b)(2) of the 1934 Act requires companies subject to the Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. Every officer, director and employee is required to follow these procedures.

A. Pre-Clearance of All Trades by All Officers, Directors, Employees, Temporary Employees and Consultants

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company's securities, **all transactions in the Company's securities (including without limitation, acquisitions and dispositions of Company stock, the exercise of stock options and the sale of Company stock issued upon exercise of stock options) by officers, directors, employees, temporary employees and consultants (each, a "Pre-Clearance Person") must be pre-cleared** by the Company's General Counsel or Chief Financial Officer. Pre-clearance does not relieve anyone of his or her responsibility under SEC rules.

A request for pre-clearance may be oral or in writing (including by e-mail), should be made at least two business days in advance of the proposed transaction and should include the identity of the Pre-Clearance Person, the type of proposed transaction (for example, an open market purchase, a privately negotiated sale, an option exercise, etc.), the proposed date of the transaction and the number of shares or other securities to be involved. In addition, the Pre-Clearance Person must execute a certification (in the form approved by the General Counsel or Chief Financial Officer) that he or she is not aware of material nonpublic information about the Company. The General Counsel or Chief Financial Officer shall have sole discretion to decide whether to clear any contemplated transaction. All trades that are pre-cleared must be effected within five business days of receipt of the pre-clearance unless a specific exception has been granted by the General Counsel or Chief Financial Officer. A pre-cleared trade (or any portion of a pre-cleared trade) that has not been effected during the five business day period must be pre-cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of material non-public information or becomes subject to a black-out period before the transaction is effected, the transaction may not be completed.

None of the Company, the General Counsel or Chief Financial Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for pre-clearance submitted pursuant to this Section IV.A. Notwithstanding any pre-clearance of a transaction pursuant to this Section IV.A, none of the Company, the General Counsel or Chief Financial Officer or the Company's other employees assumes any liability for the legality or consequences of such transaction to the person engaging in such transaction.

B. Black-Out Periods

Additionally, no officers, directors, employees, temporary employees or consultants shall purchase or sell any security of the Company during the period beginning on the 1st calendar day before the end of any fiscal quarter of the Company and ending upon completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company, except for:

- purchases of the Company's securities from the Company or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- *bona fide* gifts of the Company's securities; and
- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1, (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy.

Exceptions to the black-out period policy may be approved only by the Company's General Counsel or Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors or Audit Committee of the Board of Directors.

From time to time, the Company, through the Board of Directors, the Company's disclosure committee or the General Counsel or Chief Financial Officer, may recommend that officers, directors, employees, temporary employees, consultants or others suspend trading in the Company's securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in our securities while the suspension is in effect, and should not disclose to others that we have suspended trading.

C. Post-Termination Transactions

With the exception of the pre-clearance requirement, this Policy continues to apply to transactions in the Company's securities even after termination of service to the Company. If an individual is in possession of material, non-public information when his or her service terminates, that individual may not trade in the Company's securities until that information has become public or is no longer material.

D. Information Relating to the Company

1. Access to Information

Access to material, non-public information about the Company, including the Company's business, earnings or prospects, should be limited to officers, directors, employees, temporary employees and consultants of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company on an other than need-to-know basis.

In communicating material, non-public information to employees of the Company, all officers, directors, employees, temporary employees and consultants must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

2. Inquiries From Third Parties

Inquiries from third parties, such as industry analysts or members of the media, about the Company should be directed to the General Counsel or Chief Financial Officer at (310) 601-2500.

E. Limitations on Access to Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

All officers, directors, employees, temporary employees and consultants should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

- Maintaining the confidentiality of Company-related transactions;
- Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons;
- Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
- Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;

- Disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;
- Restricting access to areas likely to contain confidential documents or material, non-public information;
- Safeguarding laptop computers, tablets, memory sticks, CDs and other items that contain confidential information; and
- Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.

Personnel involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.

V. ADDITIONAL PROHIBITED TRANSACTIONS

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, officers, directors, employees, temporary employees and consultants shall comply with the following policies with respect to certain transactions in the Company securities:

A. Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy. In addition, as noted below, Section 16(c) of the 1934 Act absolutely prohibits Section 16 reporting persons from making short sales of the Company's equity securities, *i.e.*, sales of shares that the insider does not own at the time of sale, or sales of shares against which the insider does not deliver the shares within 20 days after the sale.

B. Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that an officer, director or employee is trading based on inside information. Transactions in options also may focus an officer's, director's, employee's, temporary employee's or consultant's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities involving the Company's equity securities, on an exchange or in any other organized market, are prohibited by this Policy.

C. Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an officers, directors, employees, temporary employees or consultants to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the officer, director or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the officer, director or employee may no longer have the same objectives as the Company's other stockholders. Therefore, such transactions involving the Company's equity securities are prohibited by this Policy.

D. Purchases of the Company's Securities on Margin; Pledging the Company's Securities to Secure Margin or Other Loans

Purchasing on margin means borrowing from a brokerage firm, bank or other entity in order to purchase the Company's securities (other than in connection with a cashless exercise of stock options under the Company's equity plans). Margin purchases of the Company's securities are prohibited by this Policy. Pledging the Company's securities as collateral to secure loans is also prohibited. This prohibition means, among other things, that you cannot hold the Company's securities in a "margin account" (which would allow you to borrow against your holdings to buy securities).

E. Director and Executive Officer Cashless Exercises

The Company will not arrange with brokers to administer cashless exercises on behalf of directors and executive officers of the Company. Directors and executive officers of the Company may use the cashless exercise feature of their equity awards only if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+3" cashless exercise arrangement, in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the equity award settles. Under a T+3 cashless exercise, a broker, the issuer, and the issuer's transfer agent work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Questions about cashless exercises should be directed to the General Counsel or Chief Financial Officer.

VI. RULE 10b5-1 TRADING PLANS, SECTION 16 AND RULE 144

A. Rule 10b5-1 Trading Plans

1. Overview

Rule 10b5-1 will protect officers, directors, employees, temporary employees and consultants from insider trading liability under Rule 10b5-1 for transactions under a previously established contract, plan or instruction to trade in the Company's stock (a "Trading Plan") entered into in good faith and in accordance with the terms of Rule 10b5-1 and all applicable state laws and will be exempt from the trading restrictions set forth in this Policy. The initiation of, and any modification to, any such Trading Plan will be deemed to be a transaction in the Company's securities, and such initiation or modification is subject to all limitations and prohibitions relating to transactions in the Company's securities. Each such Trading Plan, and any modification thereof, must be submitted to and pre-approved by the Company's General Counsel or Chief Financial Officer, or such other person as the Board of Directors may designate from time to time (the "Authorizing Officer"), who may impose such conditions on the implementation and operation of the Trading Plan as the Authorizing Officer deems necessary or advisable. However, compliance of the Trading Plan to the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, not the Company or the Authorizing Officer.

Trading Plans do not exempt individuals from complying with Section 16 short-swing profit rules or liability.

Rule 10b5-1 presents an opportunity for insiders to establish arrangements to sell (or purchase) Company stock without the restrictions of trading windows and black-out periods, even when there is undisclosed material information. A Trading Plan may also help reduce negative publicity that may result when key executives sell the Company's stock. Rule 10b5-1 only provides an "affirmative defense" in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit.

A officers, directors, employees, temporary employees or consultants may enter into a Trading Plan only when he or she is not in possession of material, non-public information, and only during a trading window period outside of the trading black-out period. Although transactions effected under a Trading Plan will not require further pre-clearance at the time of the trade, any transaction (including the quantity and price) made pursuant to a Trading Plan of a Section 16 reporting person must be reported to the Company promptly on the day of each trade to permit the Company's filing coordinator to assist in the preparation and filing of a required Form 4.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in the Company's securities, even pursuant to a previously approved Trading Plan, if the Authorizing Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any Trading Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in the Company's securities. Failure to discontinue purchases and sales as directed shall constitute a violation of the terms of this Section VI and result in a loss of the exemption set forth herein.

Officers, directors, employees, temporary employees and consultants may adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's stock, including the exercise of options. Trades pursuant to a Trading Plan generally may occur at any time. However, the Company requires a cooling-off period of 15 days between the establishment of a Trading Plan and commencement of any transactions under such plan. An individual may adopt more than one Trading Plan. Please review the following description of how a Trading Plan works.

