# Acast

2022
Annual Report

# Contents

# About Acast

Since 2014, Acast has been creating the world's most valuable podcast marketplace, building the technology which connects podcast creators, advertisers and listeners. Its marketplace spans 92,000 podcasts, 2,300 advertisers and 400 million monthly listens. Crucially, those listens are monetized wherever they happen – across any podcasting app or other listening platform.

The company operates worldwide and is headquartered in Stockholm, Sweden. Acast is listed on Nasdaq First North Premier Growth Market (ACAST.ST).

Acast's Business strategy is

**To create the world's most valuable podcast marketplace**

## Podcast creators

**92,000**
Shows

**1,3 Bn**
Listens/QTR

## Acast

We're doing that by providing **a world-class product experience** for podcasters, advertisers and listeners, laying the foundations for robust revenue streams for both Acast and its stakeholders.

## Advertisers & listeners

**2,300**
Advertisers/year

**92 M**
Monthly uniques

## Significant events

- **In August Acast acquired Podchaser,** the world's most comprehensive podcast database. Together, the two companies create the industry's best metadata and monetization opportunities for podcast creators and advertisers.
- During the year, Acast reached an inflection point for the EBITDA margin, which means a **gradual improvement of the margin towards a positive EBITDA,** taking into account the normal seasonality of the ad market.
- Acast published updated financial targets that bring the timing of **positive EBITDA forward to 2024**.
- In September Acast communicated that it would review the organization with the intention of **reducing the cost base and thereby creating profitable growth**. The work force reductions have affected approximately 15 percent of Acast's workforce (excluding Podchaser) and were completed in 2022. On an annual basis cost savings of c. SEK 77 M will be delivered.
- Acast's scalable business model has enabled **continued global expansion** in 2022 by introducing Acast in Italy, the Netherlands, Spain and Singapore through new partnerships with, for example, the American podcast network Wondery in Italy.
- During the year, Acast has created new opportunities for podcast creators to **expand and interact with their listener base** via collaborations such as Meta, Facebook's owner company, and the social music platform Resso. These collaborations expose podcast creators to millions of new listeners and create opportunities to reach new advertisers.
- Acast has **developed several new tools** and capabilities that create opportunities for increased revenue for Acast as well as podcast creators and advertisers. The launch of Acast+ provides the opportunity to offer listeners premium subscriptions with extra benefits. New Conversational Targeting features enable advertisers to target specific conversations, words or phrases in individual podcast episodes.

## Full year 2022

- Net sales for the full year 2022 amounted to SEK 1,390.4 M (1,025.7), corresponding to net sales growth of 36% (73%).
- Organic net sales growth amounted to 26% (74%). The increased uncertainty surrounding the macroeconomic development has affected organic growth.
- The gross margin was 34% (36%).
- EBITDA for the full year 2022 amounted to SEK -294.9 M (-181.6) and the EBITDA margin was -21% (-18%).
- The adjusted EBITDA result amounted to SEK -272.3 M (-150.4) and the adjusted EBITDA margin to -20% (-15%).
- Operating loss amounted to SEK -352.6 M (-221.6), including SEK 18,4 M in restructuring costs related to redundancies and SEK 4 M in costs related to the acquisition of Podchaser.
- Cash flow from operating activities amounted to SEK -294.3 M (-121.8).
- Earnings per share for the period before and after dilution amounted to SEK -1.59 (-1.91).
- The number of listens amounted to 5,139 million (3,735), an increase of 38% compared to the same period last year, and the average revenue per listen (ARPL) amounted to SEK 0.27 (0.27).

# Key figures

| TSEK | 2022 | 2021 |
|---|---|---|
| Net sales | 1,390,366 | 1,025,702 |
| Net sales growth (%) | 36% | 73% |
| Organic net sales growth (%) | 26% | 74% |
| Gross profit | 469,856 | 373,476 |
| Gross margin (%) | 34% | 36% |
| EBITDA | -294,949 | -181,618 |
| EBITDA margin (%) | -21% | -18% |
| Adj. EBITDA* | -272,337 | -150,480 |
| Adj. EBITDA margin (%)* | -20% | -15% |
| Operating loss | -352,643 | -221,646 |
| Operating margin (%) | -25% | -22% |
| Adj. operating loss* | -330,031 | -190,508 |
| Adj. operating margin (%)* | -24% | -19% |
| Items affecting comparability* | 22,612 | 31,138 |
| Loss for the period | -286,375 | -300,394 |
| Cash flow from operating activities | -294,284 | -121,806** |
| Basic and diluted earnings per share (SEK) | -1.59 | -1.91 |
| Listens (millions) | 5,139 | 3,735 |
| Average revenue per listen, ARPL (SEK) | 0.27 | 0.27 |

*2022 adjusted for costs from the acquisition of Podchaser and restructure costs. 2021 adjusted for costs related to the company's IPO.
**Adjustment of cashflow for previous periods has been done. For more information see Group note 29.

**1.4**

**SEKbn, Net sales**

**36%**

**Net sales growth**

**34%**

**Gross margin**

"We saw how the advertising market gradually changed and at the same time podcasts continued to generate an increasing interest from advertisers, who see a media channel where their investments create great accuracy and good returns."

**Ross Adams, CEO**

# We believe in the power of a world united through storytelling

**When I look back on 2022, it is with immense pride in what we at Acast have achieved. This, in a year when the world's economies have rapidly shifted from stable growth to heightened uncertainty as a result of threats of recession in the wake of outbreaks of war, energy crisis and high inflation. We saw how the advertising market gradually changed and at the same time podcasts continued to generate an increasing interest from advertisers, who see a media channel where their investments create great accuracy and good returns. At Acast, we have worked tirelessly to further develop the technology that empowers podcast creators to grow their audience and monetize, that creates a channel for advertisers to reach their relevant audiences with commercial messages, and that gives listeners around the world an opportunity for entertainment, learning and experiences – in a world united by storytelling.**

**A market characterized by change**
At the beginning of the year, the advertising market was characterized by great demand and increasing marketing budgets. As uncertainty has increased, we have seen how the media landscape has changed, which affects businesses as well as media channels. Advertisers have cut back on pure branding campaigns in favor of marketing that generates clear conversion and good returns. A survey conducted by Acast and Spotify together in 2022 shows that advertising in digital audio channels yields a significantly higher return compared to other media channels and this is underlined by the trend we have seen during the year, where the average investment per advertiser at Acast has increased significantly compared to a year earlier. At the same time, uncertainty has increased, which means that it has been more difficult to get advertisers who have not already tried podcast advertising to try this channel, a natural development in the current macroeconomic climate.

**From hyper growth to profitability**
As the world changes around us, we at Acast have adjusted and adapted our operations to the market conditions. Constantly working on our internal efficiency and cost control is a high priority and the cost reduction measures we took in 2022 have created a solid foundation to continue growing our business but in a tighter cost suit. The cost savings, which meant that we reduced the workforce by approximately 15 percent, have already had an effect at the beginning of 2023. We launched new financial targets which mean that we now have our sights set on reaching positive EBITDA in 2024, and the trend at the end of the year – with a gradually improving EBITDA result – shows that we are on the right track.

**A global market leader in podcasting**
A milestone in 2022 was the acquisition of Podchaser, the world's most comprehensive podcast database. Together, we offer the industry's best metadata and the acquisition creates enormous opportunities for us to build the global market leader in podcasts. In a shorter perspective, the acquisition means that we can package and sell more podcast shows by using Podchaser's data to match ads and episodes and improve the accuracy of various campaigns.

Even more interesting are the opportunities for future value creation that these two companies create together. A good example is that Acast strengthens the quality of Podchaser's data regarding demographics, listening frequency and reach, which improves the information about Acast-connected podcasts in Podchaser's database. This in turn helps Podchaser's algorithms to better assess the entire industry, making podcasts at Acast easier to discover for both listeners and advertisers. The synergies between the two companies are great and I look forward to exploring these opportunities further with the teams at Acast and Podchaser.

**We are building a world-leading platform for anyone who wants to connect**
In 2022, the number of registered podcasts on Acast's platform increased by 130 percent to 92,000, podcasts were listened to on just over five billion occasions and we reached around 92 million unique listeners per month. Our portfolio thus has both the depth and breadth required to be able to offer advertisers attractive advertising space in everything from the large, leading shows with well-known names such as Marc Maron and The Economist to smaller podcasts with specialized focuses. Our opportunity in the near term lies primarily in expanding ad sales in our existing shows to increase our revenue.

An important strategic path for Acast is to develop scalable tools that help even more advertisers – regardless of size or budget – to reach an highly engaged audience. At the end of the year, we launched a new self-serve advertising platform, which means that advertisers of different sizes and with varying budgets can reach highly engaged podcast audiences. Through the new platform, advertisers can activate their ad strategy for podcasts themselves, without support from Acast's sales team. This opens up another source of revenue for both Acast and the podcast creators on our platform.

Another important part of our development is to constantly improve the offer to both new and existing advertisers by increasing accuracy and the return on their investments. At a time when every penny spent on advertising counts, we've developed even more detailed features to ensure podcast campaigns are as effective as possible. The Conversational Targeting – including Keyword Targeting features – opens up new opportunities for contextual advertising where advertisers can target specific conversations, words or phrases in individual podcast episodes, and adapt their messages to the most contextually relevant content in each episode.

**Driven by passion, curiosity and courage**
Working at Acast means being dedicated to the task of creating optimal conditions for brands and people to meet via podcasts. Our vision is to enable anyone, anywhere to connect and create value through podcasting. Together, Acasters are creating the world's most valuable marketplace by providing a world-class product experience and leveraging the industry's own intelligence engine, Podchaser. In 2022, this work has meant that more podcast creators have found their audience and that thousands of businesses have created value through effective ad campaigns in a highly relevant channel.

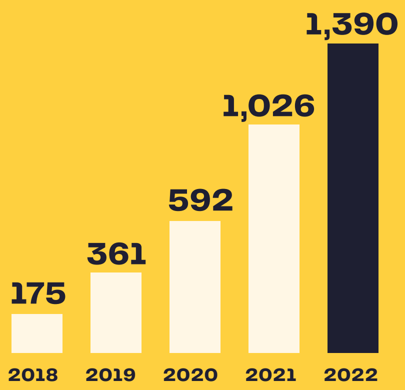
The uncertainty surrounding the development of the advertising market in 2023 and beyond remains, but I am proud to state that Acast has advanced its positions further and has the best possible conditions to take advantage of the potential that exists in podcasts. About $30 billion is invested in audio media advertising annually, and podcasts so far only take a small piece of that market. In the coming years, the podcast industry will continue to grow and Acast will maintain and strengthen its position as the beating heart of the ecosystem that we helped build.

**ROSS ADAMS**
**CEO Acast**

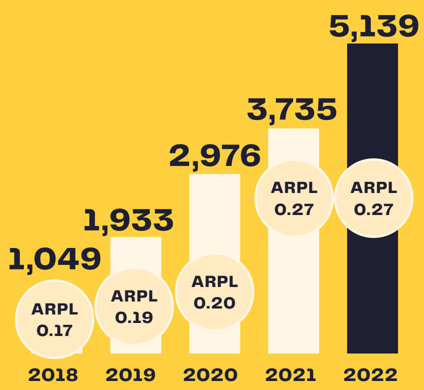
**"Working at Acast means being dedicated to the task of creating optimal conditions for brands and people to meet via podcasts."**

# Acast facts and figures 2022

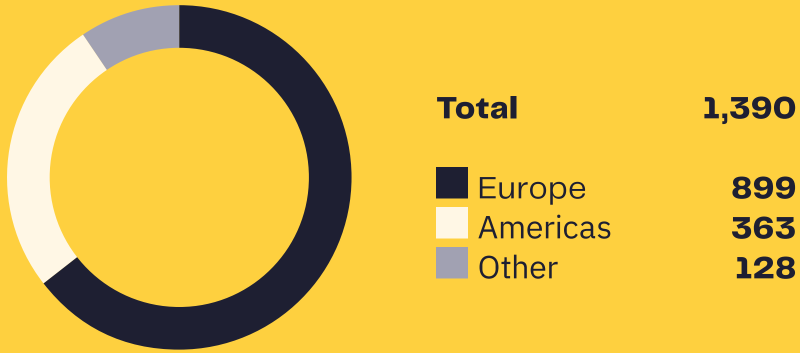
### Full year net sales development, SEKm



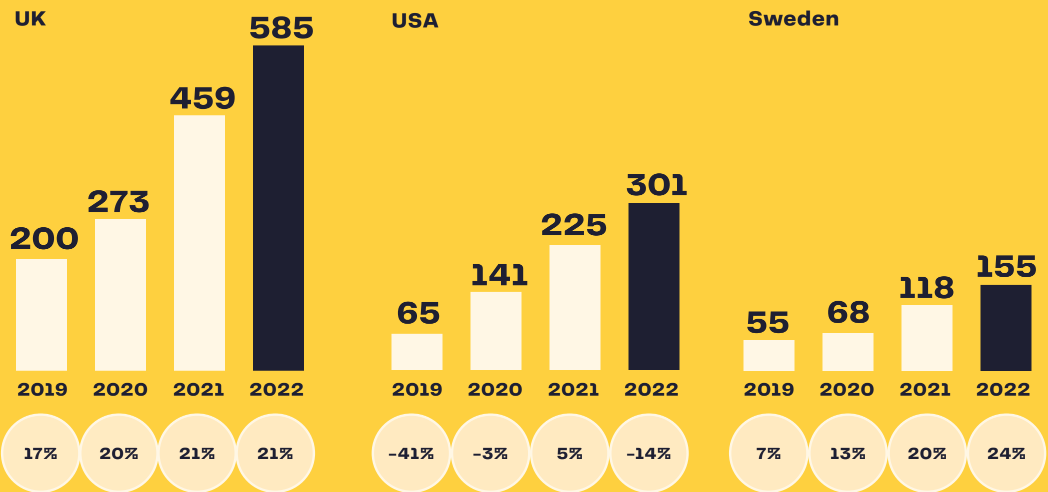

### Listens (millions) and average revenue per listen ARPL (SEK)




### Net sales per segment, SEKm




### Net sales development, three largest markets, SEKm




CBIT: Operating profit / loss in a segment before deducting global costs. CBIT margin %: CBIT in relation to net sales.

### Net sales break-down

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Listens (M's) | 1,330 | 1,950 | 2,976 | 3,735 | 5,139 |
| Listens growth | | 47% | 53% | 26% | 38% |
| Ad-Slots (#) | 4.5 | 5 | 5 | 5.2 | 5.5 |
| Inventory (M's) | 5,985 | 9,750 | 14,880 | 18,675 | 28,421 |
| **Sell Through Rate** | **17%** | **21%** | **22%** | **28%** | **29%** |
| CPM/pricing (USD) | 19 | 18 | 19 | 22 | 16 |
| Net Sales from Ads | 174 | 332 | 545 | 994 | 1,291 |
| Total Net Sales (MSEK) | 190 | 361 | 591 | 1,026 | 1,390 |
| Net Sales growth | | 90% | 64% | 74% | 36% |
| **ARPL (SEK)** | **0.14** | **0.19** | **0.2** | **0.27** | **0.27** |

Acast's net revenue is based on the number of listens, that multiplied by the number of advertising slots in each podcast, clarifies the total ad space (inventory) available for ads or sponsored posts. The sell through rate reflects what percentage of the total advertising space that was sold. The price is expressed normally as CPM (Cost per Mille), i.e. the cost of buying 1,000 ad impressions. Net sales from advertising consists of the number of delivered ads multiplied by the CPM. During 2022, Acast had good growth in both number of listens as well as the total ad space. In addition, the sell through rate increased to 29%. This means good net sales growth even though the price decreased as a result of a more uncertain advertising market.

# A global perspective

## We operate with global reach and scale, while being there for you locally

**14**

offices globally, offering local expertise to podcasters and advertisers

**400**

million monthly listens, around the world across different apps and platforms

**395**

co-workers and consultants. Acasts largest representation is in Sweden, UK and USA

# A unifying force in podcasting

At Acast, we believe in the power of a world connected through storytelling. A world where our role is to create space for anyone, anywhere to establish a connection through podcasting and harness its inherent power. For us, this is about building the world's premier marketplace for podcasts and providing a world-class advertising experience for podcast creators, advertisers and listeners alike. We are a world leader in podcast advertising technology and have built a solid portfolio of 92,000 podcasts with a total of 1.3 billion listens per quarter on our platform. Around 2,300 advertisers in the form of global brands and smaller companies reach these listeners with effective and creative advertising campaigns via Acast's marketplace.

## Vision

**We will empower anyone, anywhere to connect through and create value from podcasting.**

## Business strategy

**To create the world's most valuable podcast marketplace by providing a world-class product experience for podcast creators, advertisers and listeners, laying the foundations for robust revenue streams for both Acast and its stakeholders.**

# A strategy for global market leadership

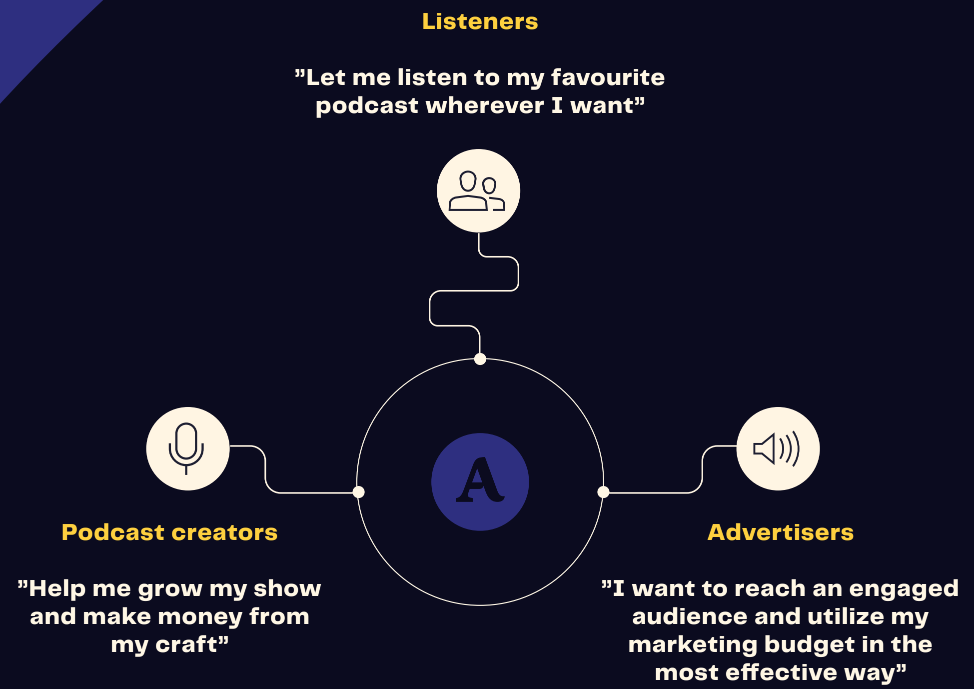
**Acast is the market-leading independent global infrastructure platform in podcasting. We are at the center of the value chain, bringing together advertisers, seeking an engaged audience, with podcast creators looking to monetize their podcasts. Acast's podcast advertising marketplace provides access to a global network of affiliated advertisers and podcast creators.**

Podcast creators who want to reach as large an audience as possible and generate revenue can benefit from Acast's tools. In turn, they provide access to the listeners that advertisers want to reach, resulting in more advertisers joining Acast as the number of connected podcast creators, and thus listeners, grows. Acast has attracted many podcasts to the network over the years, reaching over 92,000 shows by the end of 2022 which generated over 5.1 billion listens for the full year.

Our strategy is based on continuing to develop this position by meeting the needs of our three main target groups:

1. Podcast creators
2. Advertisers
3. Listeners

Acast is a major player in the open ecosystem for podcasts – that is, where podcasts are kept freely available to all listening apps via RSS technology, instead of being fenced off behind different services. This means that Acast is perfectly positioned to collaborate with all the major players in the industry, for the benefit of Acast's podcast creators, advertisers and listeners.



# 1. Podcast creators

## We help podcast creators develop their shows and monetize their content.

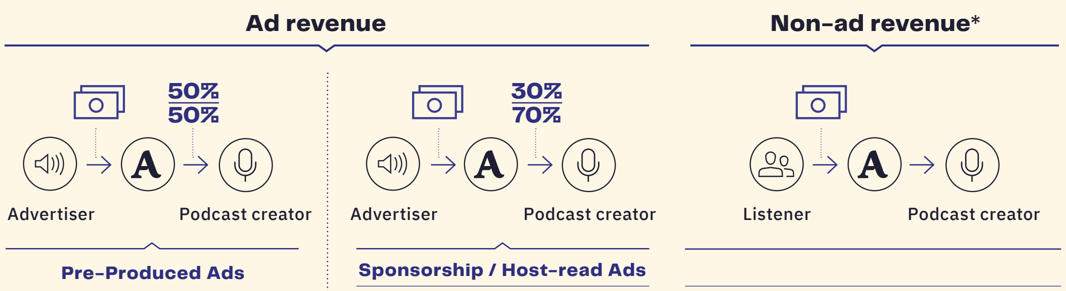
Podcast creators who come to Acast require support in efficiently increasing their audience reach to the largest extent possible and at the same time making money from their podcasts, through advertising or other sources of income.

Acast's platform is attractive to podcast creators thanks to its extensive distribution capabilities to hundreds of apps, web players and smart speakers that help the podcast creator reach the maximum number of listeners.

Our business model is based on revenue sharing where advertising sales generated via the Acast Marketplace platform are shared between Acast and the podcast creator. The model creates mutual trust and a shared interest in driving traffic and advertisers to each podcast episode. Ever since Acast was started, the company has been a purely podcast business, which means that the services and products offered are built on the basis of a deep understanding of the industry and the podcast creator's needs.

Acast attracts and accommodates both larger and smaller podcast creators. This creates a mutual exchange that benefits both Acast and the podcast creators and set the conditions for sustainable growth in the number of podcasts in our network. Acast works to constantly increase podcast creators' awareness of the revenue opportunities and thus act as a catalyst for increased market penetration for podcasts. The business model is essentially based on a revenue sharing model where Acast and the podcast creator share advertising revenue according to a pre-agreed equation. Overall, Acast's model has generated approximately SEK 2,240 million in revenue for podcasts since the company was founded in 2014.

