

## **LIBERATED SYNDICATION REPORTS 2019 FULL YEAR RESULTS**

### ***Leading Podcast Hosting Company Continues to Deliver Growth***

***Podcast shows on the Libsyn platform increased more than 20% to over 69,000***

***Unique podcast downloads for 2019 reached 6.2 billion.***

***Announces Upcoming Launch of Libsyn 5.0***

**Pittsburgh, PA – May 18, 2020** – Liberated Syndication (OTCQB: LSYN) (“Libsyn”) announced today its financial results for the full year 2019, ended December 31, 2019.

“Marking our 15-year anniversary, 2019 was a year of strong growth for Liberated Syndication as we built on our industry leading position in paid podcasting hosting, with a large, growing base of valuable monthly subscribers,” remarked Chris Spencer, Liberated Syndication CEO. “Throughout the year, Libsyn continued to add value to podcasters as the market grew, and Pair continued to maintain its best-in-class hosting and domain offerings. We were successful in driving top-line growth, generating cash and positioning the Company for future expansion as the overall podcasting industry continues to accelerate and offer exciting opportunities.”

Spencer added, “As we look ahead, we see a bright future for Libsyn. While the COVID-19 pandemic has impacted everyone around the globe, we have been very fortunate to see a continuation of 2019’s growth with an increase in new podcast customer sign-ups in the first quarter, with April being our second-best month for sign-ups on record. Our customer churn has remained within the historical range and we are seeing an increase in episode creation by existing customers. We are focused on continuing to deliver high-quality services that enable podcasters to grow their brand during this difficult time. We expect to roll out our new Libsyn5 platform in the second half of 2020 and to accelerate the integration of advertising into our offerings to provide incremental value to our customers and drive revenue and profit growth for our shareholders.

### **Full Year Financial Highlights**

Revenue for the full year of 2019 was \$24,201,629, a 10% increase over revenues of \$22,010,132 for 2018. This reflects an increase in Libsyn4 hosting revenue as well as LibsynPro, with a slight offset by a decrease in the dollars being spent on ad campaigns by advertisers. Libsyn contributed \$14,486,211 of revenue while Pair Networks contributed \$9,715,418.

Costs and operating expenses were \$20,520,756 during the full year of 2019, a 14% increase as compared to total costs and operating expenses of \$17,930,512 during the same period of 2018. The increase was driven primarily by a 40% increase in general and administrative expenses during the year that was in large part due to the Company’s one-time consulting fees related to the shareholder campaign and the accrual of executive bonuses.

The Company’s net income for the 12-month period ended December 31, 2019 of \$2,833,841 represents fully diluted earnings per share of \$0.10 per share in 2019. This represents a decrease of \$1,539,504, or \$0.05 per fully diluted share, from the same period in 2018, as amended. Excluding non-

recurring costs, for the 12-month period ended December 31, 2019, the Company reported adjusted net income of \$4,162,364 and adjusted fully diluted earnings per share of \$0.14

Adjusted EBITDA (representing earnings before interest, taxes, depreciation and amortization and non-cash expenses) for 2019 increased to \$7,891,933 from \$7,411,352 as compared to the previous year primarily as a result of the proxy campaign and approximately \$785,000 in income tax expense.

Cash on hand was \$16,621,272 at December 31, 2019, an increase of \$5,541,331 over the \$11,079,941 at December 31, 2018. Cash provided by operations for the 12-month period ended December 31, 2019, was \$7,574,857, a decrease of \$423,669 over the 12-month period ended December 31, 2018. This decrease is driven by a decrease in deferred tax assets, deferred revenue, and accounts payable, offset by an increase in taxes payable. The contribution from Libsyn of this cash generation totaled \$5,577,362 and Pair Networks added \$1,997,495.

Full results of Liberated Syndication's 2019 10K can be found on [www.sec.gov](http://www.sec.gov).

## **Full Year 2019 Operational Highlights**

### ***Libsyn***

Libsyn delivered another strong year in 2019, a year in which the platform turned 15 years old. At the end of 2019, the Libsyn platform hosted over 69,000 podcasts with a total of 5.8 million episodes. Additionally, the Libsyn network reached 130 million audience members monthly in December 2019 and had 6.2 billion downloads. This growth was driven by improvements to the Libsyn4 and LibsynPro platforms, such as the addition of destinations RADIO.com and Deezer, improvements to Libsyn's connection with Spotify and enhancements to user functionality. Notable new show additions include FedEx, New York City Ballet, Harper Collins, rock band Oasis and Dave Dameshek of Comedy Central. Notable new Pro customers include Johnson & Johnson, S&P Global, Google, Unilever and Accenture.

In 2019, Libsyn was certified by the Interactive Advertising Bureau (IAB) Tech Lab, ensuring adherence and compliance with guidelines and aiding in building advertiser confidence in the value of podcast advertising. Additionally, the Company began to focus on expanding our international reach. Libsyn hosted Spanish-speaking podcasters during a session for International Podcast Day and launched *Sobre Podcasting*, a Spanish language podcast providing podcasting analysis tips and strategies for Spanish-speaking podcasters. The Company also announced a new global partnership with Deezer to distribute Libsyn hosted podcasts.

As the Company moves into 2020, Libsyn has made significant progress on the development of Libsyn5, which the Company plans to beta test in the second half of 2020. Libsyn5 will provide a clean and intuitive user interface, begin to support multiple foreign languages, and allow for improved features. The Company has begun to invest in its advertising platform which it expects to improve the connection between podcasters and advertisers and improve overall campaign management for the podcasting industry.