Pursuant to Rule 10b5-1, an individual's purchase or sale of securities will not be "on the basis of" material, non-public information if:

- First, before becoming aware of the information, the individual enters into a binding contract to purchase or sell the securities, provides instructions to another person to sell the securities or adopts a written plan for trading the securities (i.e., the Trading Plan).
- Second, the Trading Plan must either:
 - specify the amount of securities to be purchased or sold, the price at which the securities are to be purchased or sold and the date on which the securities are to be purchased or sold;
 - include a written formula or computer program for determining the amount, price and date of the transactions; or
 - prohibit the individual from exercising any subsequent influence over the purchase or sale of the Company's stock under the Trading Plan in question.
- Third, the purchase or sale must occur pursuant to the Trading Plan and the individual must not enter into a corresponding hedging transaction or alter or deviate from the Trading Plan.

2. Revocation of and Amendments to Trading Plans

Revocation of Trading Plans should occur only in unusual circumstances. Effectiveness of any revocation or amendment of a Trading Plan will be subject to the prior review and approval of the Authorizing Officer. Once a Trading Plan has been revoked, the participant should wait at least 15 days before trading outside of a Trading Plan and 180 days before establishing a new Trading Plan. You should note that revocation of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to revoke a Trading Plan. In any event, you should not assume that compliance with the 180-day bar will protect you from possible adverse legal consequences of a Trading Plan revocation.

A person acting in good faith may amend a prior Trading Plan so long as such amendments are made outside of a quarterly trading black-out period and at a time when the Trading Plan participant does not possess material, non-public information. Plan amendments must not take effect for at least 15 days after the plan amendments are made.

Under certain circumstances, a Trading Plan *must* be revoked. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Authorizing Officer or administrator of the Company's stock plans is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

3. Discretionary Plans

Although non-discretionary Trading Plans are preferred, discretionary Trading Plans, where the discretion or control over trading is transferred to a broker, are permitted if pre-approved by the Authorizing Officer.

The Authorizing Officer must pre-approve any Trading Plan, arrangement or trading instructions, etc., involving potential sales or purchases of the Company's stock or option exercises, including but not limited to, blind trusts, discretionary accounts with banks or brokers, or limit orders. The actual transactions effected pursuant to a pre-approved Trading Plan will not be subject to further pre-clearance for transactions in the Company's stock once the Trading Plan or other arrangement has been pre-approved.

4. Reporting (if Required)

If required, an SEC Form 144 will be filled out and filed by the individual/brokerage firm in accordance with the existing rules regarding Form 144 filings. A footnote at the bottom of the Form 144 should indicate that the trades "are in accordance with a Trading Plan that complies with Rule 10b5-1 and expires ____." For Section 16 reporting persons, Form 4s should be filed before the end of the second business day following the date that the broker, dealer or plan administrator informs the individual that a transaction was executed, provided that the date of such notification is not later than the third business day following the trade date. A similar footnote should be placed at the bottom of the Form 4 as outlined above.

5. Options

Exercises of options for cash may be executed at any time. "Cashless exercise" option exercises are subject to trading windows. However, the Company will permit same day sales under Trading Plans. If a broker is required to execute a cashless exercise in accordance with a Trading Plan, then the Company must have exercise forms attached to the Trading Plan that are signed, undated and with the number of shares to be exercised left blank. Once a broker determines that the time is right to exercise the option and dispose of the shares in accordance with the Trading Plan, the broker will notify the Company in writing and the administrator of the Company's stock plans will fill in the number of shares and the date of exercise on the previously signed exercise form. The insider should not be involved with this part of the exercise.

6. Public Announcements

The Company may make a public announcement that Trading Plans are being implemented in accordance with Rule 10b5-1. It will consider in each case whether a public announcement of a particular Trading Plan should be made. It may also make public announcements or respond to inquiries from the media as transactions are made under a Trading Plan.

7. Prohibited Transactions

The transactions prohibited under Section V of this Policy, including among others short sales and hedging transactions, may not be carried out through a Trading Plan or other arrangement or trading instruction involving potential sales or purchases of the Company's securities.

8. No Section 16 Protection

The use of Trading Plans does not exempt participants from complying with the Section 16 reporting rules or liability for short-swing trades.

9. Limitation on Liability

None of the Company, the Authorizing Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a Trading Plan submitted pursuant to this Section VI.A. Notwithstanding any review of a Trading Plan pursuant to this Section VI.A, none of the Company, the Authorizing Officer or the Company's other employees assumes any liability for the legality or consequences relating to such Trading Plan to the person adopting such Trading Plan.