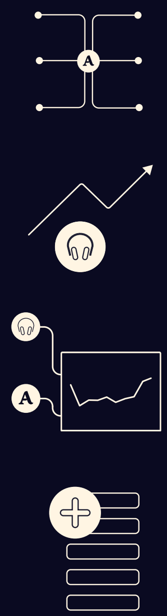
## Ad driven business model




Revenues are shared 30 percent to Acast, 70 percent to the podcast creator.

* The non-ad-based services are sold as one-time services or in subscription form (Saas) including tools for distribution and analysis, access to Podchaser's database and Acast+.

## Tools for podcast creators



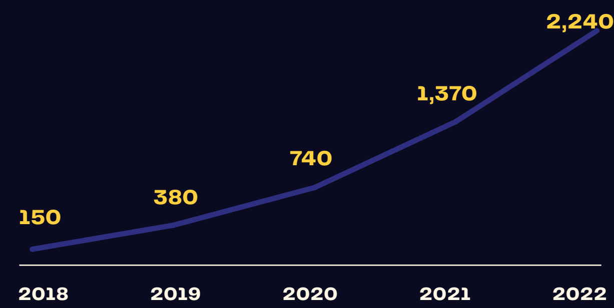
**Record and publish**
→ Podcasts on all platforms

**Marketing**
→ Find the audience and make it grow

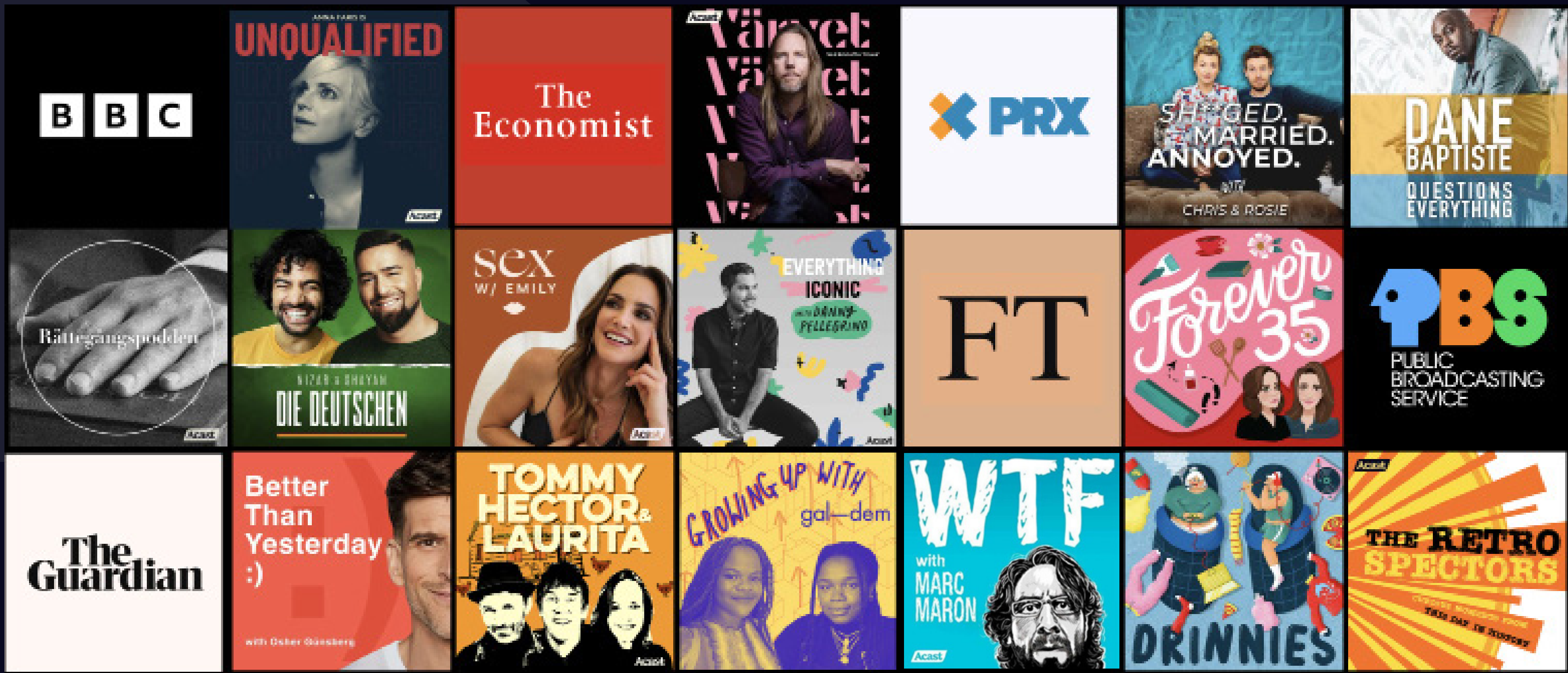
**Analyze**
→ Revenue and data for faster and smarter decisions

**Monetize**
→ Increased opportunities to generate revenue through advertising

## Cumulative podcast payouts, MSEK



Acast Creator Network



# 2. Advertisers

## We offer advertisers an opportunity to join the conversation with millions of listeners through Acast Marketplace

Advertisers join Acast Marketplace to reach engaged listeners with targeted, effective ad campaigns and to participate in the millions of conversations that happen every day between podcast creators, their guests and their listeners.

In 2022, several advertisers switched from testing a - for many - new medium to capitalizing on this established and highly interesting channel, by investing ever-increasing advertising budgets in podcasts on Acast: an important trend for the long-term positive development of podcasts as an advertising medium.

In a time of economic uncertainty, advertisers are increasingly looking for channels that provide maximum ROI and help them optimize their ad investments. Campaigns that show good, measurable conversion become more important than more branding efforts. In 2022, Acast and Spotify jointly conducted a study* showing that advertising in digital audio channels, which includes podcasts, provides as much as 60 percent higher return on investment compared to advertising in other media channels. During the year, the average investment per advertiser on Acast Marketplace increased by 46 percent compared to a year ago. At the same time, a weaker economy means that more advertisers are more cautious than before, which in the short term has a countervailing effect with fewer advertisers on the platform.

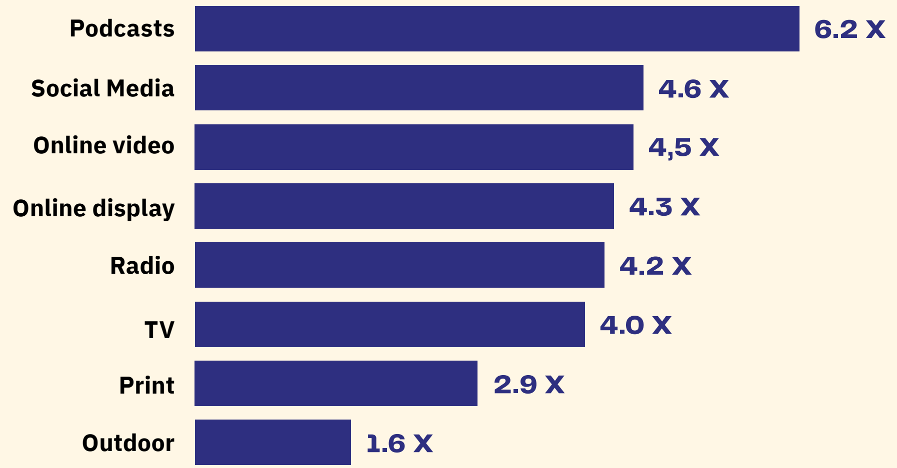
**Efficient advertising products**
Acast's offering mainly consists of three advertising products: ads, sponsorships and brand-based content. In 2022, over 90 percent of revenue came from ad products and the remainder from non-ad-based revenue. The revenue model for the advertising products varies depending on the product and customer.

A podcast ad is a short, approximately 30 second long, scripted and recorded message similar to what we are used to hearing on commercial radio. The up-to-date ads are inserted for relevant listeners automatically using the technology developed by Acast. With the support of our platform, commercial messages from our advertising partners can be listened to wherever podcasts are found, regardless of the channel the listener chooses.

A sponsorship is a message recorded by the host of the podcast. It's then delivered to the listener through the same method as an ad. These influencers have a high level of credibility because the listeners recognize the style and voice and thus feel trust and loyalty towards them. In general, podcast listeners are very loyal to their podcasts, which means that this type of advertising message generates good returns for the companies that advertise.

Branded content takes advertising messages one step further, by advertisers buying out larger parts of a podcast episode in advertorial fashion, or even creating a whole series themselves. A good example could be a food podcast testing a new range from a food manufacturer, or a fashion brand creating a podcast about a certain fashion trend together with a podcast creator. At Acast, there is a creative team that helps advertisers create content or their own podcasts from scratch. As an example, the technology giant Samsung runs its own podcast via Acast's platform.

**Average advertiser long-term ROAS (Return on advertising spend)**




*According to a study carried out by OMD's analysis department Annalect, on behalf of Acast and Spotify in June 2022.

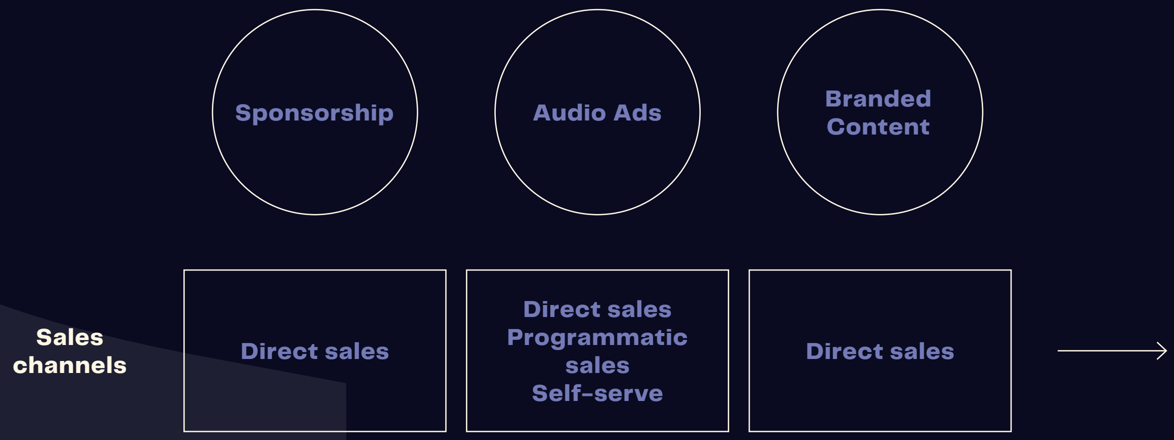
# Expanded sales channels to meet all needs

**Advertisers can access the Acast Marketplace through various sales channels**

**→ Directly through our sales teams**

**→ Through our automated offer, programmatic sales**

**→ Through Acast's online self-service platform**




**Direct sales via Acast's sales team**
Acast's sales and product teams are located in fourteen markets and have a deep understanding of each market. For Acast, the local presence is a strength because it increases the understanding and knowledge of the range of podcasts as well as the contacts with local advertisers and media agencies.

In 2022, Acast has focused on the following to further increase revenue:

- A more efficient matching of available advertising space with demand, leading to increased conversion.
- Continued development of the ad-tech platform to improve control over how and to whom the ads reach.
- Work on automatically expanding the available advertising space by using algorithms.
- Optimization of tools to deliver more valuable leads to the sales teams, including optimizations of the advertising pages on Acast.com.

**Increased interest in programmatic ad sales**
Programmatic advertising is defined as the use of technology, real-time data and algorithms to serve ads to the right audience at the right time and place. This technology automates many of the normally manual ad buying campaign activities required, including negotiations, reporting, optimizations and invoicing. It's a more automated way of buying media.

Programmatic advertising means that a media buyer plans and buys ad space in a similar way to a stockbroker who uses technology to visualize and decide which stocks to buy, when and at what price, within frameworks set by Acast.

In 2022, around 13 percent of Acast's ad revenue came from programmatic sales, and in some of Acast's more established markets, such as the UK and Australia, the proportion was even higher. During the year, a trend towards an increased share of programmatic advertising sales has been clear.

**New self-service channel opens for smaller advertisers**
Acast's self serve platform allows advertisers to activate their strategy for podcasts and buy and create ad campaigns themselves. Launched in 2022, the platform is an important step in democratizing the global podcast industry as it enables advertisers to begin ad investments at a scale that suits their needs and budgets. For Acast, the platform opens up another revenue channel and enables further automation of ad sales.

**Non-ad-based revenue**
In addition to the advertising products, there are a number of additional SaaS products and services. The non-ad-based services are sold as one-time services or in subscription form:

- For podcast creators who do not participate in the Acast Marketplace, there is the option of using our tools for distribution and analysis for a monthly fee (SaaS).
- Podchaser generates SaaS revenue from businesses that pay a recurring monthly fee to access Podchaser's database.
- Acast offers the Acast+ service where podcast creators can sell their content directly to listeners as one-time purchases or subscription offers. The podcast creator themself has the opportunity to choose how the service should be structured, for example by giving their subscribers access to ad-free content, earlier access to new episodes or bonus material.

# 3. Listeners

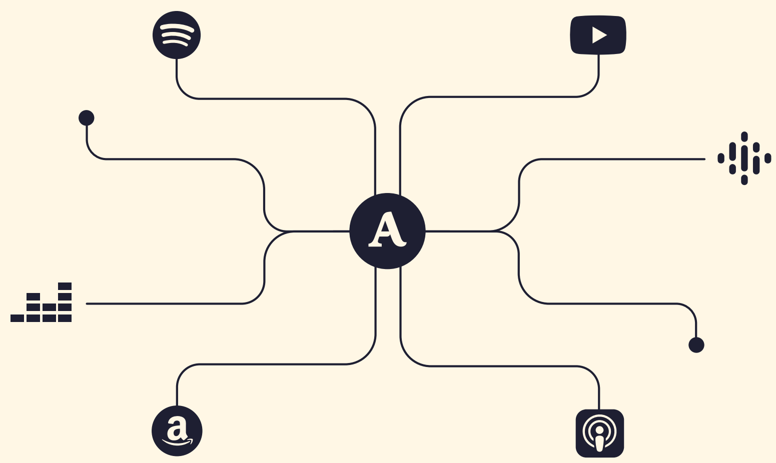
## We make it possible to listen to podcasts anywhere and anytime

One of the strengths of podcasts is that the technology is built on open standards, powered by RSS technology. This means listeners can enjoy Acast shows wherever they listen to podcasts. That's because Acast distributes all podcast content on the platform to hundreds of apps, smart speakers, and web players so listeners can freely choose where and how they listen. This forms a fundamental part of what is known as the open podcasting ecosystem.

In 2022, people listened to podcasts connected to Acast about 5.1 billion times, and by the end of the year we reached 92 million unique listens in a month.

Thanks to this open model, listeners may not even be aware that the podcast they are listening to is powered by Acast. However, if they hear an ad or a host read a sponsored post in a podcast episode powered by Acast, it's Acast's ad technology that delivered it in the background, and it's Acast that shares the revenue with the podcast creators. By extension, this means that Acast enables podcast creators to continue producing the content that listeners have come to love while monetizing their content.

# Acast uses the power of technology combined with data



The Acast platform is the result of several years of development of a technology that enables the insertion of dynamic advertisements. The advertising is based on the deep insights into listening behavior that Acast gets from the aggregated data generated via the platform. The portfolio consists of large, well-known podcasts that today generate a large proportion of revenue primarily via direct sales.

These are successful shows that the big advertisers and the big media agencies have historically wanted to be associated with. They are fewer in number, but have achieved great success. In addition, there are a number of lesser-known podcast shows that are attractive to many advertisers who want to access the podcast medium and who may have limited resources or who are actively looking for smaller podcasts with a very specific target group. The larger programs are good for reach and scale, while the smaller-scale programs offer high listener engagement and good returns for advertisers.

Acast's strategy is based on continuing to serve the big, well-known shows with creative solutions that benefit both podcast creators and advertisers. Although these require a greater manual sales effort, a high percentage of revenue is generated and creates a visibility in our local markets that attracts more podcast creators to Acast.

In addition, there is a great opportunity in scaling up advertising sales to the long tail of more small-scale podcast programs through increased automation and technological development. This development has had a high priority and during 2022 several new tools have been made available to advertisers, for example the new Acast self serve ad platform.

By working on developing the offer for both large shows and smaller-scale podcast programs, Acast has good conditions for continuing to increase the sales frequency even in a scenario where the number of podcasts does not grow, simply by increasing the sale of existing advertising space (see illustrative example on page 18).

**Growth in existing and new markets**

An important part of Acast's strategy is to create the conditions for continued growth in both existing and new markets, even in times of increased economic uncertainty.

The market for podcasts has been characterized by strong growth for several years, driven by technological developments enabling podcast creators and consumers to meet. Until 2022, podcast consumption has steadily increased, which in turn has driven increasing demand in the advertising market for podcasts.

Overall, the media landscape has gradually changed in 2022. In times of economic uncertainty, advertisers are increasingly looking for the channels that provide returns and help them optimize their ad investments. Campaigns that show good, measurable conversion become more important than more branding efforts. This development benefits podcasts as a marketing channel in the long term, as returns from podcast ads tend to surpass traditional channels such as TV and radio.

The podcast market is expected to continue to grow by 15 percent annually until 2026 according to PwC's analysis Global Media and Entertainment Outlook from June 2022.

**Podchaser**

In August 2022, Acast completed the acquisition of Podchaser, bringing together the world's largest independent podcast company and the world's leading podcast database and industry intelligence engine.

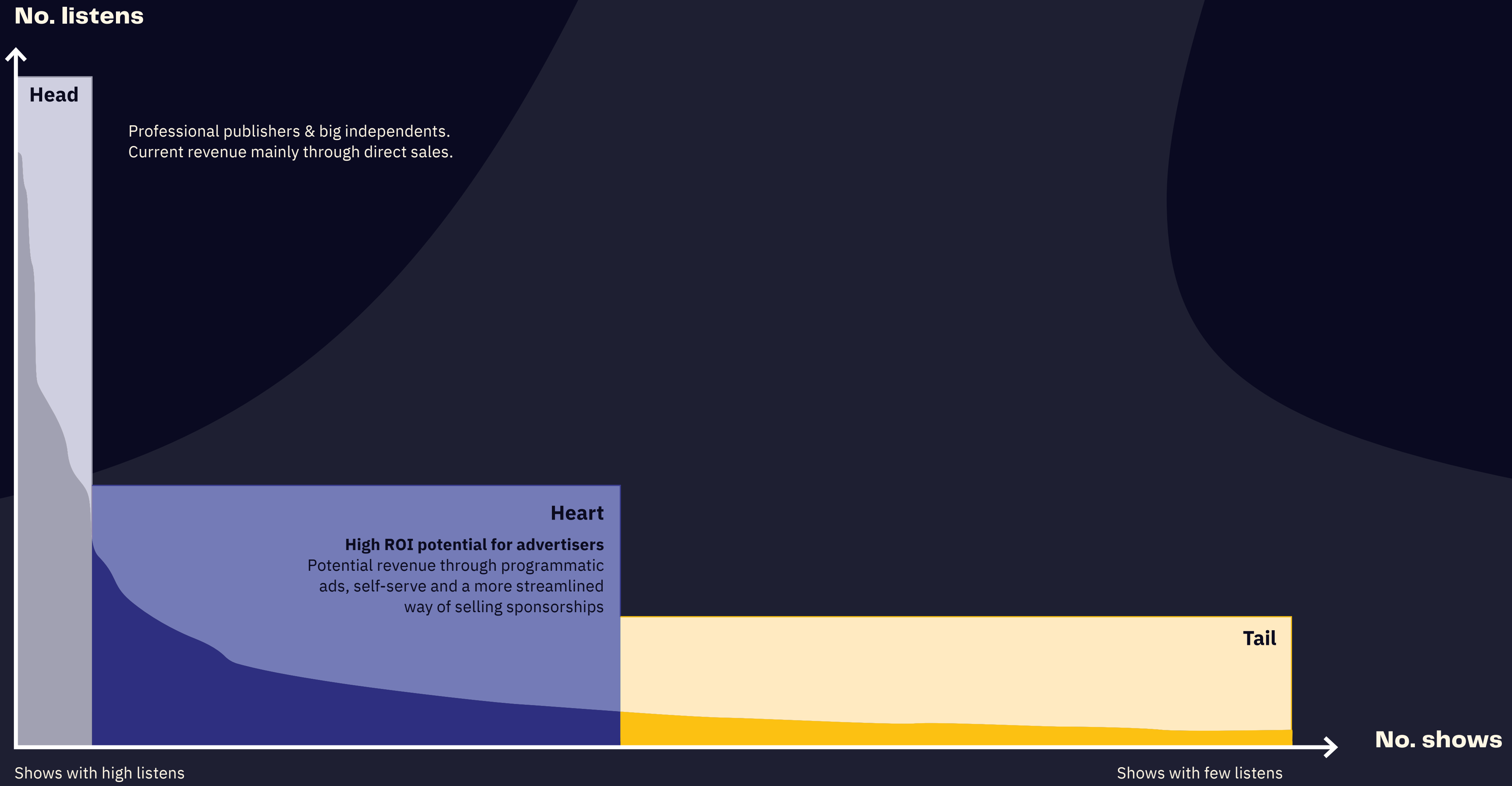
The acquisition of Podchaser will, among other things, help Acast increase ad sales by generating inbound advertising leads, use Podchaser's metadata to improve the matching of advertiser content in Acast's sales planning tool, use Podchaser's metadata to improve existing ad targeting.

Podchaser's database is also strengthened by Acast's data regarding, for example, listening frequency, demographics and reach, which improves the data quality and reliability of Podchaser's database, and the same data helps improve Podchaser's algorithms, which helps make podcasts easier to discover for both listeners and advertisers.

While Acast is not closing the door on further structural deals, the completion of the Podchaser acquisition marked the end of a period of extensive investment. In the next few years, Acast expects to primarily grow its business organically, in both existing and new markets.