### ***Pair Networks***

At the end of 2019, Pair Networks had hosting subscriptions of over 25,000 accounts and domain name registrations of over 88,000. During 2019, the Company undertook a major overhaul of the Pair

Networks website as part of its ongoing investments in sales and marketing for Pair Networks. To better support customer acquisition, the Company developed a customer OnBoarding program in conjunction with 'Move to Pair for Managed WordPress' and, launched a webinar series to further these efforts. Pair Networks also expanded the Company's security services with the launch of an internally developed malware scanning product.

### **Restatement of Previously Issued Financial Statement**

The Company notes that it filed a Form 10-K/A for the year ended December 31, 2018 on May 5, 2020. On April 28, 2020 the Audit Committee of the Board of Directors determined that the financial statements contained in the Company's Annual Report on Form 10-K for the Period ended December 31, 2018 should not be relied upon. The Audit Committee is still considering the impact of the matters discussed below on the quarterly results previously reported and may determine to restate such interim financial statements as well.

During the 2019 audit process, it was discovered that the Company owed Federal tax for 2018. An error was made in calculating the Net Operating Loss Carryforward (NOL) resulting from the spin-off of Libsyn in 2016. The result is that the Company ought to have begun recording tax expenses in 2018. This Federal tax balance will be paid with an amended return in 2020.

As a result of the restatement, reported net income from continuing operations was increased by \$585,548, or \$0.02 per basic and diluted share for the year ended December 31, 2018. Total assets increased by \$1,454,077 at December 31, 2018. Current and total liabilities increased by \$868,529 at December 31, 2018. Accumulated deficit decreased by \$585,548 at December 31, 2018.

### **Shareholder Conference Call**

Chris Spencer, CEO, and Gabriel Mosey, Interim CFO, will host a conference call on May 20, 2020, at 11:00 a.m. ET to discuss 2019 full year results and provide a general business update.

Shareholders and other interested parties may participate in the conference call by dialing 844-407-9500 (U.S. callers) 862-298-0850 (international callers) a few minutes before the start time.

Questions for consideration for the call can be emailed to [investor@libsyn.com](mailto:investor@libsyn.com) by the end of the day on May 19, 2020. A replay of the conference call will be accessible two hours afterwards and available for four weeks at <https://investor.libsyn.com>.

### **About Liberated Syndication**

Liberated Syndication (Libsyn) a world leading podcast hosting network and has been providing publishers with distribution and monetization services since 2004. In 2019 Libsyn delivered over 6.2 billion downloads. Libsyn hosts over 5.8 million media files from more than 69,000 podcasts. Podcast producers choose Libsyn to measure their audience via IAB V2 certified stats, deliver popular audio and video episodes, distribute their content through smartphone Apps (iOS, and Android), and monetize via premium subscription services and advertising. We are a Pittsburgh based company with a world class team. Visit us on the web at [www.libsyn.com](http://www.libsyn.com).

Pair Networks, founded in 1996, is one of the oldest and most experienced Internet hosting company providing a full range of fast, powerful and reliable Web hosting services. Pair offers a suite of Internet services from shared hosting to virtual private servers to customized solutions with world-class 24x7 on-site customer support. Based in Pittsburgh, Pair serves businesses, bloggers, artists, musicians, educational institutions and non-profit organizations around the world. Visit us on the web at [www.pair.com](http://www.pair.com).

### **Use of Non-GAAP Financial Measures**

Earnings before interest, taxes, depreciation and amortization and non-cash expenses ("Adjusted EBITDA") is not a measure of financial performance under GAAP. Management believes Adjusted EBITDA, in addition to operating profit, net income and other GAAP measures, is a useful indicator of the Company's financial and operating performance and its ability to generate cash flows from operations that are available for taxes, capital expenditures and debt service. Our definition of Adjusted EBITDA may differ from other companies reporting a similarly named measure. This measure should be considered in addition to, and not as a substitute for, or superior to, other measures of financial performance prepared in accordance with GAAP, such as revenue, net income and fully diluted earnings per share.

### **Legal Notice**

"Forward-looking Statements" as defined in the Private Securities litigation Reform Act of 1995 may be included in some of the information or materials made available on this website. These statements relate to future events or our future financial performance. These statements are only predictions and may differ materially from actual future results or events. We disclaim any intention or obligation to revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law. There are important risk factors that could cause actual results to differ from those contained in forward-looking statements, including, but not limited to, risks associated with our change in business strategy towards more heavy reliance upon on our new talent segment and wholesale channels, actions of regulators concerning our business operations or trading markets for our securities, the extent to which we are able to develop new services and markets for our services, our significant reliance on third parties to distribute our content, the level of demand and market acceptance of our services and the "Risk Factors" set forth in our most recent SEC filings.

### **Investor Relations Contact**

<https://investor.libsyn.com>

Laurie Sims

President, Liberated Syndication

[investor@libsyn.com](mailto:investor@libsyn.com)

LIBERATED SYNDICATION INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA  
(Unaudited)

	Years Ended December 31,	
	2019	2018
Net income	\$ 2,833,841	\$ 4,373,345
Add: Interest expense	57,222	302,072
Income tax expense/(benefit)	791,067	(595,797)
Depreciation and amortization	2,910,219	3,013,732
Non-cash compensation	-	318,000
Proxy campaign	1,299,584	-
Adjusted EBITDA	<u>\$ 7,891,933</u>	<u>\$ 7,411,352</u>