B. Section 16: Insider Reporting Requirements, Short-Swing Profits and Short Sales (Applicable to Officers, Directors and 10% Stockholders)

1. Reporting Obligations Under Section 16(a): SEC Forms 3, 4 and 5

Section 16(a) of the 1934 Act generally requires all officers, directors and 10% stockholders ("insiders"), within 10 days after the insider becomes an officer, director, or 10% stockholder, to file with the SEC an "Initial Statement of Beneficial Ownership of Securities" on SEC Form 3 listing the amount of the Company's stock, options and warrants which the insider beneficially owns. Following the initial filing on SEC Form 3, changes in beneficial ownership of the Company's stock, options and warrants must be reported on SEC Form 4, generally within two days after the date on which such change occurs, or in certain cases on Form 5, within 45 days after fiscal year end. The two-day Form 4 deadline begins to run from the trade date rather than the settlement date. A Form 4 must be filed even if, as a result of balancing transactions, there has been no net change in holdings. In certain situations, purchases or sales of Company stock made within six months *prior* to the filing of a Form 3 must be reported on Form 4. Similarly, certain purchases or sales of Company stock made within six months *after* an officer or director ceases to be an insider must be reported on Form 4.

2. Recovery of Profits Under Section 16(b)

For the purpose of preventing the unfair use of information which may have been obtained by an insider, any profits realized by any officer, director or 10% stockholder from any "purchase" and "sale" of Company stock during a six-month period, so called "short-swing profits," may be recovered by the Company. When such a purchase and sale occurs, good faith is no defense. The insider is liable even if compelled to sell for personal reasons, and even if the sale takes place after full disclosure and without the use of any inside information.

The liability of an insider under Section 16(b) of the 1934 Act is only to the Company itself. The Company, however, cannot waive its right to short swing profits, and any Company stockholder can bring suit in the name of the Company. Reports of ownership filed with the SEC on Form 3, Form 4 or Form 5 pursuant to Section 16(a) (discussed above) are readily available to the public, and certain attorneys carefully monitor these reports for potential Section 16(b) violations. In addition, liabilities under Section 16(b) may require separate disclosure in the Company's annual report to the SEC on Form 10-K or its proxy statement for its annual meeting of stockholders. No suit may be brought more than two years after the date the profit was realized. However, if the insider fails to file a report of the transaction under Section 16(a), as required, the two-year limitation period does not begin to run until after the transactions giving rise to the profit have been disclosed. Failure to report transactions and late filing of reports require separate disclosure in the Company's proxy statement.

Officers and directors should consult the attached "Short-Swing Profit Rule Section 16(b) Checklist" attached hereto as "Attachment A" in addition to consulting the General Counsel or Chief Financial Officer prior to engaging in any transactions involving the Company's securities, including without limitation, the Company's stock, options or warrants.

3. Short Sales Prohibited Under Section 16(c)

Section 16(c) of the 1934 Act prohibits insiders absolutely from making short sales of the Company's equity securities. Short sales include sales of stock which the insider does not own at the time of sale, or sales of stock against which the insider does not deliver the shares within 20 days after the sale. Under certain circumstances, the purchase or sale of put or call options, or the writing of such options, can result in a violation of Section 16(c). Insiders violating Section 16(c) face criminal liability.

The General Counsel and Chief Financial Officer should be consulted if you have any questions regarding reporting obligations, short-swing profits or short sales under Section 16.

C. Rule 144 (Applicable to Officers, Directors and 10% Stockholders)

Rule 144 provides a safe harbor exemption to the registration requirements of the Securities Act of 1933, as amended, for certain resales of "restricted securities" and "control securities." "Restricted securities" are securities acquired from an issuer, or an affiliate of an issuer, in a transaction or chain of transactions not involving a public offering. "Control securities" are *any* securities owned by directors, executive officers or other "affiliates" of the issuer, including stock purchased in the open market and stock received upon exercise of stock options. Sales of Company securities by affiliates (generally, directors, officers and 10% stockholders of the Company) must comply with the requirements of Rule 144, which are summarized below:

- **Current Public Information.** The Company must have filed all SEC-required reports during the last 12 months.
- **Volume Limitations.** Total sales of Company common stock by a covered individual for any three-month period may not exceed the *greater* of: (i) 1% of the total number of outstanding shares of Company common stock, as reflected in the most recent report or statement published by the Company, or (ii) the average weekly reported volume of such shares traded during the four calendar weeks preceding the filing of the requisite Form 144.
- **Method of Sale.** The shares must be sold either in a "broker's transaction" or in a transaction directly with a "market maker." A "broker's transaction" is one in which the broker does no more than execute the sale order and receive the usual and customary commission. Neither the broker nor the selling person can solicit or arrange for the sale order. In addition, the selling person or Board member must not pay any fee or commission other than to the broker. A "market maker" includes a specialist permitted to act as a dealer, a dealer acting in the position of a block positioner, and a dealer who holds himself out as being willing to buy and sell Company common stock for his own account on a regular and continuous basis.