# The podcast portfolio

## Illustrative example



# New financial targets in 2022

## 1. Organic net sales growth

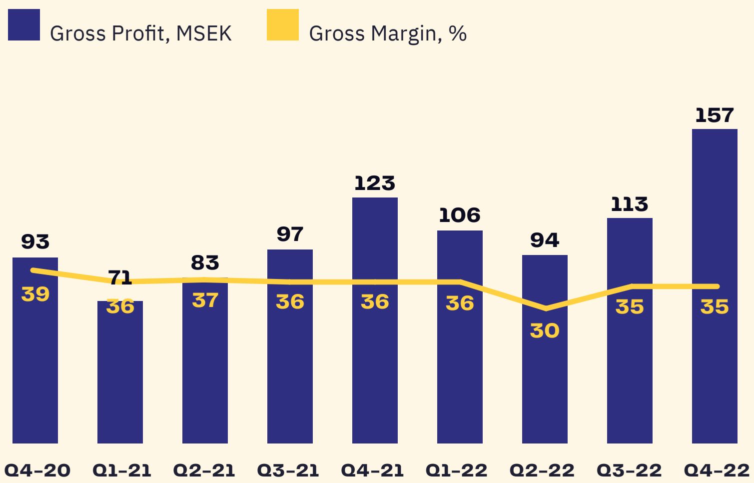
**Acast targets an average annual organic net sales growth rate of 40–45% between 2020–2025.**
Acast achieved an average growth for the years 2020–2022 of 56 percent to reach the range of 40–45 percent on average for 2020–2025, a minimum of 24 percent average annual growth is required in the years 2023–2025.

| | Outcome | | | Scenarios, examples | | | |
|---|---|---|---|---|---|---|---|
| **Organic Growth** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **Average** |
| Result 20-22 | 69% | 74% | 26% | | | | 56% |
| Average - 34% | 69% | 74% | 26% | 34% | 34% | 34% | 45% |
| Average - 30% | 69% | 74% | 26% | 30% | 30% | 30% | 43% |
| Average - 24% | 69% | 74% | 26% | 24% | 24% | 24% | 40% |
| | | | | | | **Target** | **40–45%** |

## 2. Gross margin

**Annual gross margin of 35–38%.**
In 2022, the gross margin amounted to 34 percent.

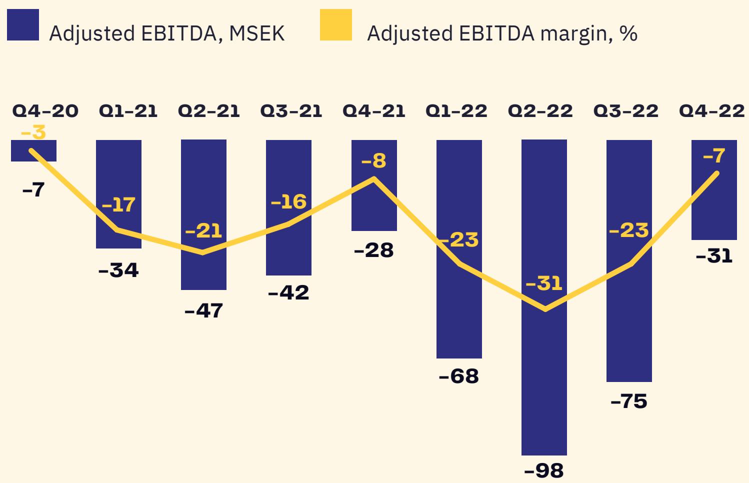
### Quarterly Gross Profit




## 3. EBITDA

**Acast aims to reach an EBIDTA breakeven in 2024.**
In 2022, adjusted EBITDA amounted to -272 MSEK with a positive trend during the second half of the year. During the year, a turning point was reached regarding EBITDA development and the company implemented a cost reduction program that reduced the workforce by approximately 15 percent (excluding the acquisition of Podchaser). This means that the company has increased cost effectiveness in a market that is expected to show continued growth. Acast has good operational leverage through continuous development of technology that enables increasingly automated sales, driving revenue at lower cost of sales.

### Quarterly Adjusted EBITDA




## 4. Dividend Policy

Acast intends to retain available funds and future earnings to support its operations and to finance the growth and development of the Company.

As such Acast does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will depend upon, among other factors, the financial results of operations, financial position, any applicable laws and regulations, cash flows and working capital needs.

# Technological advancements in a growing market

**Podcasting is one of the fastest-growing media channels with strong potential for further growth. Advancements in ad tech are helping move the industry on, as advertisers are now better able to target their ads and to measure their return on investment. As podcast listening continues to grow at a rapid rate, podcasts are becoming integral to advertisers' campaigns.**

The global podcast market is growing rapidly. The growth is a result of the digitalization of radio that has taken place – where podcasts, audiobooks and music streaming have expanded their share of revenue streams whilst radio has taken a step back. The expansion of podcasting has been driven firstly by the extensive adoption of smartphones, which have made it easier to listen to podcasts. Listening is not only confined to headphones, with consumption in cars and on smart speakers also on the rise. Users can now access a wider range of content and use hundreds of different streaming apps, for example Apple Podcasts, Google Podcasts or Samsung Free.

**Podcast advertising market**

Acast's addressable market is defined as both the existing market for podcast advertising and the radio advertising market – which according to a PwC survey in 2020, amounts to approximately USD 30bn. The market is supported by several positive global trends that favor a long term increase in podcast listening, such as increased ownership of smartphones, a new consumption pattern where consumers want content "on-demand", and growing high speed network availability. These trends have resulted in an ongoing transition from traditional AM/FM radio to listening to on-demand content such as podcasts.

Podcast revenue is expected to grow at a quicker pace than most other media. Despite some slowdown in the advertising market due to the macroeconomic situation, the podcast market is expected to continue to grow by 15 percent.*

**The global gap in ad spending**

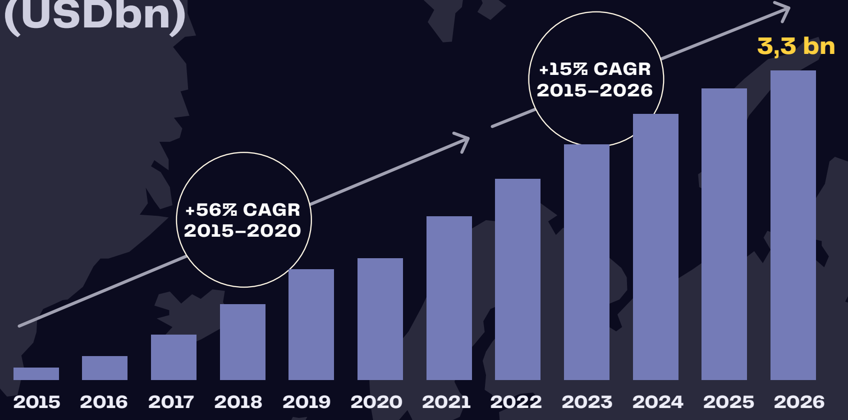
The market is growing, while podcasts are potentially undervalued by as much as $40bn and present one of the biggest opportunities for advertisers to reach audiences with comparatively little competition. The gap between advertiser spend and the reality of daily consumption will most likely be evened out as the industry continues to scale and grow.

This is according to WARC's advertising spend forecasts** for 100 markets, and daily media consumption data drawn from a survey of 715,000 consumers. In audio, while consumers spend 31 percent of their media time within audio, brands only allocate 8.8 percent of their media budget here. And 25 percent of brands are missing from audio entirely.

At the same time, spend on TV and social media is highly inflated. Social media is forecast to account for 39.1 percent of 2022 ad spend but has a share of daily media consumption of only 21.4 percent Linear TV, again, is forecast to account for a 31.5

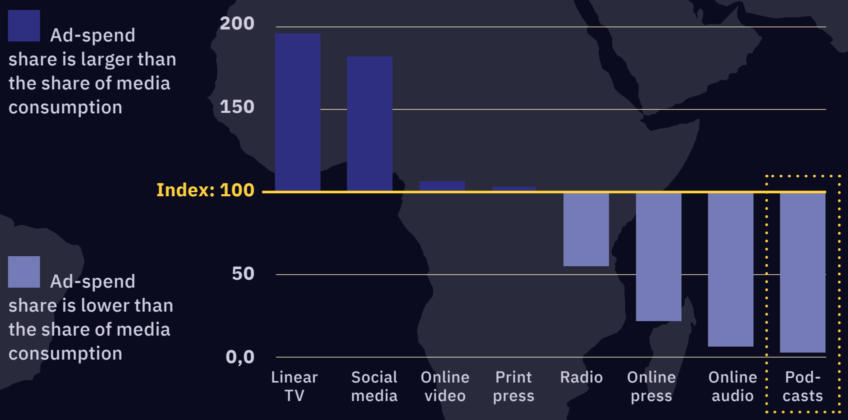
*PWC Global Entertainment and media outlook, June 2022. **The investment gap: Understanding the value of audio, WARC Sept 2021

## Global Podcast Advertising Market (USDbn)




## The global gap in ad-spending

Among the presented media, podcasts were projected to be the most underinvested media worldwide in 2022. They were expected to take a significantly larger share of consumers' media time than the share they take of ad spending. The situation is forecasted to be the opposite for linear TV.



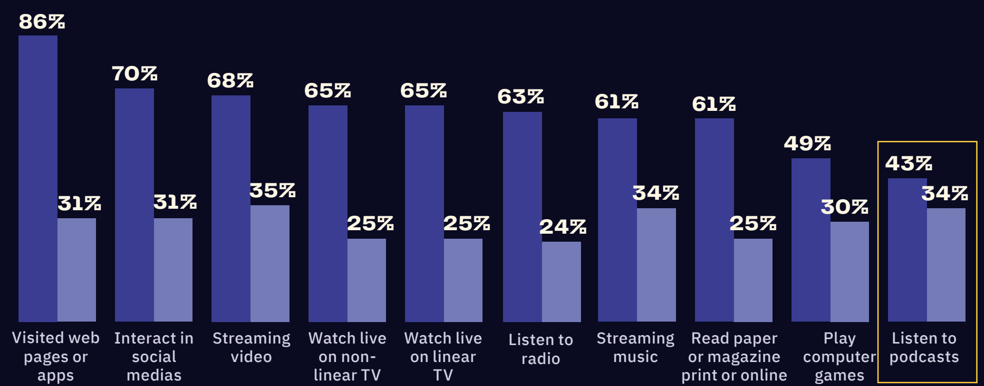
percent share of advertising spend next year, compared to only 16.1 percent share of daily media consumption.

**Podcast listener growth**
The listener growth for podcasts has been pointing strongly upwards for many years, creating a large base for the market. The podcast market is beginning to mature and gain structure, and in some countries where the medium has reached a mainstream status, you can see that the growth is slowing down partly. Significant listener increases are still in the cards for a handful of countries. The global audience for podcasts will continue to expand, rising from 275 million in 2019 to over 500 million in 2024 (source: Statista).

**Podcast listeners show strong tendency to increase their listening habits**
Although the number of people listening to podcasts is lower compared to other established forms of media, those who do listen to podcasts have a strong tendency to continue doing so. Podcasts are predicted to grow at a higher rate than linear media such as listening to the radio and watching live and non-live TV. More traditional media activities continue to benefit from high consumption penetrations, but their rate of growth is lower than digital.

## Good growth in podcast consumption

Media activities in the last 12 month
Growth driver



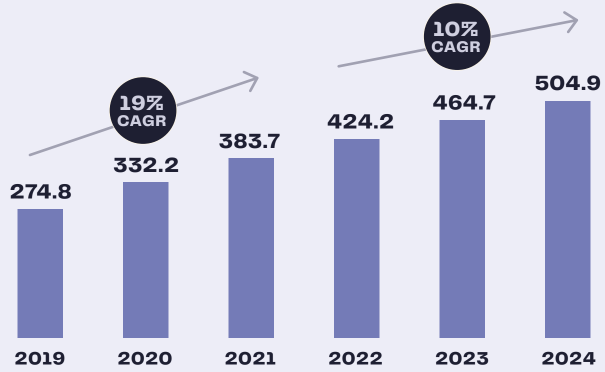

Dark blue bars refer to the percentage of respondents who claim to have maintained or increased their consumption of the respective media type in the last 12 months.

**Growth Drivers (light blue bars):** Share of respondents who claim to have maintained or increased their consumption of each media type in the last 12 months and are likely to do more in the next 12 months.

While a lower proportion of the global population have consumed podcasts more or the same in the last 12 months than other digital activities, the growth driver score for podcasts is high (34 percent), and aligns with streaming video and music, reflecting the growing level of engagement podcasts have among listeners.

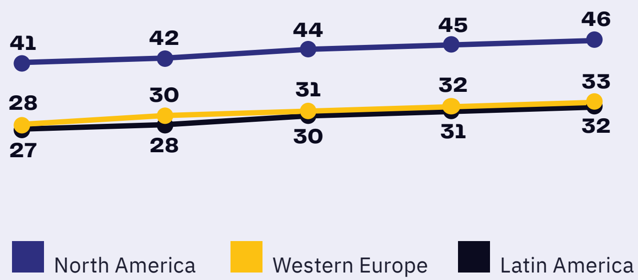
*Global Media White Paper 2022, YouGov, a custom survey on the global media sector, covering 18 markets of more than 19,000 respondents.

## Number of podcast listeners worldwide (in millions)




Source: Statista

## Podcast listeners by region, % of internet users




Podcasts are most popular in North America, where more than 40 percent of internet users listened to a podcast at least once per month in 2022. Latin America and Western Europe are increasingly embraced the medium, as well.

Source: eMarketer Aug 2022

### The podcast industry needs tech to evolve

As the amount of content and the number of users increase – and with it advertiser demand – the podcasting industry needs to evolve. Advertisers' demands for brand/privacy safety and advanced, data-driven targeting and automated ad buying will require appropriate tools and technological solutions.

The development of these advanced features has begun and the industry is poised to drive further revenue growth, but is still constrained by advertisers' lack of awareness of these opportunities to scale up podcast advertising. More knowledge of both buyers and sellers will make it possible to take advantage of these sophisticated features.

### The Rise of Programmatic Podcast Ad Buying

In recent years, there has been a shift towards programmatic ad sales in the podcast industry. Programmatic advertising is the use of technology to automate the buying and selling of advertising spots, and it has become increasingly popular in the podcast space.

While programmatic podcast advertising still represents a small fraction of the overall spend against podcast advertising, programmatic podcast buying is expected to grow. Programmatic podcast ad spending will make up an increasing portion of total podcast ad spending, reaching nearly 10 percent by 2024 in the US.

Even though the numbers are increasing for programmatic in podcasts, there is still a long way to go when you compare to digital advertising as a whole. Programmatic's share of total digital revenue (excluding search revenue) is soon approaching 90 percent

One of the main drivers of this shift is the growth of streaming services and podcasts. The shift towards programmatic ad sales in audio is also driven by the increasing use of data and automation in the advertising industry as a whole. Programmatic advertising is becoming the norm in the digital advertising space, and audio can learn from how digital ads evolved in social media advertising and video advertising.

Overall, the shift towards programmatic ad sales in audio represents a significant opportunity for advertisers to reach their target audiences in a more efficient and targeted way – and for podcast advertising to grow at scale.

### Contextual targeting is key for effective and privacy-safe advertising

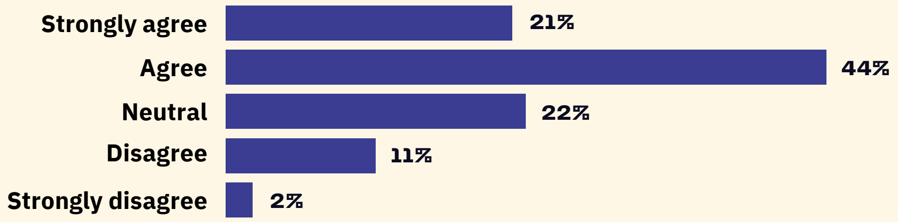
Contextual targeting in audio advertising allows advertisers to reach their desired audience in a more relevant, brand-safe and effective way. By targeting specific conversations, content, keyword or sentiment, advertisers are able to position their brand in a way that aligns with the interests and needs of the listener.

To make this possible, the industry is beginning to use advanced technology such as speech-to-text transcription combined with artificial intelligence and natural language processing to analyze and transcribe audio content.

Contextual targeting in audio advertising is increasing accuracy significantly, gives more value per dollar and creates a more relevant advertising experience for the listeners. The advertiser may target the right listeners without collecting personal data, and listeners are less likely to be disturbed with irrelevant or intrusive advertisements. At the same time, the advertiser can protect their brand through the possibility of being able to exclude specific keywords.

*eMarketer. ** Internet Advertising Revenue Report, IAB/PwC April 2022

### A cookie free world will adversely affect my targeting capabilities




Targeting is an area of concern, with nearly two thirds (65%) suggesting the shift to a cookie free world will adversely affect their audience targeting capabilities. (Modern marketing in EMEA, WARC, 2022. A survey with 718 responses from high level marketing experts.)

### Podcast advertising: winner in a cookie-free world

Third-party cookies have long been a cornerstone of the advertising industry, and have been used to track and target online ads. As privacy concerns continue to grow, more and more companies choose to protect their users' data from third-party cookies, this is something that will affect the market for some time to come

The death of third-party cookies marks a significant change in how online advertising is conducted. Without the ability to track users across the entire web, advertisers must find new ways to reach their audiences. Podcasts represents an emerging channel within advertising that is ideally positioned to thrive in a cookie free world, already using the methods for reaching consumers that will come to define the next era of digital advertising - moving from behavioral targeting to contextual targeting.

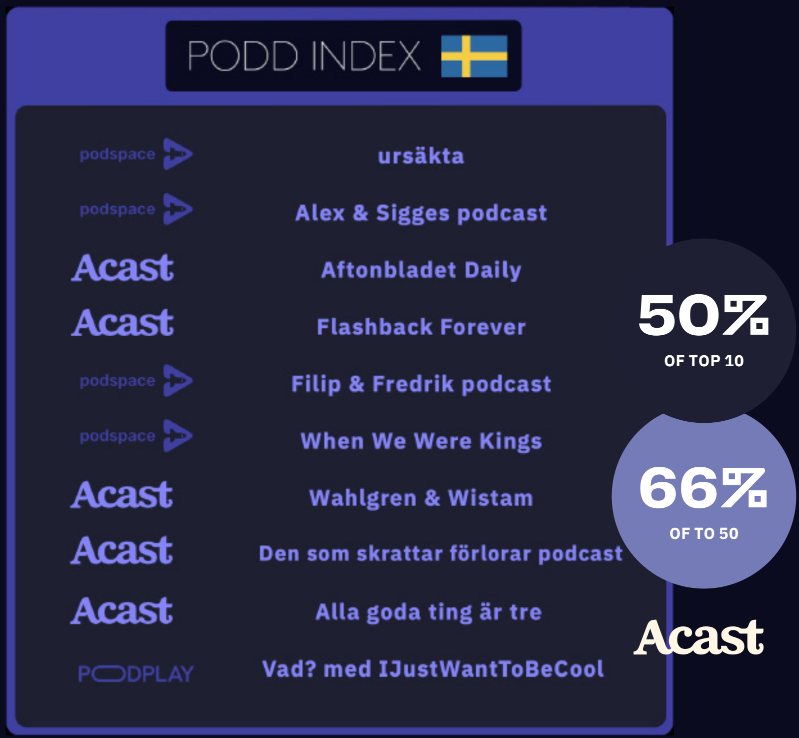
Podcast advertising works well independently of third-party cookies and will therefore be able to handle any cookie-related changes now or in the future.

Targeting your ads to the right audience in podcasts works well by placing them in the right context, based on relevant content in the podcast episodes.

### Acast in the market

After several years of growth in terms of shows, listeners, and advertisers, we have achieved a market-leading presence in our key markets and continue to gain market share in other markets where we operate. According to our own estimates and estimates from a previous market study by PwC, we are by a good margin the largest player when it comes to podcast advertising revenue in the UK. We are also a market leader in Sweden, where Acast's market share of podcast advertising revenue is around 40% based on data from IRM and the IAB (Interactive Advertising Bureau) who examines the Swedish market. In the US (which is a very fragmented market), Acast is placed at number 2 in Podtrac's ranker for podcast sales networks. Podtrac is the leader in podcast measurement and provides advertisers with free monthly access to Podtrac-verified reach and delivery information for top sales networks.

## A leading force in the SE & UK charts




Source: Poddindex 31 Jan 23


Source: Apple Podcasts 31 Jan 23

# Acast: Major US Force

PODTRAC

1 WONDERY

2* Acast

3 libsyn

4 PODCASTONE

**Acast**

**22 million** monthly uniques

**39 thousand** US shows

*Acording to Podtrac rankings: Top podcast sales network, U.S. Podtrac is the leader in podcast measurement, with more than 2.5 billion podcast streams and downloads measured per month across all podcast apps. Podtrac's measurement system is certified by the IAB.

# Case: Massive uptake in subscriptions and a 96% reduction in CPA thanks to podcast advertising

**The brief**
The Week — a hugely popular weekly magazine presenting a fresh take on news stories around the world — wanted to drive subscriptions of its publication, and was running an offer promising new readers six free issues and a free notebook.

As a direct response campaign, it was important for The Week to be able to tangibly measure success using a redemption code — a tool often heard in podcast advertising, and one proven to be very effective in getting listeners to take action.

**What we did**
Acast and The Week ran host-read sponsorships on a collection of political podcasts including The Rest is Politics, Reasons to be Cheerful and The Political Party, using the trusted voices heard on those shows to convince listeners to subscribe.

Each podcast had a dedicated landing page at theweek.co.uk, with a shortened URL read out in the ad. theweek.co.uk/rest, for example, redirected to subscription. theweek.co.uk/restispolitics, for ease of discovery. For ease of redemption, landing pages also allowed visitors to input the promo code directly, rather than needing to navigate to another location.

**The result**
Since the campaign started running, they have acquired a volume of subscribers far above and beyond the expected campaign goals. Perhaps even more impressively for The Week, the cost per acquisition (CPA) was a whopping 96% lower than its previous best podcast activity CPA earlier this year.

The campaign also had a significant impact on other channels, with a clear uplift in website traffic and on paid search activity as a result of the podcast campaign.It was also clear that there were spikes in orders and visits to theweek.co.uk on Wednesdays throughout the campaign — the day The Rest is Politics episodes air. For overall traffic, there was a significant increase — which ultimately impacted the organic traffic to the site and transactions.

So far, the trial take-through rate for these orders is almost 10 percentage points higher than the initial target.

"The Week had been working with Acast on podcast activity for nearly two years, and over that time has seen significant increases in efficiency and more effective targeting. Such strong results show how finding the right audience can take your podcast advertising campaign to new levels — but they also show how long-term commitment to podcasts can pay off.Working with Acast on our latest campaign was great. We were delighted with the creative execution, the process and most of all the results. The campaign clearly highlights the importance of matching audiences to relevant messages and offers, which the podcast medium allows us to do effectively."

Ed Craggs, Head of Marketing, UK Superbrands (The Week)

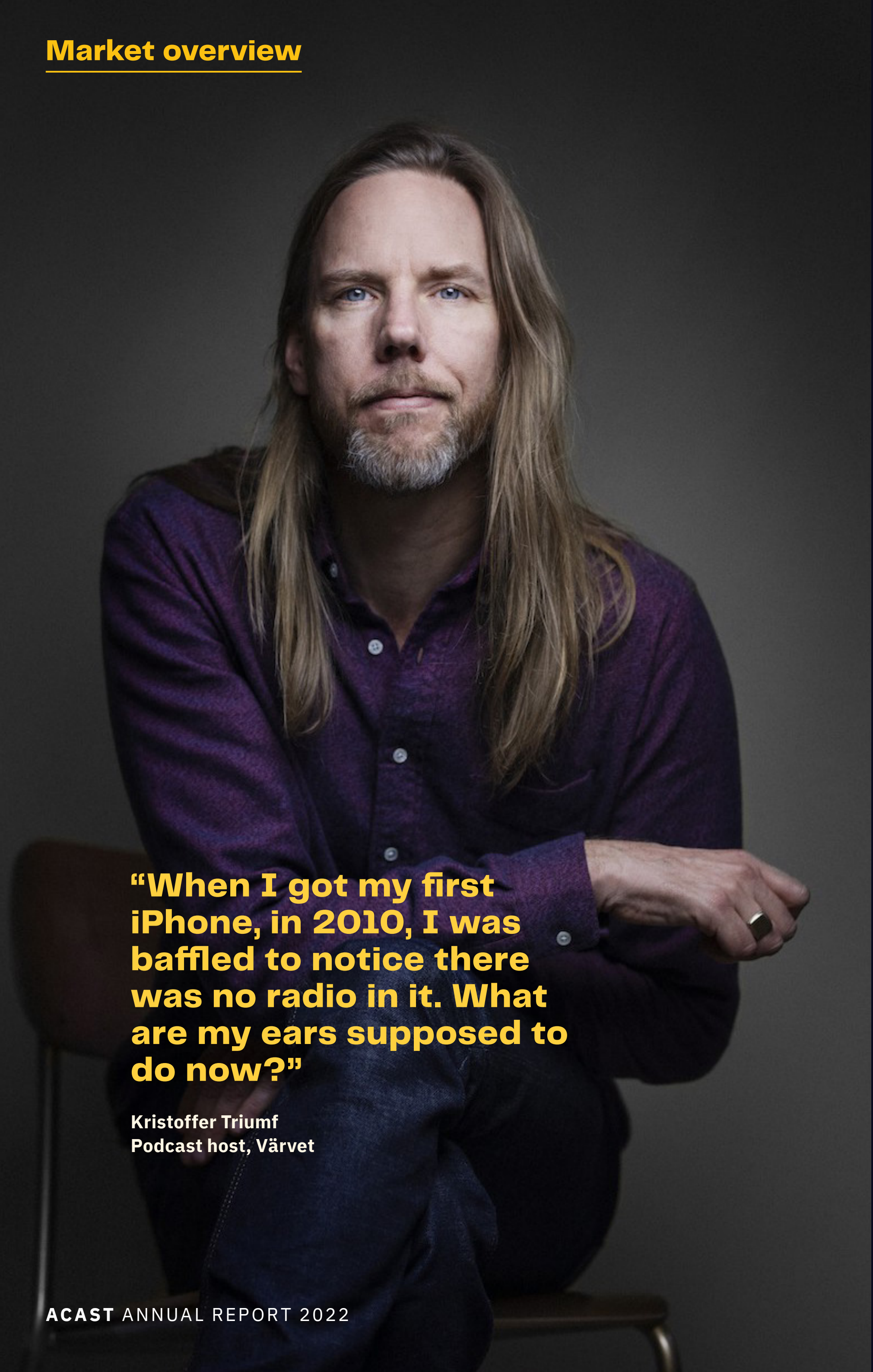
> **"The Week had been working with Acast on podcast activity for nearly two years, and over that time has seen significant increases in efficiency and more effective targeting."**

**Ed Craggs**
Head of Marketing,
UK Superbrands (The Week)

**96%**
reduction in CPA

**10%**
increase in trial take-through

THE WEEK



"When I got my first iPhone, in 2010, I was baffled to notice there was no radio in it. What are my ears supposed to do now?"

**Kristoffer Triumf**
**Podcast host, Värvet**

# Case: Words from a podcast creator

"When I got my first iPhone, in 2010, I was baffled to notice there was no radio in it. What are my ears supposed to do now? Someone told me about podcasts in general, and some Maron dude in particular. Being curious with the stand up comedy world, WTF with Marc Maron was an instant love affair from my part. And a few episodes in, I thought to myself – shouldn't this be possible to do in Swedish? As I was headed to LA for the winter holidays, I shot an email to Marc Maron making up some story about already having done a few episodes that I was about to release and if I could interview him as well. To my surprise he said yes.

Once back home in the suburbs of Stockholm, I started doing these interviews – I sort of had to, not to actually lie to Marc Maron! And on March 5, 2012, I released the first episode of Värvet (which roughly translates The Profession). Some nearly six hundred episodes later, it's safe to say that podcasting not just changed my life: In many parts it is my life."

**Kristoffer Triumf**
**Podcast host, Värvet**

## Strong position in the Nordics

**450**
**Million listens to Acast content in the Nordics during 2022**

**13%**
**year over year growth in numbers of listens to Acast content in the Nordics**

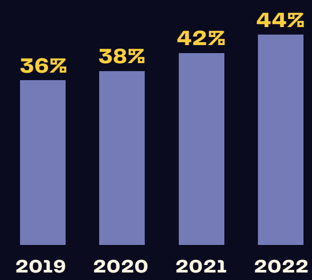
**445**
**unique number of advertisers on Acast in the Nordics**

Source: Acast listening data 2022

## Market leader in Sweden

**Acast's market share of total podcast advertising revenue**

Source: Acast/IRM/IAB



"My fundamental belief is that listening makes the world better."

**John Harrobin**
**Chair, Board of Directors**

# Comment from the Chairman of the Board:

**Dear Stakeholders,**

**I am pleased to introduce Acast's very first Environmental, Social, and Governance (ESG) report and proud to highlight Acast's commitment to sustainability, social responsibility, and ethical business practices.**

My fundamental belief is that listening makes the world better. The very nature of podcasting helps people understand one another and expands our perspectives as individuals. This past year was one of contrasting realities. In several parts of the world, 2022 meant resuming many aspects of pre-pandemic life. Simultaneously, the world experienced a global energy crisis and war in Ukraine, both with considerable impacts on businesses and communities. Also, the year of 2022 reminded us that the world has much more to do to tackle climate change as we collectively work to reduce greenhouse gas (GHG) emissions.

At Acast, we recognize our role in shaping the future of industry and the impact that we have on our listeners, podcast creators, partners, co-workers and society. Acast's open marketplace is where podcast creators and listeners connect, learn new things, laugh, and share valuable insights. We also provide a safe space where advertisers can reach their targeted audiences, which in turn enables our podcast creators to make a living from podcasting. To be a corner stone in this ecosystem is pivotal for our business, and how we can contribute the most to society.

In this report, you will find information on our progress toward achieving our ESG goals, as well as our strategies and initiatives to address key sustainability challenges. We have identified several areas where we can make a significant impact, such as mapping GHG emissions across our value chain, amplifying diverse voices, and promoting inclusionary practices across every aspect of our business.

We remain committed to being a responsible and sustainable business that delivers value to all stakeholders. Thank you for your continued support and engagement as we strive to make a positive impact on the world through our business practices.

Sincerely,

**John Harrobin**
Chair, Board of Directors

# A global and autonomous power source for podcasting

**At Acast we believe in the power of a world connected through storytelling and with that, we see the inherent positive potential that podcasting can have on society.**

Anyone who has listened to a podcast may recognize some of the benefits of the medium itself. Listening to a podcast can have the benefits of bringing calm and relaxation, delivering insights and learning as well as offering a level of escapism and entertainment. These are elements that are not to be underestimated in the fast paced world we are all navigating which is more often than not seeking our attention through screens, clicks and short form information and are no doubt part of why so many people continue to discover and enjoy storytelling through podcasts. But as the medium – and Acast – grows the importance of focusing on sustainability and operating sustainably has become increasingly important. This includes environmental issues as well as socio-economic issues in society at large.

Acast's vision is to empower anyone, anywhere to connect through and create value from podcasting. For Acast, it is important to act responsibly in these matters and as a high-growth international tech company, we strive to have a meaningful impact on the world through the products and services we provide, as well as how we conduct our business and interact with our stakeholders.

In 2022, Acast established a working group for sustainability topics and a sustainability policy that, starting from 2023, will be reviewed and approved by the Board every year. The reporting of our sustainability work is a work in progress, and during 2022 we have expanded the efforts we initiated in 2021. In 2023, we will continue to develop and implement our sustainability strategy as well setting sustainability goals and key figures that will be followed up annually. Our ambition in the coming years is to expand our reporting of sustainability KPIs in order to comply with the new requirements set out in the EU's Corporate Sustainability Reporting Directive (CSRD) by 2025. We must be transparent in our sustainability work so that our stakeholders can follow us on this journey and take part in the progress we are making and the challenges we face. Going forward, we will continue to conduct our business in line with the principles of the UN Global Compact, ensuring respect for human rights and the ILO's core conventions, as well as countering corruption and reducing our footprint on the climate and environment throughout our value chain.

# Materiality analysis

**During the year, we conducted our first materiality analysis. The materiality analysis has helped us understand what sustainability means for Acast's business and we have identified the essential sustainability areas we should focus on.**

The materiality analysis has been carried out through an impact analysis that is based on the dual materiality perspective. (Acast's impact on sustainability, and sustainability's impact on Acast) and stakeholder dialogues.

The stakeholder groups we have engaged are:

- Podcast creators
- Employees
- Investors
- Management team

Stakeholders have been identified based on their interest in Acast, how they may be affected by our business, and how they affect us. The stakeholder dialogue was conducted through a survey where stakeholders were asked to provide information about which sustainability aspects they consider most important for us to focus on. Through the impact analysis we have examined how Acast's business is affecting human rights, labor law, the environment and corruption and how these aspects affect Acast.

The results of the stakeholder dialogues and the impact analysis have been weighed together and shown where we should direct our strengths and ambitions in sustainability. The materiality analysis resulted in twelve sustainability aspects, which have been gathered under four strategic sustainability areas (see table below):

**Main sustainability risks facing Acast**
Acast have made a preliminary analysis of the sustainability risks that are relevant for companies providing consumers a digital service. To identify the extent of these risks and how they can impact us as a company, they will be more thoroughly analyzed during 2023. The sustainability risks that Acast has identified are negative impact on human rights and labor law in relation to advertisers operating in markets where human rights are not respected.

Regarding social and personnel risks, has Acast identified mental health issues and sickness as our main risks. Acast strives to be the best possible workplace, and we manage the risks through our code of conduct and our work environment policy. Acast has also identified risks related to negative impacts on the environment and climate and risks in corruption.

At present, Acast does not have a sustainability committee and thus we identify sustainability risks in the same way as other risks within the organization. Acast has a risk, compliance and internal control function that regularly reviews the company's potential risks. Furthermore, Acast's risk management policy regulates Acast's management of external and internal risks throughout the company in terms of strategic, operational and legal risks. This policy is available to the entire Acast workforce. Considering our continued work on sustainability, the identification of sustainability risks – human rights, labor law, the environment and anti-corruption – will form a larger part of our risk analysis.

## Four strategic sustainability areas:

| | |
|---|---|
| **Financial, technological, and sustainable growth** | • Fostering technological innovation in an open podcast ecosystem<br>• Building a scalable and financially sustainable business model<br>• Minimize our CO2 emissions<br>• Transparency in communication related to our sustainability work |
| **Diversity, equity, inclusion and well-being** | • Providing a safe work environment, fostering employee wellbeing, equity, diversity, and inclusion in all aspects of our business |
| **Responsible and inclusive content** | • Supporting underrepresented voices within podcasting to promote diversity and inclusion<br>• Democratizing podcasting to enable more podcast creators to earn money from their craft<br>• Working to deliver a positive experience for our listeners |
| **Compliance with laws and regulations and ethics** | • Developing anti-bribery and corruption processes within podcasting<br>• Providing a positive, brand-safe environment for advertisers<br>• Limiting advertising from negative impact industries (e.g. alcohol/tobacco)<br>• Further develop privacy and data security practices within podcasting |

# Strive for reduced environmental impact

**At Acast, we strive to minimize our negative impact on the environment and to limit climate change. Our code of conduct and sustainability policy set the framework for how we as a company and our employees should act regarding environmental and climate issues.**

In 2022, we have continued our work to identify and map our environmental impact, which we, as we are still at the beginning of our sustainability work, do not yet have full insight in. However, we are aware that our business generates an impact on the environment, including electricity consumption from our offices, the purchase of electronics, and the use of software and hardware. We are a global company where business travel takes place by air between our countries of operation.

In addition to the environmental impact of our direct operations, Acast is also linked to the environmental impact of our listeners' electricity consumption. In order to reduce our impact on the environment and climate in the long term, we have in 2022 initiated work to map our direct and indirect energy consumption and the associated emissions of greenhouse gases. Acast needs to help reduce the energy consumed by our listeners to be able to reduce these emissions. We intend to more closely map and calculate our listeners' energy consumption and assess the potential to influence it, with the goal of reducing indirect energy use caused by our business.

In 2023, we will also continue the work of mapping our impact on the environment and climate through our value chain. Our goal is to collect data in order to be able to define goals and sub-goals with the aim of reducing our direct and indirect emissions. We will also review whether we need to supplement the code of conduct and the sustainability policy with guidelines and procedures for the environment, as well as review how we can work with environmental issues in our daily operations, such as purchasing and recycling.

## Energy consumption Acast's own offices* (MWh) 2022

| | |
|---|---|
| Electricity | 99** |
| District heating | 158 |
| Cooling | 39 |
| Total | 296 |

* Includes data from our Stockholm headquarters. During 2023 we will take actions to collect our energy consumption for all our offices.
** As of now we do not have access to exact data for our electricity usage. This number is based on an assumption based on the office area.

## Emissions (tonnes $CO_2e$) 2022

| | |
|---|---|
| Scope 1 (direct emissions) | 0 |
| Scope 2 (indirect emissions, location-based) | 9 |
| Scope 3 (other indirect emissions) | 1,119 |
| Total | 1,128 |

Acast has no Scope 1 emission. Scope 2 includes energy consumption for our Stockholm office. During 2023 we will take actions to collect our energy consumption for all our offices, which will increase our Scope 2 emission. Scope 2 is calculated with emission factor from AIB 2021. Scope 3 includes emission from hotel nights, business trips and emission from our cloud-based service AWS. Scope 3 emissions have been calculated with emission factors from our travel agents and AWS.

# We are passionate about stories and the people behind them

**The success of our business idea depends on us working proactively to make Acast the best possible place to work, so that we can give all podcast creators the opportunity to find their audience and monetize their craft.**

By following our values; Fuelled by Passion, Curious and Brave, as well as Open and Caring, we encourage responsibility, transparency and ethics in our decision-making and employee behavior at Acast. All employees must act in accordance with our code of conduct, which they sign when they start their employment with us. The code of conduct is complemented by our work environment policy and anti-harassment and anti-bullying policy, which are available to all our employees. As part of our current work routines, we see a good working environment as a prerequisite for us to be productive and competitive and to have the opportunity to recruit and retain qualified employees. Promoting good working conditions and non-discrimination is also a significant part of ensuring respect for human rights.

2022 was a challenging year for Acast from an employee perspective. After high growth in the first part of the year, we had to reduce our workforce with 15 percent during the fall due to negative macro-economic effects. The purpose of this organizational change is to establish good conditions towards a positive EBITDA result in 2024.

**We work for diversity, equity, inclusion and well-being**

As the global company we are, we need to promote diversity, equity, and inclusion (DEI). We have created a DEI Council with leading region/country manager from all our markets, together with an HR representative. This has been created on the initiative of the Acast management team as a central governance body to drive DEI topics at Acast. In 2022, we have launched Employee Resource Groups (ERGs) to promote diversity and create a supportive and positive work environment for our teams. ERGs are an open forum for employees where they can express common issues and challenges, especially based on what Acast's management team needs to know. The ERGs we have today are QueerCast for LGBTQIA+ employees, Global Majority for BIPOC employees (Black, Indigenous, People of Color), Parenting for parents, Mental Health for addressing mental illness, and Asisterhood for people who identify as female.

We have an anti-racism policy where we make it clear that all employees, regardless of ethnicity and background, should be treated on the same terms and with respect. In the event of any violations of the policy, the events will be investigated immediately, and the necessary measures will be taken. Violations of Acast's values, code of conduct or violations of the law shall be reported in accordance with Acast's whistleblower policy. This is managed by a separate system and reported directly to Acast's Chair of the Board. Thereafter, the matter is delegated internally to the company's General Counsel, or Chief People Officer, depending on the type of case.

In 2022, through an external partner, we conducted an Inclusive Manager Training for region North America with the goal of providing our current and future managers with tools for effective and inclusive leadership. Topics covered were psychological security, communication, organizational health, coaching and different types of leadership. We had a physical participation in our New York office where a total of 30 managers (90 percent of the managers in the region) participated. Our employees in North America have also undergone digital training in collaboration with the same external partner, which focused on prejudice and microaggressions. A total of 102 people (over 95 percent participation of employees in the region) participated.

Within Acast, the goal is to achieve a gender balance of 50/50 between men and women on all levels in the organization. By the end of 2022 we had total gender split of 57.6 percent idenifying as women, 0.3 percent as non-binary, and 42.1 percent as men compared to 50 percent of our leadership, and 52 percent of the management team identifying as women. The gender split in the group management team is 29 percent women and 71 percent men (see table on page 33).

To further develop our DEI work, we will in 2023 conduct training available to all our employees. These trainings will focus on raising awareness within DEI. We will also develop our DEI strategy together with the management team.

## Our values:

### Fuelled by Passion

### Curious and Brave

### Open and Caring

## Employee diversity %


| | |
|---|---|
| Male | 42.1% |
| Female | 57.6% |
| Non-binary | 0.3% |


| | |
|---|---|
| Male | 49% |
| Female | 50% |
| Non-binary | 1% |


| | |
|---|---|
| Male | 48% |
| Female | 52% |
| Non-binary | 0% |


| | |
|---|---|
| Male | 71% |
| Female | 29% |
| Non-binary | 0% |

**We promote health, safety and well-being in our workplace**
All our employees should feel safe at Acast, and we work actively to reduce and prevent work-related mental health issues and illness. We work actively on topics such as working hours, workload, equal treatment and prevention of harassment. Our work environment policy covers physical and organizational as well as social aspects and stipulates our commitments to systematically work with a healthy and safe working environment. We have a remote working policy that sets the framework for remote work and provides guidance to leaders with personnel responsibilities on how to prevent psychosocial risks associated with teleworking.

Acast has initiated a collaboration with the app Spill. Spill provides mental health support in local language, and our employees can access it through our communication channel, Slack. By referring to Spill, our managers can more easily escalate employees who are at risk of stress and mental illness. Spill has been implemented in five markets in 2022: the United States, Canada, Mexico, Ireland, and Australia. In the UK, Sweden, and most recently Norway, our employees have access to care for mental illness through our insurance for private healthcare. This means that we offer support for mental health care in eight of our ten markets. We intend to add the two remaining markets to Spill in 2023, to ensure that all our employees have access to support for mental health. By preventing and treating mental illness, our goal is to work for a prosperous workforce and continue to keep the number of sick leave at a low level.

In 2022, we have increased our focus on importance of employees' mental health by dedicating an entire week ("Mental Health Week") to various global and local events with the goal of counteracting mental illness, where all Acast's markets participated.

In 2023, we will launch a global employee engagement survey to collect feedback and insights from our employees in order to further develop as an organization. As part of this, we will ask participants for an eNPS (Employee Net Promoter Score) which gives us a KPI that allows us to measure employees' engagement going forward.

**Citizenship**
In 2022, we launched Acast Cares, an initiative to help our employees give back to the community. Employees are offered a total of eight working hours a year to support a local nonprofit organization helping both your local community and other parts of the world instead of working for Acast those hours. Examples of initiatives from Acast employees during the year was to support both refugees and residents of Ukraine with clothes and other necessities, volunteering for Pride to support LGBTQIA+ rights, and volunteering to support vaccination of COVID-19. This benefit was used in seven out of ten markets and a total of 120 hours were used to give back to the community. The goal of the launch of Acast Cares was to offer employees time for something that gives them meaning outside of their work.