- **Notice of Proposed Sale.** A notice of the sale (a Form 144) must be filed with the SEC at the time of the sale. Brokers generally have internal procedures for executing sales under Rule 144 and will assist you in completing the Form 144 and in complying with the other requirements of Rule 144.

If you are subject to Rule 144, you must instruct your broker who handles trades in Company securities to follow the brokerage firm's Rule 144 compliance procedures in connection with all trades.

VII. EXECUTION AND RETURN OF CERTIFICATION OF COMPLIANCE

After reading this Policy, all officers, directors, employees, temporary employees and consultants should execute and return to the Company's General Counsel the Certification of Compliance form attached hereto as "Attachment B."

ATTACHMENT A

SHORT-SWING PROFIT RULE SECTION 16(B) CHECKLIST

Note: ANY combination of PURCHASE AND SALE or SALE AND PURCHASE within six months of each other by an officer, director or 10% stockholder (or any family member living in the same household or certain affiliated entities) results in a violation of Section 16(b), and the “profit” must be recovered by PodcastOne, Inc. (the “Company”). It makes no difference how long the shares being sold have been held or, for officers and directors, that you were an insider for only one of the two matching transactions. The highest priced sale will be matched with the lowest priced purchase within the six-month period.

Sales

If a sale is to be made by an officer, director or 10% stockholder (or any family member living in the same household or certain affiliated entities):

1. Have there been any purchases by the insider (or family members living in the same household or certain affiliated entities) within the past six months?
2. Have there been any option grants or exercises not exempt under Rule 16b-3 within the past six months?
3. Are any purchases (or non-exempt option exercises) anticipated or required within the next six months?
4. Has a Form 4 been prepared?

Note: If a sale is to be made by an affiliate of the Company, has a Form 144 been prepared and has the broker been reminded to sell pursuant to Rule 144?

Purchases And Option Exercises

If a purchase or option exercise for Company stock is to be made:

1. Have there been any sales by the insider (or family members living in the same household or certain affiliated entities) within the past six months?
2. Are any sales anticipated or required within the next six months (such as tax-related or year-end transactions)?
3. Has a Form 4 been prepared?

Before proceeding with a purchase or sale, consider whether you are aware of material inside information which could affect the price of the Company stock. All transactions in the Company’s securities by officers and directors must be pre-cleared by contacting the Company’s General Counsel or Chief Financial Officer.

ATTACHMENT B

CERTIFICATION OF COMPLIANCE

RETURN BY [_____] *[insert return deadline]*

TO: General Counsel and Chief Financial Officer

FROM: _____

RE: INSIDER TRADING COMPLIANCE POLICY OF PODCASTONE, INC.

I have received, reviewed and understand the above-referenced Insider Trading Compliance Policy and undertake, as a condition to my present and continued employment (or, if I am not an employee, affiliation with) PodcastOne, Inc., to comply fully with the policies and procedures contained therein.

I hereby certify, to the best of my knowledge, that during the fiscal year ending March 31, 20[___], I have complied fully with all policies and procedures set forth in the above-referenced Insider Trading Compliance Policy.

SIGNATURE

DATE

TITLE

**CERTIFICATION OF CEO PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Kit Gray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PodcastOne, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Kit Gray

Kit Gray
President (Principal Executive Officer)

**CERTIFICATION OF CFO PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Ryan Carhart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PodcastOne, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Ryan Carhart

Ryan Carhart
Chief Financial Officer

**CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of PodcastOne, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kit Gray, as the President of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kit Gray

Kit Gray
President (Principal Executive Officer)

August 14, 2025

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of PodcastOne, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan Carhart, as the Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Ryan Carhart

Ryan Carhart

Chief Financial Officer

August 14, 2025

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.