# Employee statistics

## Employees by gender / Employees by region

| | Male | Female | Non-binary | Total | Europe | North America | Other |
|---|---|---|---|---|---|---|---|
| Number of permanent employees | 159 | 215 | 1 | 375 | 235 | 119 | 21 |
| Number of temporary employees | 0 | 2 | 0 | 2 | 2 | 0 | 0 |
| Number of non-guaranteed hours employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of full-time employees* | 155 | 210 | 1 | 366 | 228 | 117 | 21 |
| Number of part-time employees | 4 | 7 | 0 | 11 | 9 | 2 | 0 |
| Number of employees | 159 | 217 | 1 | 377 | 237 | 119 | 21 |

*Number of heads, not FTEs

Regions: 'Europe' includes Sweden, Norway, France, Germany, the UK and Ireland. The 'Americas' include the United States, Canada and Mexico. 'Other' includes Australia.

## Employee diversity

| Employment type | Male | Female | Non-binary | <30 years | 30–50 years | >50 years |
|---|---|---|---|---|---|---|
| Group Management | 71% | 29% | 0% | 0% | 100% | 0% |
| Management Team* | 48% | 52% | 0% | 3% | 91% | 6% |
| Leadership** | 49% | 50% | 1% | 8% | 85% | 7% |
| All employees | 42.1% | 57.6% | 0.3% | 26% | 70% | 4% |

*The Management Team consists of senior leaders with a bigger scope of responsibility. This includes the Group Management team.
**Leadership includes all employees with direct reports. This also includes the Management Team and Group Management.

# Responsible and inclusive content

In 2022, Acast joined the British branch of the Unstereotype Alliance. The Unstereotype Alliance, organized by UN Women, seeks to counter harmful stereotypes in the media and advertising content and use the advertising industry as a force to drive positive change. As the first partner in audio appointed by the Unstereotype Alliance globally, Acast will offer its perspective on how stereotypes can be addressed in audio ads.

**We support our podcast creators**
The Acast Creator Network empowers all podcast creators the opportunity to independently create, deploy and strategically scale their operations in accordance with their own performances. To support an open and independent ecosystem is the core of our company, as it creates access to all podcast creators, regardless of their identity. To develop a more diverse and inclusive organization we constantly evaluate our initiatives for diversity and inclusion and we advocate equality within the podcast industry as a whole.

**Promote diversity and support underrepresented groups in podcasting**
It is Acast's mission to identify and support storytellers and give their stories the audience they deserve. Acast believes that for too long, podcast leaderboards have underrepresented large parts of society, especially different ethnicities, the LGBTQIA+ community, women and other groups. Acast believes it has an important role in ensuring that the podcast industry reflects the outside world and has developed a strategy to find and support underrepresented voices. By fighting for voices that are not heard in other traditional media, we aim to build a more just society and generate more revenue for more podcast creators in the industry.

When it comes to sales, Acast strives to ensure that underrepresented voices are not only heard, but also earn a fair share of revenue. Acast proactively seeks out content podcast creators, supports the building of their podcasts, and helps expand their programs to make them the popular and revenue-driving stars that they should be. This strategy is based on three pillars: *Attracting new podcast creators, Partnerships and Growth*.

1. **Attract new podcast creators**
   Through our outreach strategies, the Acast podcast team strives to support underrepresented groups in podcasting. The team continuously monitors new and established podcast creators and looks for talent from underrepresented groups to bring into the network. In parallel with this, almost three years ago, Acast initiated a program of free Aclass Masterclasses. The program is aimed at underrepresented groups and contains advice, tools and inspiration for how individuals can launch podcasts. Aclass Masterclasses have been conducted in the UK, US, Sweden, Norway and Canada. Themes have included LGBTQIA+ voices, black voices, women's voices, Latin American voices and Asian voices.

## Acast promotes underrepresented voices

In 2022, Acast also promoted underrepresented voices through supporting various awareness months, including:

- → **Black History Month**
- → **Hispanic Heritage Month**
- → **Asian Heritage Month**
- → **LGBTQIA+ and Pride Month**
- → **Disability History Month**

For example, during the UK Disability History Month, Acast encouraged creators to insert dynamic audio clips with visual descriptions into the episodes. The purpose was to provide a visualized audio experience to all listeners, regardless of their physical ability.

**2. Partnership and growth**
Acast is actively working with major platform stakeholders to promote various podcast hosts. This is done, among other things, with Apple Podcasts' "Black All Ways, Black Always", which is a collection of podcasts in collaboration with the media agency Gal-dem. The purpose is to highlight a wide range of new podcasts while highlighting black voices in podcast creation, both in front of and behind the microphone. In 2022, Acast also promoted underrepresented voices through various awareness months, including: Black History Month, Hispanic Heritage Month, Asian Heritage Month, LGBTQIA+ and Pride Month, and Disability History Month. For example, during the UK Disability History Month, Acast encouraged podcast creators to insert dynamic audio clips with visual descriptions into the episodes. The purpose was to provide a visualized audio experience to all listeners, regardless of their physical ability.

**Our continued work**
In 2022, Acast established a cross-departmental task force tasked with identifying underrepresented voices in our creator network. We have created a network-wide survey that will be launched in 2023, where podcast creators are asked to self-identify based on a number of demographic values. Data from the survey will highlight the proportion of our podcast offering consisting of underrepresented voices and help our sales team become better at including underrepresented voices in sales plans.

In 2022, Acast also began an analysis of how much revenue we generate for podcasts from self-identified minority groups through our marketplace. This work will continue in 2023, and will contribute to our long-term goal of increasing diversity and strengthening underrepresented voices in podcasting.

**We democratize podcasting**
Acast has been democratizing podcast monetization for many years, distributing podcasts to hundreds of listening apps, web players, and smart speakers. We invented a dynamic ad insertion (TDAI) tool for podcasting, where advertisers can reach listeners from anywhere in the world and tailor the ads playing in podcast episodes to their desired audience.

More recently, Acast has created additional tools to help podcast creators reach a diverse community of listeners. One example is Acast+, where podcast creators can offer paying subscribers ad-free listening, early access to content, and exclusive content. As part of our beta test for Acast+, we've examined how listeners experience podcasts. The results show that podcasts can evoke feelings of calm, intellectual stimulation, joy and togetherness.

In August 2022, Acast acquired Podchaser, which controls the largest and most content-rich podcast database. Podchaser can facilitate the discovery of podcasts for listeners and the database helps match podcast creators, advertisers and listeners – all in the open podcast ecosystem.

Acast will always strive to protect freedom of speech and information for podcast creators and listeners. Just as much as we want to promote freedom of expression and the right to information, we also believe that conversations should take place in a respectful, safe and relevant way. That's why Acast has adopted guidelines for podcast content that is communicated to all podcast creators and is publicly available on Acast's website https://acast.com/en/community-guidelines. As part of these guidelines, Acast reserves the right to unconditionally remove any content that is in breach of our community guidelines. This covers the entire platform provided by Acast.

**We promote responsible advertising**
The majority of Acast's revenue comes from advertising in podcasts that Acast has agreements with. This means that Acast has a great responsibility for the type of ads we choose to include in our podcasts, as well as ensuring a brand-safe environment for the brands and advertisers who choose to work with Acast.

Acast applies ad policies to all ads delivered by the platform. These ad policies include not accepting advertisements for guns, tobacco or porn. For certain categories of ads, the podcast creator may choose to allow advertising. Such opt-in categories include, for example, betting (in markets where it is legal) and non-tobacco-based smoking devices.

In the coming years, we intend to continue to analyze ads and their impact on society. We will adapt to what can be considered negative impact, while complying with national laws. We will also work with independent ad technology providers to enable brand safety and transparency in podcasting.

Furthermore, Acast is a member of the IAB Technical Working Group and Audio Committee. Through this, we ensure that we advocate for podcast creators and brand safety. We also help guide the design and customization of brand safety throughout the industry, in order to promote a safe and risk-free experience for our brands.

# Governance for a sustainable podcast business

**The group management team and the board reviews Acast's sustainability work, in collaboration with support functions such as finance, HR and legal. In 2022, Acast established a sustainability policy that will be reviewed and adopted by the Board of Directors every year, starting in 2023. It is important for Acast and the world that surrounds it, that this policy is complied with and continues to develop as the company and the outside world changes.**

In addition to the sustainability policy, Acast has a number of steering documents that in various ways concern the area of sustainability. The Acast code of conduct clarifies the company's position on issues of human rights, diversity, discrimination, gender equality and good working conditions. The policy also stipulates the framework for how we should counteract corruption and bribery and work to reduce our environmental impact – requirements that we also have towards our partners. Acast also has a whistleblowing policy that enables employees to anonymously report violations of the law and deviations from Acast's code of conduct, directly to Acast's group management. Acast's whistleblowing policy and reporting capabilities are available to all employees and should provide security for our employees. Employees should be able to report whistleblowing cases without fear of repercussions. In 2022, zero (0) number of whistleblower cases were reported.

In 2022, Acast's code of conduct (including an anti-bribery and anti-corruption policy) and whistleblowing policy were communicated via an internal portal that all employees have access to. In addition, the policies are part of the onboarding package for all new employees. Employees sign the code of conduct at the time of employment.

In Acast's policy for delegated authorities, we ensure that all payments and decisions that require signatures within the company are always made by two people jointly, and that clear amount limits are set for our authorization order. In this way, we can prevent embezzlement and fraud, as well as stop potential bribery and corruption. The policy is reviewed annually and approved by the board of directors. Acast's instructions to the remuneration committee ensure that there are rules to relate to regarding decisions on salaries and allowances. The instructions convey that salaries should be set at reasonable levels and based on well-balanced decisions. This aims to promote equal pay within the company.

In 2022, Acast began work on establishing a communication channel where employees will receive information about which policies they should relate to and what changes and updates are taking place within the company. This channel will be established in 2023. For more information about individual steering documents, see the respective sections of the sustainability report.

### Building a financially sustainable business model

A financially sustainable business is a prerequisite for Acast to continue to create value for all stakeholders in the podcast industry, including value growth for shareholders. According to Acast, the best way to do this is to foster the open podcast ecosystem and its positive impact on podcast creators, advertisers and listeners. Open distribution of podcasts forms the foundation of the entire podcast industry: in short, an open ecosystem that allows podcast creators to share their work with listeners everywhere and make money everywhere, in every podcast app and player there is. When podcast creators and advertisers reach more people with brilliant stories and the right message, everyone makes money, creating a financially sustainable business model for everyone involved.

Acast continues to grow and in 2022 sales increased by 36 percent despite a slowdown of the advertising market, increasing inflation and recession fears. We have also maintained our Average Revenue per Listen (ARPL) of 0.27 SEK. Acast has come through a period of heavy investment which has been focused on building our technology, building our podcast portfolio and establishing advertising sales channels in several markets. Our technology investments include investing in scalable ad-buying channels such as programmatic sales and self-serve operations and our podcast portfolio now spans 92 000 shows generating 1.3bn listens per quarter. The business is now on a path to grow into the investments undertaken and generate operating leverage from the costs in the business to deliver the company's path to profitability in 2024.

### IT security and integrity are crucial to our business

Acast's IT and information security policy has as an overall goal to protect all data handled by the company. The policy clarifies what information we need to be able to verify the reliability of our partners, in order to protect the brand as well as our employees and stakeholders' information. The policy also deals with money laundering and corruption and is available to all employees as well as third parties who perform services for the company.

It is important for Acast to protect the privacy of our listeners, podcast creators, advertisers, employees, and other individuals who have a relationship with the company (such as consultants and job applicants), and we strive to maintain a high level of protection for personal data. It is of utmost importance to comply with laws and be transparent with these individuals when collecting, use and shares personal data in the organization. In addition, violations of privacy laws governing the collection, use, and disclosure of individuals' personal data can result in fines, penalties, and reputational damage, as well as loss of customer and end user trust in how we conduct our business. Moreover, the right to privacy is a human right that we cherish. As a result, it is of the utmost importance that we ensure the security of our systems and information assets.

Acast has an internal information security function that was established in 2021 and has gradually been further developed during 2022. The information security function is tasked with supporting Acast's business goals by securing systems and information assets, as well as well-established procedures for handling data breaches. They protect, coordinate and monitor compliance with processes and policies for the proper use of data and create awareness among Acast employees of existing and potential risks. In 2022, Acast has handled a few very minor GDPR incidents.

In addition, Acast has a Privacy Council dedicated to monitoring and ensuring that privacy and data protection laws are respected throughout Acast's organization. We conduct annual reviews of Acast's privacy practices to ensure that policies, guidelines and processes are accurate and up to date. To ensure continued transparency in our privacy processes, we have prepared a document, "Privacy data at Acast", which is available to all employees, and which describes how we process personal data at Acast and refers to where it is possible to find other relevant documentation regarding privacy data.

**Scalable internal processes to facilitate privacy and security issues.**
In addition to the establishment of "Privacy Data at Acast", we have reviewed our contract templates to ensure that standard clauses for international data transfer is updated. We have implemented a vendor security and privacy questionnaire to conduct due diligence of our vendor's data security and privacy practices before engaging them, as well as conducted security awareness training and proactive communication to employees around risk and cybersecurity. We've improved our fraud monitoring processes and promoted two-factor authentication and access review. We have also conducted internal tests in phishing and application security.

Acast will continue to develop and review its processes, policies, and procedures to adapt to new privacy requirements, rules and regulations, raise awareness of privacy and security issues for the entire Acast Group, and identify, assess and mitigate privacy and security issues.

**Corruption and compliance with laws and regulations**
Acast works systematically to maintain the work for anti-corruption and prevent bribery. Bribery and corruption is illegal and against our corporate values. We do not initiate, or retain, any collaborations through the giving or taking of bribes. This could expose employees and the company to fines and penalties as well as jeopardize Acast's reputation.

Our requirements and expectations of employees and partners regarding anti-corruption are stipulated in Acast's anti-bribery and anti-corruption policy, which is included in our code of conduct. The policy aims to strengthen awareness of bribery and corruption within the organization and set a framework for how employees should act in various situations related to corruption and bribery, for example how employees should identify when a benefit offered, or received, should be seen as inappropriate. Employees and company representatives should seek guidance and approval from their supervisor before offering or receiving any type of benefit that may be considered inappropriate. Risks of corruption and bribery are currently identified and managed within the Acast Information Security function.

Those who suspect wrongdoing that conflicts with the law, Acast's values, or business ethics should be able to express these without fear of repercussions. No (0) confirmed or suspected cases of bribery, corruption or whistleblower incidents were reported in 2022. Going forward, Acast will continue to develop its policies, processes and training in anti-bribery, anti-corruption, and whistleblowing.

# About the report

The Sustainability Report is Acast's first sustainability report. The report describes how Acast has worked during the 2022 financial year to develop our sustainability work and our future ambitions in sustainability. The report is prepared in accordance with the Annual Accounts Act (ÅRL). The sustainability report covers the following companies: Acast Group AB, and its' subsidiaries. The same companies that are included in the financial report are included in the sustainability report. The figures presented in the report refer to the period 2022-01-01 to 2022-12-31.

**Calculations relating to employees**
The labour statistics in the sustainability report refer to all employees of the Acast Group, including Podchaser. Employees are defined as people with a permanent, fixed, or temporary contract. Employee statistics are calculated per employee (Head Count) for December 31, 2022. Data was collected through the HR system, manually.

**Calculations related to energy and carbon dioxide emissions**
This is the first year that Acast collects energy and emissions data. The energy consumption applies to district heating and cooling from our largest office, the head office in Stockholm, Sweden.
We do not currently have access to accurate data regarding our electricity consumption, which we will address in 2023. We will also expand our data collection to include all our countries of operation. Greenhouse gas emissions have been calculated in accordance with the GHG Protocol. We have no emissions in scope 1. Scope 2 has been calculated using emission factors from AIB 2021. Scope 3 includes emissions from hotel nights, business travel, as well as our cloud services provided by AWS. Scope 3 emissions have been provided by the suppliers.

# Acast's share

Acast's share is listed on Nasdaq First North Premier Growth Market, with the name ACAST. Market value at year-end was SEK 1,188 M.

The share capital in Acast amounts to SEK 1,174 thousand. The number of shares amounts to 181,068,106 shares. Each share entitles to one vote and all shares have equal rights to a share in Acast's assets and earnings. At the Annual General Meeting, each person entitled to vote may vote in favour of the full number of shares owned and representative of shares, without restrictions on the voting rights.

### Share price development and trading volume

At the start of 2022, the price for Acast's share was SEK 23.7 per share. At the end of 2022, the price was SEK 6.56. For the current price, please refer to Nasdaq Stockholm's website. Acast's share was traded, in 2022, as high as SEK 26.16 and as low as SEK 4.90. A total of 82.4 million shares were traded in 2022 at a value of SEK 1,134 M.

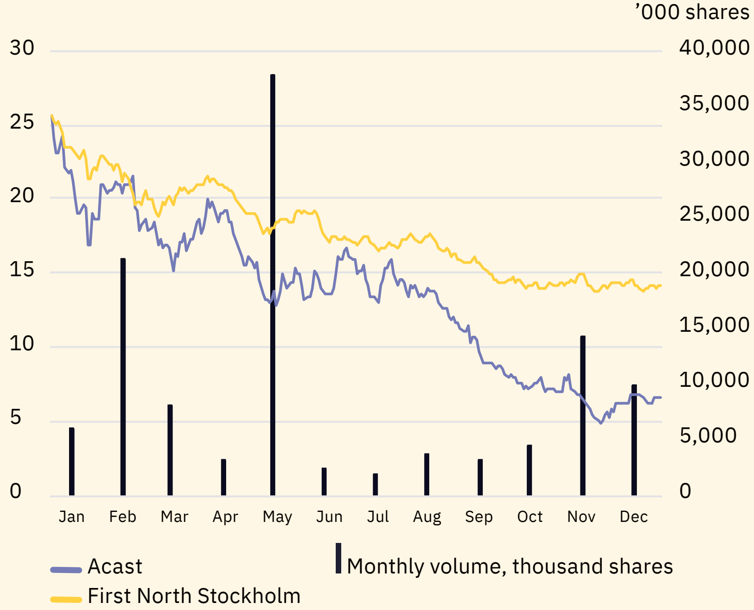
### Dividend

Acast intends to retain available funds and future revenues to support its operations and finance the Company's growth and development. Therefore, Acast does not intend to pay cash dividends in the foreseeable future. Future dividend decisions will depend, among other things, on the financial performance, financial position of the business, applicable laws and regulations, cash flows and working capital needs.

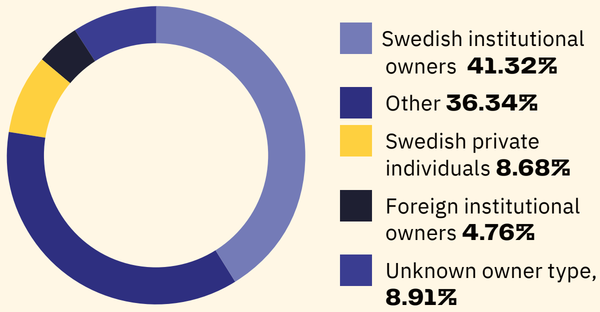
### Shareholders

The schedule of shareholders and ownership structure of Acast is based on data from Modular Finance, Monitor as of 31 December 2022. The ten largest shareholders represent 76.9 (67.6) per cent of the equity. In all, Acast had approximately 3,300 shareholders as of the date above.

## The share




## Types of shareholders




## Shareholders

| | Number of shares | Capital & votes |
|---|---|---|
| Bonnier | 26,024,372 | 14,37% |
| Alfvén & Didrikson AB | 24,243,613 | 13,39% |
| Moor&Moor AB | 20,399,052 | 11,27% |
| Första AP-fonden | 17,044,967 | 9,41% |
| Alecta Tjänstepension | 14,842,105 | 8,20% |
| Axel Johnson Gruppen | 12,332,655 | 6,81% |
| Handelsbanken Fonder | 8,869,744 | 4,90% |
| Invesco | 8,306,056 | 4,59% |
| Swedbank Robur Fonder | 4,000,000 | 2,21% |
| Movestic Pension | 3,123,790 | 1,73% |

## Shareholder info

**Ticker symbol:** ACAST
**ISIN-code:** SE0015960935
**Marketplace:** Nasdaq First North Premier Growth Market
**Certified Adviser:** FNCA Sweden AB

# Board of Directors

## John Harrobin

Chairman of the board of directors since 2022.
Chairman of the remuneration committee since 2022.

**Born:** 1968

**Education and professional experience:** : MBA from Northwestern's Kellogg School of Business. Chief Marketing Officer at Audible Inc. and Verizon Communications Inc. Board Member for the Association of National Advertisers (ANA) and the Advertising SelfRegulatory Council (ASRC).

**Other ongoing assignments:** Executive Vice President, Consumer, at Frontier Communications Inc.

**Previous assignments (completed during the past five years):** Chief Marketing Officer at Audible, Board Advisor, Comlinkdata (acquired by Alpine Investors in 2018), Venture Partner, Chaac Ventures.

**Holding in Acast:** 74,150 shares.

Independent in relation to the company and its management, as well as independent in relation to major shareholders.

## Hjalmar Didrikson

Member of the board of directors since 2021.

**Born:** 1974

**Education and professional experience:** M.Sc. in Finance, Stockholm School of Economics. Hjalmar Didrikson has experience from the investment industry and is, inter alia, co-founder of, and partner at, Alfvén & Didrikson.

**Other ongoing assignments:** Chairman of the board, board member and deputy board member in companies within the Alfvén & Didrikson group, board member in Arthro Therapeutics AB, Hemcheck Sweden AB, Stockholm Karlstad Invest AB, Mysaly AB and HJKK Didrikson AB.

**Previous assignments (completed during the past five years):** Chairman of the board, board member and deputy board member in companies within the Alfvén & Didrikson group, chairman of the board in Acast AB, Arthro Therapeutics AB, Mysaly AB, Phoniro AB and Assa Abloy Global Solutions AB, board member in Global Health Access GHA AB and Glue AB, deputy board member in companies within the Trustly group, AAX Biotech AB and Offerta Group AB as well as general partner in Didrikson & Partners Kommanditbolag.

**Holding in Acast:** -

Independent in relation to the company and its management, not independent in relation to major shareholders.

## Jonas von Hedenberg

Member of the board of directors since 2015.
Chairman of the audit committee since 2019.

**Born:** 1963

**Education and professional experience:** M.Sc. in Business Administration and Economics, Stockholm University. Jonas von Hedenberg has experience from positions as Executive Vice President and CFO of companies within the Bonnier group and assignments as chairman of the board and board member of companies in e.g. the media and gaming industries.

**Other ongoing assignments:** Senior Vice President and Investment Director of Bonnier Ventures AB, chairman of the board of Evoke Gaming Holding AB and Storykit AB, board member of Zymphonica AB, TheTriangleLab Ltd, Vården Online AB as well as deputy board member of Heja Sports AB and von Hedenberg Consulting AB.

**Previous assignments (completed during the past five years):** Chairman of the board of Keep in Touch Media Sverige AB, People People People AB och Toca Boca AB, assignments as chairman of the board and board member of companies within the Bonnier Group, boardmember of Mediafy AB, Tidsam Aktiebolag, Refunder Scandinavia AB, U Screens AB, Abios Gaming AB, Svenska Lotteribolaget AB, Southerly Communications Ltd as well as deputy board member of Soft Capital Investment AB and Tailsweep AB.

**Holding in Acast:** 2,658 shares.

Independent in relation to the company and its management, not independent in relation to major shareholders.

# Board of Directors

## Björn Jeffery

Member of the board of directors since 2019.
Member of the remuneration committee since 2020.

**Born:** 1981

**Education and professional experience:** Courses in behavioral sciences, political science, and TV media, Lund University, Sweden. Previous experience include positions/assignments as CEO and board member of companies within media and technology as well as as a strategic advisor.

**Other ongoing assignments:** Owner and board member of Björn Jeffery AB and Outer Sunset AB, board member and co-owner in Paperwork HQ AB, vice chair of Rovio Entertainment Corporation, board member of Kinzoo Technologies Inc, Athanase Innovation AB and chair at Fenix Family AB. Deputy board member of Dolores Bay AB.

**Previous assignments (completed during the past five years):** Owner in Jeffery LLC, CEO of the Toca Boca group, Executive Manager of Hello Shim AB and Sago Sago Toys Inc as well as deputy board member of Discobelle AB.

**Holding in Acast:** 25,670 shares.

Independent in relation to the company and its management, as well as independent in relation to major shareholders.

## Samantha Skey

Member of the board of directors since 2022.
Member of the remuneration committee since 2022.

**Born:** 1972

**Education and professional experience:** BA in comparative literature from Hamilton College. Board member of both the Ad Council and the Interactive Advertising Bureau (IAB).

**Other ongoing assignments:** The CEO of SHE Media.

**Previous assignments (completed during the past five years):** -

**Holding in Acast:** 6,600 shares.

Independent in relation to the company and its management, as well as independent in relation to major shareholders.

## Leemon Wu

Member of the board of directors since 2019.
Member of the audit committee since 2022.

**Born:** 1975

**Education and professional experience:** M.Sc. in Business Administration, Stockholm School of Economics. Board experience from banking, gaming and digital platforms as well as experience in equity research, portfolio management and investments.

**Other ongoing assignments:** Board member of Avanza Bank Holding AB, Rovio Entertainment Corporation and Tinsum AB, as well as Portfolio Manager at C Worldwide.

**Previous assignments (completed during the past five years):** Board member of Avanza Fonder AB, Important Looking Pirates AB and Voicemachine AB.

**Holding in Acast:** 140,500 shares.

Independent in relation to the company and its management, as well as independent in relation to major shareholders.

# Group Management

## Ross Adams

Chief Executive Officer since 2017.

**Born:** 1977

**Education and professional experience:** BA in Retail and Hospitality Management, Oxford Brookes University, UK. Ross Adams has experience from Spotify and Capital Radio Group from managing roles such as European Sales Director, International Sales Director and Account Executive. Ross Adams has previously held positions as UK Country Manager and Chief Revenue Officer within the Acast Group before becoming Chief Executive Officer.

**Other ongoing assignments:** Board member of companies within the Acast Group

**Previous assignments (completed during the past five years):** -

**Holding in Acast:** 770,750 shares and 2,711,744 stock options

## Emily Villatte

Chief Financial Officer since 2019, deputy Chief Executive Officer since 2021.

**Born:** 1981

**Education and professional experience:** M.Sc. Industrial Engineering & Management, Lund University as well as CPA Foundation Programme, Australia. Emily Villatte has previous experience from positions as CFO and COO of companies in financial services.

**Other ongoing assignments:** Board member of companies within the Acast Group as well as deputy board member of Ingrid Eliasson AB.

**Previous assignments (completed during the past five years):** Board member of Lavaretus Underwriting AB and JLT Norway AS as well as CFO Northern Europe and COO Northern Europe of the JLT group.

**Holding in Acast:** 76,800 shares and 1,065,007 stock options.

## Daniel Adrian

General Counsel since 2018.

**Born:** 1976

**Education and professional experience:** Master of Laws LLM, University of Stockholm. Previous experience as General Counsel and Legal Counsel at companies in the entertainment industry as well as associate at law firms.

**Other ongoing assignments:** Board member and owner in Danadrian AB, positions/assignments as secretary and board member of companies within the Acast Group as well as deputy board member of LD&DA AB and Business Consulting by Adrian AB.

**Previous assignments (completed during the past five years):** General Counsel and member of the executive management in C More Entertainment AB as well as deputy board member of TV Media Holding AB.

**Holding in Acast:** 2,910 shares and 401,687 stock options.

# Group Management

## Jonas Björk

Chief Technology Officer since 2021.

**Born:** 1983

**Education and professional experience:** M.Sc. Engineering Physics, Luleå University of Technology. Jonas Björk has previous experience from different positions of engineering management, latest from Spotify. Jonas Björk has previously held positions as Vice President and Senior Vice President of Engineering at Acast before becoming Chief Technology Officer.

**Other ongoing assignments:** -

**Previous assignments (completed during the past five years):** -

**Holding in Acast:** 2,800 shares and 249,183 stock options.

## Marianne Boström

Chief People Officer since 2022.

**Born:** 1978

**Education and professional experience:** Marianne Boström has previously worked as VP of People at Acast since September 2019. Before that, she has held positions within the People/HR field at Tre, EQT and Electronic Arts since 2006.

**Other ongoing assignments:** Board member at Vitanima AB.

**Previous assignments (completed during the past five years):** HR Manager Tre AB, HR Manager EQT and HR Manager Klarna.

**Holding in Acast:** 1,425 shares and 241,513 stock options.

## Matt MacDonald

Chief Product Officer since 2021.

**Born:** 1975

**Education and professional experience:** Matt MacDonald has previously worked as CPO and co-founder at RadioPublic prior to acquisition by Acast, and has held various product leadership and software engineering roles within the podcast and media industry since 2006.

**Other ongoing assignments:** -

**Previous assignments (completed during the past five years):** Chief Product Officer at RadioPublic.

**Holding in Acast:** 315,417 stock options

## Oskar Serrander

Chief Operating Officer since 2018.

**Born:** 1980

**Education and professional experience:** M.Sc. Business Administration and Economics, Uppsala University. Oskar Serrander has previous experience from being Managing Director of Acast USA & Canada and from Spotify where he had positions such as Director of Sales and Marketing Partnerships.

**Other ongoing assignments:** -

**Previous assignments (completed during the past five years):** Vice President, Connections (Business Development) of iHeartMedia.

**Holding in Acast:** 127,850 shares and 1,349,853 stock options.

# Board of Directors' Report

**The Board of Directors and the CEO of Acast AB (publ) 556946-8498 hereby present the Annual Report for the group and parent company  for the financial year January 1 – December 31, 2022.**

## GENERAL INFORMATION

Acast has completed another successful financial year despite the continous unusual conditions prevalent during the year. Thew war in Ukraine hasn't directly affected Acast, however we, as most other, are affected by the inflation and changes in the macro environment.

Listening figures continued to follow an upward trajectory seen year-on-year and the business delivered record breaking listens.

## IMPORTANT EVENTS DURING THE YEAR

- Acast acquired Podchaser, the world's most comprehensive podcast database. Together the two companies create the industry's best metadata and monetization opportunities for podcast creators and advertisers
- During the year, Acast reached an inflection point for the EBITDA margin, which means a gradual improvement of the margin to a positive EBITDA, subject to the normal seasonality of the ad market
- Acast published updated financial targets that bring the timing of positive EBITDA forward to 2024
- In September Acast communicated that it would review the organization with the intention of reducing the cost base and thereby creating profitable growth. The work force reductions have affected approximately 15 percent of Acast's workforce (excluding Podchaser) and were completed in 2022. On an annual basis cost savings of c. SEK 77 M will be delivered
- Acast's scalable business model has enabled continued global expansion in 2022 by introducing Acast in Italy, the Netherlands, Spain and Singapore via new partnerships with, for example, the American podcast network Wondery in Italy
- Acast has developed several new tools and functions that create opportunities for increased revenue for Acast as well as podcast creators and advertisers. The launch of Acast+ provides the opportunity to offer listeners premium subscriptions with extra benefits. New Conversational Targeting features enable advertisers to target individual conversations in podcast episodes

## OPERATIONS/ CONSOLIDATED NET SALES AND PROFIT/LOSS FOR THE YEAR

Consolidated net sales in 2022 reached SEK 1,390.4 M (1,025.7), representing an increase of 36% compared to 2021. This following growth across all markets, Europe 38%, Americas 28% and Other 34%. Currency affected the revenue positively, by 8% and acquired companies affected net sales by 1%. The organic net sales growth amounted to 26%.

The gross margin for the full year was 34%, compared to 36% in 2021. Gross profit grew by 26% to SEK 469.9 M (373.5). The gross margin is lower, as the softening ad-market impacted projected earnings on guarantee contracts resulting in one-off costs of SEK 31,0 M. Excluding this one-off, the underlying gross margin was 36%

Operating expenditure amounted to SEK 824.2 M (600.0). The increase was mainly driven by higher staff costs, with a higher amount of staff and consultants for most part of the year. We have also deepened our cooperation with podcast creators, who act as ambassadors for our brand, which effect our sales- and marketing costs. Continued investment in product development have also led to higher costs and restructing costs for reduction of the work force affected the costs with SEK 18 M.

The net loss for the year was SEK 286.4 M  (-300.4) which, in addition to an increased gross profit and increased operating expenses, was also affected positively by FX movements.

## AQUISITIONS DURING THE YEAR

Acast has made one acquisition in 2022, Podchaser Inc was acquired by Acast Inc on August 1, 2022.

The total consideration, including contingent considerations, for the acquisition was SEK 350.6 M including an inital consideration of USD 27.2 M and a contingent consideration of USD 6.8 M. The consideration is paid in cash (c.85%) and newly issued shares or warrants (c.15%), phased over a period of three years.

The acquisition contributed SEK 10.9 M to Acast's net sales in 2022 and SEK -11.6 M to operating loss. Podchaser has 33 full-time employees and 11 full-time consultants. The acquisition led to a net outflow of cash of SEK 209.5 M.

## FINANCIAL POSITION

On December 31, 2022, the group's total assets amounted to SEK 1,862.7 M (1,865.0). The equity ratio was 70% (80%). Intangible assets of SEK 89.7 M (43.3) relate to the development of the groups technology platform, assets from the asset acquisition of RadioPublic and assets from the acquisition of Podchaser. Right-of-use assets of SEK 30.3 M (47.3) consists of lease agreements for premises.

Cash and cash equivalents, including current investments, totaled SEK 867.8 M (1,364.8). During the year, the company saw an increase in accounts receivable to SEK 444.5 M (345.2), related to the increase in net sales. SEK 300 M of cash is placed in a liquidity fund. The fund is classified as cash equivalents since the means are available to us within a few bank days and it's a low-risk fund.

## CASH FLOW

Cash flow from the operating activities amounted to SEK -294.3 M (-121.8). The cash flow was primarily related to the increase in operating loss and changes in working capital, coming from higher trade receivables due to higher sales.

The cash flow from investing activities amounted to SEK -251.3 M (-35.3). The negative cash flow is mainly related to the acquisition of Podchaser Inc, which led to an outflow of SEK 209,5 M and investments in building Acast's proprietary technology platform.

The cash flow from financing activities amounted to SEK -27.0 M (1,213.7), which consisted of amortization of the lease liabilities.

Cash flow for the period amounted to SEK -572.6 M (1,056.58).

## EMPLOYEES

The average number of full-time employees during 2022 amounted to 406 (313) persons. 56% of the total amount of employees were women.

As at December 31, 2022 Acast had 361 employees (352) and an additional 34 full-time consultants (39), totalling a combined 395 full-time emploiyees and consultants. This includes Podchaser's 33 full-time employees and 11 full-time consultants

## RISKS AND UNCERTAINTIES RELATED TO ACAST'S BUSINESS

Acast is exposed to numerous risks and opportunities arising from both its' own operations and the changing operating environment.

The main operational risks for the group and the parent company are:

- A prolonged ad-market downturn affecting company performance
- Changes to the competitive landscape
- Recruitment, retention and succession of key staff
- IT infrastructure failure

The primary financial risks are:

- Currency exchange risk resulting from exposure to movement in currency exchange rates for foreign currency revenue transactions and the translation of the net assets and profit and loss accounts of overseas subsidiaries
- Money laundering, fraud and bribery
- Credit/Counterpary risk i.e. the risk that a counterparty is not able to fulfill its contractual obligations including both commercial credit risk and financial credit risk

For more information about the group's financial risks, see group note 25.

## PARENT COMPANY

Acast AB is the parent company of the group. Net sales of the parent company were SEK 366.7 M in 2022 (381.8).

Operating expenses in 2022 amounted to SEK 528.2 M (363.9). The operating costs are higher due to the Group's Transfer pricing-model being adjusted to current organizational conditions concerning global functions between the model's main agents. The parent company's loss for 2022 was SEK -187.1 M (-123.9).

Risks and uncertainties for the parent company aligns with what has been described for the group.

## CORPORATE GOVERNANCE, SUSTAINABILITY AND THE SHARE

The work of board, audit committee and remuneration committee is described in the Corporate governance report on pages 45-49.

Remuneration for executive management were adopted by the 2022 AGM. These apply until new guildes lines are adopted or at the lates until the 2023 AGM and are described in group note 7.

Information about sustainability is presented on pages 27-37 and information acout Acast's share can be found on page 38.

## SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There are no significant events after the reporting period.

## OUTLOOK

Acast's assessment is that there is plenty of space to continue growing, specifically in Northern America.

## ALLOCATION OF THE RESULT FOR THE YEAR

Acast will not pay any cash dividend in the foreseeable future. The following funds are at the disposal of the general meeting (SEK):

| | |
|---|---|
| Share premium | 2,337,806,699 |
| Retained earnings | -471,145,809 |
| Profit/loss for the year | -187,118,338 |
| **Total** | **1,679,542,552** |

The board proposes that available funds be carried forward into the 2023 accounts.

# Corporate Governance Report 2022

**INTRODUCTION**
Acast AB (publ) is a Swedish limited liability company that as from June 17, 2021 is publicly traded on Nasdaq First North Premier Growth Market. Acast's corporate governance is based on Swedish law and generally accepted good practice in the Swedish securities market including the Swedish Corporate Governance Code (the "Code"). The Code is built on the principle of "Comply or Explain". This means that a company does not have to follow every rule of the Code in every instance, but can choose to deviate from certain rules if it is found not suitable considering the particular circumstances. All such deviations must be explained and accounted for. Acast applied the Code without any deviations during 2022. Additional information about Acast's corporate governance is available on the company website.

**GENERAL MEETINGS**
The general meeting is the company's highest decision-making body, where the shareholders exercise their voting rights. The Swedish Companies Act (2005:551) and the Articles of Association of the company set out how notice of the Annual General Meeting (AGM) and Extraordinary General Meetings are to take place and who is entitled to participate in and vote at such Meetings. In addition to the rules regarding a shareholder's right to participate in a General Meeting set out under Swedish law, the company's Articles of Association stipulates that shareholders must notify their intention to attend the General Meeting no later than the date indicated in the notice of the General Meeting. There are no restrictions on the number of votes that each shareholder may cast at the General Meeting.

The AGM held on May 17, 2022, authorized the board to, on one or more occasions for the period until the next AGM, by applying or disapplying shareholders' preferential rights, to decide to issue new shares and/or warrants for the purpose of being able to carry out corporate acquisitions that are important for the company's business and thereby use the company's share as a means of payment, but not more than ten percent of the total number of outstanding shares in the company at the time of the annual general meeting. The authorization has included a right to decide on an issue with payment in kind or payment by set-off, provided that a set-off issue that takes place with deviation from the shareholders' preferential rights shall be made on market terms.

The AGM 2023 will take place on May 9 and the notice will be announced in accordance with the company's Articles of Association and will also be available on the company's website.

**MAJOR SHAREHOLDERS AND SHARE**
Information about major shareholders is set out in page 38 of the Annual Report. There is only one class of shares and all shares carry the same number of votes: one vote per share.

**NOMINATION COMMITTEE**
The AGM on May 17, 2022, adopted instructions for the nomination committee's composition and work within Acast. According to these instructions, which will apply until further notice, the nomination committee is to comprise the chair of the board and three members appointed by the three largest shareholders in Acast in terms of voting rights as per July 31. In addition, the Nomination Committee shall, if deemed desirable, have the opportunity to offer a place on the Nomination Committee to a representative of any of the institutional owners in the company. If any of the three largest shareholders in terms of voting rights does not exercise their right to appoint a member, this right to appoint such a committee member is transferred to the next largest shareholder who does not already have the right to appoint a member of the nomination committee (however not more than five more shareholders are required to be contacted unless the chair of the board finds specific reasons for doing so). The chair of the nomination committee shall be the member representing the largest shareholder in terms of voting rights, unless the members decide otherwise. The names of the committee members are to be announced as soon as the nomination committee has been appointed, but not later than six months before the next AGM.

According to the instructions, the nomination committee shall prepare and submit proposals to the annual general meeting concerning, inter alia, the number of board members and the composition of the board, including the chair of the board, and proposals concerning board fees, divided between the chair and the other board members as well as any fees for committee work. Further, the nomination committee is to present proposals concerning the chair of the annual general meetings and election of auditors and their fees, as well as proposals regarding any new instructions concerning the appointment of the nomination committee and its work.

The Nomination Committee applied the Code rule 4.1 as diversity policy in its nomination work. The aim is to achieve a well-functioning composition of the board when it comes to diversity and breadth, as regards inter alia gender, age, competence and experience. The current board composition is the result of the work of the Nomination Committee prior to the 2022 AGM. The board comprises two women and four men.

Acast's Nomination Committee ahead of the 2023 AGM comprises:

Måns Alfvén (chair), Garden Street Stories AB (Alvén & Didrikson AB)
Diana Mirborn, Bonnier Ventures AB
Anders Lindeberg, Moor & Moor AB
Ossian Ekdahl, Första AP-fonden

**BOARD OF DIRECTORS**
The board is the highest executive body of Acast and the second-highest decision-making body of Acast after the general meeting. The duties of the board are set forth in the Swedish Companies Act, and the Code. Further, the work of the board is regulated by the rules of procedure of the board, which the board adopts every year. The rules of procedure govern the division of work and responsibility among the board, its chair, and the CEO. The board also adopts instructions for the board committees, the CEO, and the financial reporting.

The board has the overall responsibility for the organization of Acast and the management of the company's affairs. The board shall ensure that the company's organization is structured so that the accounting, management of funds and the company's overall financial situation are controlled in a satisfactory manner. The board is responsible for the company's long-term operations and significant issues, for reviewing the company's operations and establish business objectives and strategies for the company and continuously monitoring the company's development and financial situation. The board is responsible for the group's financial statements being prepared in compliance with legislation and applicable accounting principles, and for quality assuring the company's financial reporting. The board also has the task of ensuring that there is satisfactory control of the company's compliance with laws and regulation. Furthermore, it is the task of the board to appoint the CEO, adopt instructions covering the duties of the CEO and monitor the work of the CEO.

The chair of the board manages the work of the board to ensure that this is done efficiently and in accordance with applicable legislation and other regulations. The chair shall ensure that the board receives satisfactory information, documentation and basis for decisions in its work, including information about the company's financial position and development. The chair ensures that the board's work is evaluated annually and makes sure that the board's decisions are implemented effectively.

According to Acast's Articles of Association, the board shall comprise three to ten directors with no deputy members. As of the date of this Annual Report, the board consists of six ordinary members elected by the general meeting of which two are women and four are men. The articles of association contain no specific clauses governing the appointment or dismissal of board members or regarding amendment of the articles of association, except that board members are elected yearly at the AGM until the next AGM has been held. More information on the members of the board and their commitments is set out in page 39-40 in the Annual report.

**The work of the board**
In addition to the statutory board meeting, held immediately after the AGM, the board meets at least ten times a year (scheduled board meetings). The dates of meetings and the main standing items on the agenda to be discussed at the scheduled meetings follow a set plan in the board's rules of procedure. Extra board meetings can be convened when required. Acast's board held 18 meetings during the year, one of which was a statutory board meeting. The Board's attendance at Board and committee meetings is shown in the table below. The secretary at the board meetings is the General Counsel of Acast. Prior to each meeting, the board members receive an agenda and written material for the items to be discussed at the meeting. The agenda ahead of each scheduled board meeting included a number of standing items: The CEO report, finance report, product and tech report including recruitment, M&A and reports from the committees. In 2022, besides regular board matters, the board dealt with compliance with laws and regulations, strategy, competition, organization, risk management, information security and sustainability

| Board member | Independent from the company | Independent from major shareholders | Board meetings | Audit committee | Remuneration committee |
|---|---|---|---|---|---|
| John Harrobin* (chair) | Yes | Yes | 10/10 | – | 2/2 |
| Andrea Gisle Joosen** | Yes | Yes | 8/8 | 3/3 | 4/4 |
| Björn Jeffery | Yes | Yes | 18/18 | – | 6/6 |
| Samantha Skey*** | Yes | Yes | 8/10 | – | 1/2 |
| Jonas von Hedenberg | Yes | No | 18/18 | 5/5 | – |
| Leemon Wu*** | Yes | Yes | 18/18 | 2/4 | 4/4 |
| Hjalmar Didrikson | Yes | No | 17/18 | – | – |

* John Harrobin was elected as the new Chairman of the Board at the 2022 Annual Meeting and only attended meetings after this date
** Andrea Gisle Joosen resigned as Chariman of the Board at the 2022 Annual Meeting and only attended meetings prior to this date
*** Samantha Skey was elected as a new board memeber at the 2022 Annual Meeting and only attended meetings after this date
**** Leemon Wu resigned from the Remuneration Committee at the 2022 Annual Meeting and only attended meetings prior to this date. In connection with this, she was elected as a new member of the Audit Committee and only attended meetings after this date

**Board committees**
The board currently has two committees - the remuneration committee and the audit committee - which both follow instructions adopted by the board. These committees are sub-committees that prepare matters for the board and do not have any own power of decision. The matters addressed at committee meetings are recorded in minutes and reported as necessary at the following board meeting.

**Remuneration committee**
The remuneration committee consists of three members, John Harrobin (chair), Björn Jeffery and Samantha Skey. The remuneration committee shall prepare proposals on remuneration principles and remunerations and other employment terms for the company's executive management. The remuneration committee shall also monitor and evaluate any programs for variable remuneration for the executive management, the application of the guidelines for remuneration to the executive management adopted by the AGM as well as the current remuneration structures and remuneration levels in the company.

The remuneration committee operates according to an annual work plan and has held six meetings during 2022, in which the following main topics have been discussed: LTI and STI program related matters, remuneration guidelines as well as remuneration to the CEO and senior executives, succession planning, salary review and off cycle adjustments.

**Audit committee**
The audit committee consists of two members: Jonas von Hedenberg (chair) and Leemon Wu. In addition, the audit committee work is supported by an advisor, Eva Lindqvist, who provides advice in matters related to the audit committee work. The main tasks of the audit committee are, without otherwise affecting the board's responsibilities and duties, to ensure that a satisfactory level of control over risk

management, internal control, accounting and financial reporting exists and ensure that the company's financial reporting is prepared in accordance with laws, other relevant regulations and applicable accounting standards. The committee shall ensure a maintained on-going contact with the external auditor, review the performance of and evaluate the work of the external auditors and make recommendations to the nomination committee for the appointment, reappointment or termination of the appointment of the external auditors. The committee also reviews and assesses the external auditors' independence and objectivity towards the company, once per year. Furthermore, the committee shall inform the board of the results of the external audit, and in what way the audit contributed to the reliability of the financial reports and what function the committee has had.

The audit committee operates according to an annual work plan and has held five meetings during 2022, in which the following main topics have been discussed: the transition from hypergrowth to profitability, financial procedures and key processes, contract administration, cyber security, certain specific risks and risk management as well as other internal control matters.

**Evaluation of the board and the CEO**

The chair of the board initiates an evaluation of the work of the board once per year in accordance with the board's rules of procedure. The 2022 evaluation has been carried out with each board member giving responses to a questionnaire provided using a market standard board evaluation tool. No external consultant has been engaged in the evaluation work. The purpose of the evaluation is to gain an insight into the opinions of the board members concerning how the work of the board is run and which measures that can be implemented to make the work of the board more efficient. The aim is also to gain an insight into what type of issues that the board believe should be given more attention, and in which areas there may be a requirement for additional experience and competence on the board.

The results of the evaluation have been reported to and discussed within the board. The results have also been reported to the nomination committee.

The board has also carried out the annual evaluation of the CEO. The results of the evaluation have been reported to and discussed within the board.

## THE CEO AND DEPUTY CEO

The CEO, Ross Adams, is subordinated to the board and is responsible for the everyday management and operations of the company. The division of work between the board and the CEO is set out in the rules of procedure for the board and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information from the executive management for the board meetings and for presenting such materials at the board meetings. The CEO must ensure that the board receives adequate information for the board to be able to continuously evaluate the company's financial condition, e.g. information regarding the company's financial position and development, liquidity and relevant key ratios. Acast has also appointed a deputy CEO, Emily Villatte, that will act in CEO's stead in his absence in accordance with the rules in the Swedish Companies Act and the company's rules of procedure for the board and the CEO's instructions.

## REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND EXECUTIVE MANAGEMENT TEAM

**Remuneration to the board of directors**

Fees and other remuneration to the members of the board, including the chair of the board, are resolved by the general meeting. At the AGM on May 17, 2022, it was resolved that fee to John Harrobin (chair of the board) shall be paid with SEK 700,000 and SEK 350,000 to each of the other board members. The chair of the audit committee shall receive a fee of SEK 100,000, each of the other members of the audit committee shall receive a fee of SEK 50,000, the chair of the remuneration committee shall receive a fee of SEK 50,000 and each of the other members of the remuneration committee shall receive a fee of SEK 25,000. The board members are not entitled to any benefits following resignation of their board assignments.

The table below sets forth the remuneration to the board for the financial year of 2022.

| Board member | Board fees (SEK) | Audit committee fees (SEK) | Remuneration committee fees (SEK) |
|---|---|---|---|
| John Harrobin (Chair) | 700,000 | N/A | 50,000 |
| Björn Jeffery | 350,000 | N/A | 25,000 |
| Samantha Skey | 350,000 | N/A | 25,000 |
| Jonas von Hedenberg | 350,000 | 100,000 | N/A |
| Leemon Wu | 350,000 | 50,000 | N/A |
| Hjalmar Didrikson | 350,000 | N/A | N/A |

**Guidelines for remuneration to the CEO and executive management**

At the AGM on May 17, 2022, it was resolved to adopt guidelines for remuneration to the executive management. Remuneration to the executive management shall consist of fixed base salary, possible variable cash remuneration, the possibility to participate in long-term share-based incentive plans, pension, as well as other customary benefits. The basic principle is that the remuneration and other employment conditions should be in line with market conditions and be competitive.

Any remuneration to the CEO and the other members of the executive management team in the form of long-term share-based incentive plans is decided by the general meeting. The remuneration to the CEO in terms of fixed base salary, variable cash remuneration, pension and other customary benefits (including any benefits related to relocation) is decided by the board in accordance with the guidelines for remuneration to the executive management. Any variable cash remuneration to other members of the executive management team is also decided by the board. The remuneration to the other members of the executive management team in terms of fixed base salary, pension and other customary benefits (including any benefits related to relocation) is decided by the CEO in accordance with guidelines for remuneration to the executive management.

**Fixed base salary**

The fixed base salary for executive management shall be adapted to market conditions and shall be reviewed every year. Salaries shall be age- and gender-neutral and anti-discriminatory.

**Variable cash remuneration**

Variable remuneration may be awarded to the executive management and shall be linked to predetermined and measurable criteria, designed to enhance the company's long-term value creation aligned with shareholders' interests. Variable remuneration to the executive management may not exceed 150% of the fixed base salary. The company offers short-term incentive in the form of cash-based variable remuneration to the executive management team. No variable remuneration is pensionable. Pay-out is based on revenue and adjusted operating margin (%) at consolidated level.

**Share-based incentive plans**
Share based incentive plans shall be connected to the long-term strategy as reflecting long term share price development. Share based incentive plans shall be resolved by the general meeting and are therefore not covered by the guidelines. More information on the Acast share-based incentive plans is set out on page 64-65 in the Annual report.

**Pension, insurance and other benefits**
Pension and insurance shall be offered pursuant to national legislation, regulations and market practices and are structured according to collective agreements, company-specific plans or a combination of the two. Acast shall have defined-contribution pension plans and pension contribution may not exceed 30% of the fixed base salary.

The executive management is entitled to other customary benefits such as private medical insurance, employee health contribution, mobile phones etc. These are designed to be competitive in relation to similar operations in the respective country. Compensation in the form of benefits may not exceed 10% of fixed base salary.

**Termination of employment**
Salary during the period of notice and severance pay for executive management may together not exceed an amount equivalent to twelve months' fixed base salary, if notice of termination is given by the company, and six months' fixed base salary when notice of termination is given by member of the executive management.

**Deviation from the guidelines**
The board may deviate from the guidelines if there are specific reasons to do so in an individual case. Any such decision shall be prepared by the remuneration committee and shall together with the reasons for the decision be reported in the remuneration report to the following AGM.

**Remuneration paid by the Company to the CEO and other members of the executive management team**
Information about the remuneration to the CEO and other members of the executive management team for the financial year of 2022 is set out in page 63 of the Annual Report.

**Current employment agreements for the CEO and other members of the executive management team**
The employment agreement for the CEO stipulates a notice period of twelve months when notice is given by the company or if notice is given by the CEO. Payment can also be made in lieu to the CEO. For the other members of the executive management team the agreements stipulate either a notice period of between six and twelve months, regardless of the notice being given by the company or by the member of the executive management team, or twelve months' severance pay. Each of the agreements are equipped with non-compete clauses. Three of the agreements for the executive management are governed by US law. The amounts accrued and provisions for salary, pensions and similiar benefits after members have resigned from the management team amounts to SEK 6.3 M.

## AUDIT
The auditor will audit the company's annual report and accounts as well as the administration of the board and the CEO and submits an audit report to the AGM. According to Acast's Articles of Association, an auditor or a registered public accounting firm shall be elected as auditor of the company, with or without a deputy auditor the. At the AGM on May 25, 2021, KPMG was appointed as auditor for the period until the 2022 AGM. The auditor in charge is Mattias Lötborn who has been the auditor in charge since 2015. The auditor has participated in board meetings and reported to the board on two occasions during 2021, one occasion during which the executive management was not present. The auditors receive remuneration for their work in accordance with the resolution of the AGM. For the 2021 financial year, total remuneration to Acast's auditor amounted to SEK 7.7 M.

## INTERNAL CONTROL
The board's responsibilities regarding the internal control are regulated in the Swedish Companies Act, the Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)) and the Code. The board's duties include to establish that Acast has good internal control, formalized routines, and an effective system for follow-up and control of the operations. The board must also stay informed of Acast's internal control procedures and ensure that the internal control is compliant with applicable rules and principles and is evaluated accordingly.

Acast's internal control and risk management system, as well as the board's measures for follow-up of internal control have been reviewed by the audit committee and adopted by the board and must be described every year in the Acast's corporate governance report.

Acast's internal control regarding the financial reporting is designed to manage risks and ensure a high level of reliability in the processes around the preparation of the financial reports and to ensure compliance with the applicable reporting requirements and other requirements for Acast as a listed company. The board of directors is, in accordance with the Swedish Companies Act and the Code, responsible for the internal control of the company regarding financial reporting. Acast's internal control over financial reporting is built from the "Internal Control - Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, that consists of five components: control environment, risk assessment, control activities, information, and communication, as well as monitoring.

Acast runs an operative, decentralised, and transparent organisation in which the financial department is centralised as a support function. This means that the company has resources in place, in the form of employees and systems, to establish standardised and efficient administrative procedures and processes. Processes are continuously evaluated in line with compliance.

Follow-ups of earnings and balances are made monthly. Clear documentation via policies and instructions together with recurrent follow-ups and regular discussions with the auditors ensure continuous efforts to improve these processes.

## CONTROL ENVIRONMENT
Acast's control environment consists of guidelines and policies, established decision-making routes, powers and areas of responsibility and an organization that is adapted to the needs of the operations. The board has established governing documents and instructions for communicating a clearly defined internal control environment, which also aims to define the roles and division of responsibilities between the CEO and the board. These

governing documents and instructions include the board's rules of procedure, CEO instruction and instruction to the CEO regarding financial reporting and delegated authorities. In addition, the board has adopted a risk management policy where Acast's risk management, internal control, and control environment is regulated. Acast has a financial handbook that includes controlling and monitoring of financials compared to previous years, as well as follow ups on Acast's accounting principles. Acast has a whistleblowing policy and an anonymous whistleblowing channel provided by an external party. The board is the utmost responsible for the financial reporting as well as the internal control and risk assessment and the audit committee is monitoring Acast's risk- and internal control efficiency on the basis of the financial reporting. Group management is responsible of the reporting to the board and the audit committee according to Acast's reporting routines. All policies and instructions are updated in the event of changes in the law, accounting standards or principles.

**RISK ASSESSMENT AND CONTROL ACTIVITIES**
Acast's risk management policy regulates Acast's work on risk management and control activities. The Acast risk management framework emphasizes the management of risks as part of daily operations and all business units shall continuously identify, assess, document, respond to, and monitor risks in their activities. Risk management shall be fully integrated into the business planning and control processes. Management is responsible for fostering a personal sense of responsibility, establish a common view and awareness of risk and delegate and facilitate ownership and accountability of risks in daily decision-making.

Identified risks are handled in accordance with Acast's key processes and integrated control activities, for example segregation of duties, carefully designed role descriptions, as well as a documented decision-making process. The key processes are designed to handle and mitigate identified risks. Self-assessment on the internal control procedures is performed on a regular basis. Follow up on Acast's financial position, earnings and balances are made monthly. Clear documentation via policies and instructions togehter with recurring follow-ups and regular internal discussions ensure continuous efforts to improve these processes. General IT-controls is also a part of the company-wide control system.

In accordance with the policy, Acast's strategic, operational, financial and compliance risks are identified, assessed and documented in relation to, inter alia, risk appetite and tolerance limits.

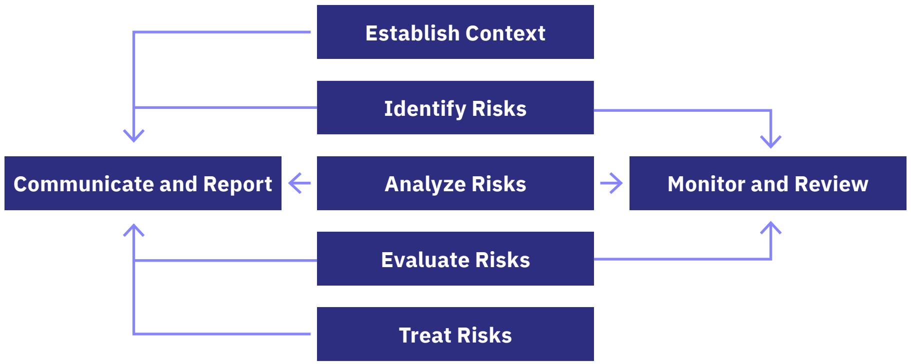
The main elements of the risk management process are illustrated to the right, where each step is clearly described in Acast's policy to allow for a clear and adequate process.
Acast has appointed so called "Risk Leads" among its senior executives who are responsible for identification, analysis and documentation of certain risks (threats or opportunities) on a regular basis. The identification includes the sources of risk, areas of impact, events and to identify their potential consequences. This process includes identifying and appointing risk owners for the identified top risks. Acast will also at least once a year gather in a session to create a risk map to ensure the entire spectrum of risks is captured. This risk map is reviewed by management three times per year and the results are reported to the audit committee and the board.

The risks that have been identified, analyzed and evaluated in accordance with the guidelines in the policy are documented in the Acast's risk register. The risk register and the risk management process as a whole is reported internally to management, whilst top risks are reported externally in Acast's quarterly reports.

**INFORMATION AND COMMUNICATION**
Acast has routines, essential policies, instructions, etc., that have been designed to ensure that the financial reporting is correct, updated and communicated on an ongoing basis. There are both formal and informal information channels to the board for essential information from the executive management, including a well-documented reporting process to secure that information regarding financial position and results reaches the board on a monthly basis. Other vital information regarding for example ongoing or future investments, key administration matters and potential key risks will be reported to the board upon occurrence. For external communication, there are guidelines set out in the Communication and IR policy as well as the Insider Policy that ensure that Acast meets the requirements for correct information to the market.

**MONITORING**
The board has decided that monitoring and review of top risks shall take place three times per year and that such review shall be prepared at the audit committee and reported, evaluated and discussed by the board. The audit committee further reviews and monitors that relevant measures are taken regarding any deficiencies identified during the risk reviews.

**INTERNAL AUDIT**
The management and financial reporting are reviewed by the audit committee and the board of directors, and an internal control assessment is performed annually by the board. In 2022, it was assessed that there are no immediate need for an internal audit function as there are continued improvements in the company's internal control and processes through the righ and internal control function, in combination with the revised financial targets that entail a reduced growth rate. The board assesses on an annual basis whether it is necessary to implement an internal audit function.



# Declaration by the Board and CEO

We confirm that the financial statements for the period from January 1 to December 31, 2022, to the best of our knowledge, have been prepared in accordance with applicable accounting standards, IFRS, that the accounts give a true picture of the assets, liabilities, financial position and results of operations, and that the information in the report includes a fair review of development, performance and position of the entity and the group, together with a description of the principal risks and uncertainties the company faces.

Board and CEO,
our signature has been submitted on the date
for our electronic signature

**John Harrobin**
Chair

**Hjalmar Didrikson**
Board member

**Jonas von Hedenberg**
Board member

**Björn Jeffery**
Board member

**Leemon Wu**
Board member

**Samantha Skey**
Board member

**Ross Adams**
CEO

Our Auditor´s report was submitted on April 18, 2023
KPMG AB

**Mattias Lötborn**
Authorized public accountant

# Financial Information Content

# Acast Group financial information

## Consolidated statement of profit or loss

| | Note | 2022 | 2021 |
|---|---|---|---|
| Net sales | 3 | 1,390,366 | 1,025,702 |
| Cost of content | | -920,510 | -652,226 |
| **Gross profit** | | **469,856** | **373,476** |
| | | | |
| Sales and marketing costs | 5, 6, 7, 8 | -399,635 | -270,103 |
| Administration expenses | 5, 6, 7, 8, 10, 26 | -220,695 | -208,731 |
| Product development costs | 5, 6, 7, 8, 9 | -203,844 | -121,161 |
| Other income | | 1,675 | 4,873 |
| **Operating profit/loss** | | **-352,643** | **-221,646** |
| | | | |
| Financial income | 11 | 75,714 | 67,403 |
| Financial costs | 11 | -3,337 | -140,875 |
| **Profit/ Loss before income tax** | | **-280,266** | **-295,118** |
| | | | |
| Tax | 12 | -6,109 | -5,276 |
| **Profit/Loss for the year** | | **-286,375** | **-300,394** |
| | | | |
| **Earnings per share** | | | |
| Basic earnings per share* | 28 | -1.59 | -1.91 |
| Diluted earnings per share* | 28 | -1.59 | -1.91 |
| Average number of shares, thousands* | | 179,685 | 157,256 |

## Consolidated statement of comprehensive income

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Profit/Loss for the year** | | **-286,375** | **-300,394** |
| **Other comprehensive income** | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation differences | | 14,147 | -4,818 |
| **Total comprehensive income for the year** | | **-272,228** | **-305,212** |

Profit/ Loss and total comprehensive income for the year is attributable to owners of the parent company since no non-controlling interests exists.

# Consolidated statement of financial position

| | Note | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| **Non-current assets** | | | |
| Goodwill | 4, 13 | 351,046 | 27,094 |
| Intangible assets | 3, 13 | 89,706 | 43,318 |
| Tangible assets | 3, 14 | 824 | 1,119 |
| Right-of-use assets | 3, 25, 26 | 30,335 | 47,255 |
| Financial assets | 15 | 2,292 | 3,149 |
| Deferred tax assets | 12 | 328 | 368 |
| **Total non-current assets** | | **474,531** | **122,303** |
| | | | |
| **Current assets** | | | |
| Accounts receivable | 16, 25 | 444,482 | 345,190 |
| Other receivables | 25 | 12,213 | 4,200 |
| Prepaid expenses and accrued income | 17 | 63,752 | 28,537 |
| Cash and cash equivalents | 18 | 867,757 | 1,364,751 |
| **Total current assets** | | **1,388,204** | **1,742,678** |
| | | | |
| **TOTAL ASSETS** | | **1,862,735** | **1,864,981** |

| | Note | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| **EQUITY** | | | |
| Share capital | 21 | 1,174 | 1,159 |
| Other paid in capital | | 2,337,807 | 2,300,666 |
| Translation reserves | | 9,812 | -4,335 |
| Retained earnings | | -1,040,913 | -802,682 |
| **Total equity attributable to parent company shareholders** | | **1,307,880** | **1,494,808** |
| | | | |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 25, 26 | 11,624 | 23,177 |
| Deferred tax liabilities | 12 | 19,462 | 9,313 |
| Other long-term liabilities | 27 | 19,686 | – |
| **Total non-current liabilities** | | **50,772** | **32,490** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | 25 | 122,030 | 101,101 |
| Other payables | 23, 25 | 132,329 | 53,564 |
| Current tax liability | 12 | 876 | 2,894 |
| Lease liabilities | 25, 26 | 17,097 | 24,054 |
| Accrued expenses and prepaid income | 17 | 231,751 | 156,070 |
| **Total current liabilities** | | **504,083** | **337,683** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **1,862,735** | **1,864,981** |

# Consolidated statement of changes in equity

| | Note | Share capital | Other paid in capital | Translation reserves | Retained earnings including profit/ loss for the year* | Total equity |
|---|---|---|---|---|---|---|
| **Opening balance at January 1, 2021** | | **856** | **840,221** | **483** | **-535,656** | **305,905** |
| Profit/ Loss for the year | | | | | -300,394 | -300,394 |
| Other comprehensive income | | – | | -4,818 | - | -4,818 |
| **Total comprehensive income for the year** | | **–** | **–** | **-4,818** | **-300,394** | **-305,212** |
| **Transactions with owners** | | | | | | |
| Issued warrants | | – | 26 | – | – | 26 |
| Utilizied warrants | | 48 | 86,125 | – | – | 86,173 |
| Repurchased warrants | | – | -81 | – | – | -81 |
| Net issue of ordinary shares | | 254 | 1,425,018 | – | – | 1,425,272 |
| Costs related to listing | | – | -50,643 | – | – | -50,643 |
| Employee share schemes - value of employee services | | – | – | – | 33,368 | 33,368 |
| **Total transactions with owners** | | **303** | **1,460,445** | **–** | **33,368** | **1,494,115** |
| **Closing balance at December 31, 2021** | | **1,159** | **2,300,666** | **-4,335** | **-802,682** | **1,494,808** |
| | | | | | | |
| **Opening balance at January 1, 2022** | | **1,159** | **2,300,666** | **-4,335** | **-802,682** | **1,494,808** |
| Profit/ Loss for the year | | | | | -286,375 | -286,3758 |
| Other comprehensive income | | – | | 14,147 | – | 14,147 |
| **Total comprehensive income for the year** | | **–** | **–** | **14,147** | **-286,375** | **-272,227** |
| **Transactions with owners** | | | | | | |
| Consideration through issued shares | | 15 | 37,142 | – | – | 37,157 |
| Employee share schemes - value of employee services | | – | – | – | 48,143 | 48,143 |
| **Total transactions with owners** | | **15** | **37,142** | **–** | **48,143** | **85,300** |
| **Closing balance at December 31, 2022** | | **1,174** | **2,337,808** | **9,812** | **-1,040,914** | **1,307,880** |

* Costs for equity based warrant programs are presented in the column for Retained Earnings including profit/ loss for the year.

# Consolidated statement of cash flows

| | Note | 2022 | 2021* |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/ loss | | -352,643 | -221,646 |
| Adjustments for non-cash items | 19 | 83,202 | 70,721 |
| Interest received | | 4,012 | 17,049 |
| Interest paid | | -1,958 | -5,025 |
| Income taxes paid | | -5,120 | -1,427 |
| | | **-272,507** | **-140,328** |
| | | | |
| **Change in working capital** | | | |
| Accounts receivable (increase - / decrease +) | | -74,217 | -44,209 |
| Other current receivables (increase - / decrease +) | | -39,554 | -14,825 |
| Accounts payable (increase + / decrease -) | | 20,188 | 50,826 |
| Other current liabilities (increase + / decrease -) | | 71,806 | 26,730 |
| **Total change in working capital** | | **-21,777** | **18,522** |
| **Cash flow from operating activities** | | **-294,284** | **-121,806** |

* Adjustment of cash flow for previous year hs been done. For more information see note 29.

| | Note | 2022 | 2021* |
|---|---|---|---|
| **Investing activities** | | | |
| Investment of equipment | | -55 | -407 |
| Investment in intangible assets | | -42,701 | -34,312 |
| Acquisition of subsidiaries, adjusted for acquired cash | 4 | -209,549 | – |
| Long-term asset (increase - / decrease +) | | 1,039 | -895 |
| **Cash flows from investing activities** | | **-251,266** | **-35,311** |
| | | | |
| **Financing activities** | | | |
| Repayment of borrowings | 20 | – | -101,889 |
| Lease payments | 20 | -27,007 | -19,707 |
| Long-term incentive programs | | – | 86,118 |
| Issue of new shares | | – | 1,249,135 |
| **Cash flows from financing activities** | | **-27,007** | **1,213,657** |
| | | | |
| Cash flows for the year | | -572,559 | 1,056,540 |
| Cash and cash equivalents at the beginning of the period | | 1,364,751 | 288,599 |
| Effect on movements in exchange rates on cash and cash equivalents | | 75,566 | 19,612 |
| **Cash and cash equivalents at the end of the period** | 18 | **867,757** | **1,364,751** |

# Notes to the consolidated financial statements

### General information

Acast AB (publ), corporate no. 556946-8498, is a limited liability company registered in Sweden, headquartered in Stockholm. The address of the head office is Kungsgatan 28, 111 35 Stockholm. Acast AB and its subsidiaries ("group") include;

- Acast Stories AS,
- Acast Stories GmbH,
- Acast Stories Inc,
- Acast Stories Ltd,
- Acast Stories Pty,
- Acast Stories SAS,
- Acast Stories Canada Inc,
- Acast Stories Ireland Ltd. and
- Acast Stories Mexico, S. de R. L. de C.V.
- Pippa Inc
- Podchaser Inc

The financial statements were approved by the Board of Cirectors and CEO for publication on April 18, 2023. The annual report will be presented for adoption at the AGM on May 9, 2023.

All amounts, unless otherwise noted, are in thousands SEK (SEKK).

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

### Basis of preparation

The consolidated financial statements of the Acast Group have been prepared in accordance with the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) as endorsed by the EU and RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board.

**Judgements and estimates in the financial statements**

Preparing financial reports according to IFRS requires that management makes judgements and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these judgements and estimates. Estimates and assumptions are reviewed periodically. Changes in estimates are recognized in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects the period in question and future periods. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are further discussed in note 2.

### New standards and interpretations not yet adopted

New and amended IFRS or IFRIC interpretations with application from January 1, 2022, have not hade any effect on the group's financial reports. Acast has not yet reviewed the effects of the change in IAS 1 relating to  accounting principles, which is applicable for financial years begining on January 1, 2023 and later.

**Valuation methods used in preparing the financial statements**

Assests and liabilities are measured at amortized cost.

Foreign currency translation

i) Functional currency

Functional currency and presentation currency items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Swedish Krona (SEK), which is the parent company's (Acast AB) functional and presentation currency. All amounts are rounded to the nearest thousand, unless otherwise stated.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate as of the transaction date.

Foreign exchange gains and losses are recognized in profit or loss if they derive from the translation of monetary assets and liabilities denominated in foreign currencies based on year end rates.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss as finance costs. All other foreign exchange gains and losses are presented on a net basis in the statement of profit or loss within other income/expenses.

iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**Consolidation and business combinations**

Subsidiaries are entities over which Acast has control. Acast controls an entity where the group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which the control is transferred to Acast and are deconsolidated on the date control is transferred from Acast.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquistion related costs are expensed as incurred.

Goodwill is initially measured as the amount by which the total consideration and any fair value for non-controlling interests on the acquisition date exceeds the fair value of identifiable acquired net assets. If the total consideration is lower than the fair value of the acquired company's net assets, the difference is reported directly in profit or loss as other income.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries havebeen changed where necessary to ensure consistency with the policies adopted by the group.

All subsidiaries within the Acast Group are fully owned by Acast AB, except for the Mexican entity see note 22.

### Net sales
Acast's net sales are primarily generated through delivering advertising impressions via audio and sponsorships in podcasts. The main client base is media agencies, but also includes inhouse advertising departments.

The customer contracts include a stated period and/or the number of impressions for Acast to deliver. The price in the contracts can be based on the number of impressions to be delivered or fixed for a stated period with a baseline of impressions to deliver. Acast has concluded that the group is, in both types of contracts, bound to a single performance obligation that is satisfied over time as the services are rendered.

For contracts where the price is based on impressions to be delivered, the stage of completion for revenue recognition purposes is measured based on the number of impressions delivered in relation to the contractual number of impressions. For fixed price contracts based on a fixed period, revenue is recognized on a straight-line basis as the performance obligation is satisfied evenly throughout the contracted period.

There are contracts with rebates based on volume. The amount of revenue recognized is reduced for the expected volume rebates, which are estimated based on historical and projected data.

Additional net sales consist of revenues from software as a service products (SaaS), i.e. when podcast creators purchase a hosting service from Acast or when delivering specific podcasts without advertising to listeners. These also include Podchaser's customers who pay a recurring monthly fee for access to Podchaser's database. Acast has concluded that this contract consists of one single performance obligation that is satisfied over time as the services are rendered.

### Segment reporting
The chief operating decision maker for Acast is the CEO since this role is primarily responsible for distributing resources and evaluating results. The assessment of the group's operating segments is to be based on the financial information reported to the CEO. The financial information reported to the CEO, as a basis for the distribution of resources and assessment of the group's results, pertains primarily to revenue and CBIT. There is no difference in service offerings between the segments. See note 3 for further information and description concerning segment reporting.

### Operating expenses
Operating expenses are recognized in their respective functions as below.

### Cost of content
Cost of content corresponds to direct and indirect costs related to production and distribution of content.

### Sales and marketing costs
Sales and marketing expenses comprise expenses incurred in sales and marketing activities including costs for employees and contracted consultants who work with sales and marketing, depreciation, travel, and marketing and PR related activities.

### Administration expenses
Administrative expenses comprise expenses that are not directly assignable to content, sales and marketing or development cost. These costs include the finance function, premises, legal affairs, and depreciations of assets that are not attributable to sales or product development.

### Product development costs
Product and development expenses include costs for development of the technical platform that do not meet the criteria for capitalization. Costs mainly relate to personnel, but also depreciation and impairment of projects, consultants and consumables.

### Employee benefits
i) Short-term obligations

Short-term obligations include salaries, benefits (including non-monetary benefits), annual leave, accumulating sick leave, other remuneration and all associated social security contributions. Short-term obligations are liabilities that are expected to be settled in full within 12 months after the end of the period in which the employees render the related service. They are measured at the amounts expected to be paid when settled.

ii) Defined contribution plans

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further obligations once the contributions have been made. The contributions are recognized as expenses in the period they relate to. A prepaid contribution is recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii) Share-based compensation

Share-based compensation benefits are granted selected employees, where services are rendered by the employee in exchange for equity instruments. The share-based payment arrangements are classified as equity-settled share-based payment as the employee can only receive equity instruments.

In addition to the costs incurred as per below descriptions, Acast also incurs expenses in relation to social costs on any benefits arising from either of the instrument types.

Share-based compensation benefits are provided to employees through various employee share schemes. Below follows a description of the plans that were in place for any of the periods covered by these financial statements.

a) Employee long term incentive plan

Under all employee long term incentive plan (LTI), Acast has granted selected employees of the group, stock options free of charge. Holders of the employee stock options can buy shares in Acast AB during certain exercise periods, at a predetermined price.

Acast recognizes options granted under the employee LTI plans at fair value as an expense with a corresponding increase in equity. The expense is allocated during the period over which all the vesting conditions are to be satisfied or at grant date, for immediately vested options. The fair value of the benefit received by employees are calculated using the Black & Scholes formula and/or Monte Carlo simulation.

Social charges on the benefit are accounted for with the same valuation model as the employee LTI plans. Debt for social charges reflects the fair value of the options at each subsequent period end. At the end of each period, a reassessment of the estimated number of options expected to vest is made. Any impact the reassessment has on the original estimates is recognized in profit or loss with a corresponding adjustment to equity.

b) Equity warrants

Acast has historically provided equity warrant programs for employees. At the grant date, employees pay fair value for these equity warrants based on Black & Scholes valuations and/or Monte Carlo simulation. Premiums paid are accounted for directly into equity (other paid in capital). Holder of a warrant can, during the predetermined exercise period, buy a share in Acast AB at a predetermined price.

Almost all of the equity warrant programs have so called reverse vesting conditions. That means that the warrant holder has paid fair value for the warrant, but, if the warrant holder leaves the company, Acast has the right to buy back non-vested warrants.

### Financial income and costs
Financial income consists of interest income on bank balances, revaluation of the liquidity fund and foreign exchange gains that arise when translating monetary assets and monetary liabilities denominated in foreign currencies into SEK.

Financial cost consists of interest expense on lease liability, revaluation of the liquidity fund, financial interest expense on committed borrowing facility and foreign exchange losses that arise when translating monetary assets and monetary liabilities denominated in foreign currencies into SEK.

Interest costs and expenses are recognized using the effective interest method.

### Income tax
The income tax for the year is the tax payable on the current period's taxable income. This is based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to tax losses carried forward from prior periods.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items in other comprehensive income or directly in equity. In this case, the tax is also recognized in the respective statement.

### Leasing

The group leases several offices which contract terms stretch from a one-month commitment term to up to five years.

Contracts may contain both lease and non-lease components. Should such a non-lease component be part of a lease contract, the group separates it from the lease component and allocates the consideration based on their relative stand-alone prices.

All lease contracts are recognized as a right-of-use asset and a corresponding liability on the date which the leased asset is available for use by the group. These assets and liabilities are initially measured on a present value basis.

Lease liabilities include the net present value of the following payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option, and
- lease payments to be made under reasonably certain extension options

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of the lease liability
- any lease payments that are made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis. As Acast's leases are its office spaces, the depreciation period for such assets is over the lease term.

The lease payments are discounted using Acast's incremental borrowing rate.

Each lease payment is allocated between amortization of the lease liability and the financial cost corresponding to the interest payment on the liability for the respective period.

Payments associated with short-term leases (a lease term of 12 months or less) and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Leases of low-value assets comprise of office furniture.

### Intangible assets

i) Goodwill

Goodwill is measured as according to the principles described in note 13. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances creates an indication that impairment may be required, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the relevant cash-generating unit. The allocation is made to the cash-generating unit that is expected to draw economic benefit from the business combination that created the goodwill. The unit is identified at the lowest level at which goodwill is monitored for internal management purposes.

ii) Concessions, patents, trademarks  and similar rights

Separately acquired concessions, patents and trademarks are initially measured at historical cost. Such assets that are acquired in a business combination are recognized at fair value at the acquisition date. They have been determined to have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

iii) Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell are available
- the software is available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the moment they are capitalized.

Research expenditure, as well as development expenditure that do not meet the criteria above, are recognized as an expense when incurred. Development costs previously recognized as expenses are not capitalized in a subsequent period, even if the above criteria are met.

iv) Amortization methods and periods

The group amortizes intangible assets with a limited useful life, using the straight-line method over the following periods:

| | |
|---|---|
| Concessions, licenses, patents, customer relations and database | 5 years |
| Intangible development asset | 3 years |
| Trademarks | 10 years |

### Impairment of non-financial assets

Whenever events or changes in circumstances create an indication that the carrying amount of an asset may not be recoverable, the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its deemed recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

### Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives or as follows:

| | |
|---|---|
| Equipment | 5 years |

### Financial instruments

i) Classification
A financial asset is, after initial recognition, to be measured at either fair value (through other comprehensive income or profit or loss) or at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets that are debt instruments held with the objective to collect the contractual cash flows and, given the terms of the contracts, those cash flows are solely payments of principal amounts and associated interest (the 'SPPI criterion'), they are measured at amortized cost.

All financial liabilities within the Acast Group, are measured at amortized cost. Up until the repayment of the EIB-loan, the element of the debt consisting of warrant issued to the EIB was measured according to IFRS 2 Share based payments since the EIB had the option to choose settlement in cash or shares. It was measured at fair value through profit and loss

ii) Recognition and derecognition
A financial asset or liability is recognized in the statement of financial position when Acast becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized from the statement of financial position when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Derecognition of financial liabilities from the statement of financial position occurs when it is extinguished, meaning when the obligation specified in the contract is discharged, cancelled or expires.

iii) Cash and cash equivalents
Cash and cash equivalents include cash on hand. Investments are included as cash equivalents when their original maturities are three months or less and they are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

iv) Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

v) Trade payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unsettled. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

vi) Measurement
The assets that are determined to be held for collection of contractual cash flows, are measured at amortized cost. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

At initial recognition, Acast measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs attributable to financial assets that are reported at fair value via the income statement are expensed directly in the income statement.

vii) Impairment
Acast applies the simplified approach stipulated by IFRS 9 for measuring expected credit losses (ECL) for trade receivables. This means that the allowance always equates to the expected loss from all possible default events over the expected life of the trade receivables. For information regarding Acast's financial risk management, please see note 23.

### Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Earnings per share

i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the parent company, excluding any dividends attributable to preference shares with the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

As the group has not made a profit the outstanding warrants are not deemed dilutive.

## NOTE 2. USE OF JUDGEMENTS AND ESTIMATES

Prepaparation of financial statements in compliance with IFRS requires the management of the group to makes estimates and assumptions concerning the future as well as exercises judgement in applying the accounting principles when preparing financial statements. Estimates and judgements are continually evaluated, and they are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**Critical accounting estimates and judgements**
Critical accounting estimates made by the management are described below.

**Impairment of goodwill**
Valuation of goodwill through impairment testing include assumptions and judgements of cash flow projections based on financial budgets covering a three year period.

**Capitalized development expenses**
Costs incurred in the development phase of an internal project are capitalized as intangible assets if a number of criteria are met. Management has made judgements and assumptions when assessing whether a project meets these criteria including estimates of expected outflow and inflow of cash and continuously makes assessments of the projects' expected net cash generation both under the development phase and after project finalization and commercial use. These estimates involve uncertainties and risks for impairment losses.

Determination of the useful life involves assumptions related to future economic and technological development and changes in market behaviour. Development costs are amortized from the point the cost is capitalized. The useful life is three years.

**Lease agreements**
The basis for the assessment of the lease terms is the actual terms in each individual lease agreement.

Individual assessments of the lease term for each lease agreement has been made and management continuously assess whether it is reasonably certain to exercise one or more extension options on the basis of economic incentives.

**Sources for insecurity in estimates**
At present, there exists no sources of uncertainty that are judged to entail a significant risk of impairment to the assets or liabilities during the coming financial year.

## NOT 3. NET SALES AND SEGMENT INFORMATION

The group's operations are divided into segments based on the parts of the operations the chief operating decision maker evaluates. The CEO is the chief operating decision maker of the group. The CEO evaluates the financial performance and makes strategic decisions. The CEO makes decisions on the allocation of resources and examines the groups performance from a geographical perspective, thus the group has identified three operating segments, Europe, North America and Other that constitutes rest of the world.

**2022**

| | Europe | North America | Other | Total |
|---|---|---|---|---|
| Net sales from external customers | 899,238 | 363,101 | 128,027 | **1,390,366** |
| **Total net sales per segment** | **899,238** | **363,101** | **128,027** | **1,390,366** |
| **CBIT*** | **155,017** | **-62,006** | **1,629** | **94,640** |
| Global costs** | | | | **-447,282** |
| **Operating profit / loss** | | | | **-352,643** |
| Financial income | | | | **75,714** |
| Financial costs | | | | **-3,337** |
| **Profit/ Loss before income tax** | | | | **-280,266** |

**2021**

| | Europe | North America | Other | Total |
|---|---|---|---|---|
| Net sales from external customers | 685,749 | 248,598 | 91,355 | **1,025,702** |
| **Total net sales per segment** | **685,749** | **248,598** | **91,355** | **1,025,702** |
| **CBIT*** | **118,521** | **3,682** | **3,778** | **125,981** |
| Global costs** | | | | **-347,626** |
| **Operating profit / loss** | | | | **-221,646** |
| Financial income | | | | **67,403** |
| Financial costs | | | | **-140,875** |
| **Profit/ Loss before income tax** | | | | **-295,118** |

* CBIT is the operating profit/ loss in a segment before deducting global costs, financial costs and income taxes.
** Global costs include central costs and resources that are not dedicated to a specific segment. These include for example administrative costs, finance team costs, HR team costs, strategy and business development, legal team costs.

Acast's net sales is mainly generated from advertising revenue recognized over time. Less than 10% of Acast net sales are generated by non-ad revenue streams for the reporting periods presented.

The actual media investment is made by many advertisers. There is no dependence on an individual customer during any of the reporting periods.

DEPRECIATION AND AMORTIZATION PER SEGMENT

| | 2022 | 2021 |
|---|---|---|
| Europe | 283 | 578 |
| North America | 2,824 | 83 |
| Other | 4 | 4 |
| Unallocated costs | 54,583 | 39,363 |
| **Total** | **57,694** | **40,028** |

Unallocated costs refers to amortization of intangible assets attributable to the acquisition of Podchaser, amortization or righ-of-use assets and amortization of capitalized development costs.

The group's headquarters are located in Sweden. In the table below, the amount of net sales from external customers is presented, based on customer location.

NET SALES FROM EXTERNAL CUSTOMERS, BASED ON CUSTOMER LOCATION

| | 2022 | 2021 |
|---|---|---|
| Sweden | 154,945 | 117,984 |
| United Kingdom | 585,248 | 459,009 |
| United States of America | 312,255 | 225,008 |
| Other | 337,918 | 223,702 |
| **Total** | **1,390,366** | **1,025,702** |

Non-current assets per country only include tangible assets, intangible assets and right of use assets as per the table below:

NON-CURRENT ASSETS PER COUNTRY

| | 2022 | 2021 |
|---|---|---|
| Sweden | 79,954 | 74,914 |
| United Kingdom | 868 | 6,365 |
| United States of America | 385,261 | 30,738 |
| Other | 5,827 | 6,769 |
| **Total** | **471,910** | **118,786** |

## NOT 4. ACQUISITION OF OPERATIONS

Acast has made one (0) acquisition during 2022.

On August 1, 2022 Acast Inc acquired all shares in Podchaser Inc. Podchaser has the world's leading podcast database. The acquisition gives Acast the opportunity together with Podchaser to deliver the industry's richest metadata set for podcast creators and advertisers. Podcast creators will benefit from enhanced discoverability to drive their growth and monetization goals. Advertisers will benefit from superior performance metrics, enabling them to more efficiently reach their valuable audiences - with access to data points covering demographics, consumption, reach and favorability

### Goodwill

The goodwill arisen through the acquisition relates to the competence of key staff as well as synergy effects that are expected. Such as advertisers finding podcasts to advertise in via Podchaser and thereby leading to business for Acast, access to Podchaser's database gives Acast an advantage and Acast's podcasts will be exposed to more viewers increasing discoverability.

Other intangible assets identidifed are: customer relations, brand and database. The allocation to these are based on the discounted cash-flow attributable to respective asset, where assement to for instance margin and turnover rate of the customer base and the information in the database has been done

### Contingent earn-out

The contingent earn-out can reach a maximum of USD 6.8 M. It is contingent on three parts, one commercial target and two financial targets. The assessment has been made that the contingent earn-out will be paid in full. The contingent earn-out is booked at fair-value and amounted to SEK 66,5 M at the time of the acquisition. This is reported as Other payables on the balance sheet, as payment will be done during 2023

### Acquisition related costs

Acquisition related costs of SEK 4.2 M refer to consulting and legal fees, mainly for financial and legal due diligence in connection with the acquisition. These are recognized as Administration expences in the income statement, and are included in items affecting comparability

NET ASSETS IN AQUIRED COMPANIES AT DATE OF ACQUISITION

| | Podchaser Inc |
|---|---|
| Non-current assets | 34,951 |
| Current assets | 2,400 |
| Cash and cash equivalents | 18,445 |
| Non-current liabilities | -7,200 |
| Current liabilities | -9,467 |
| **Net identifiable assets and liabilities** | **39,129** |
| | |
| Goodwill | 311,468 |
| **Total consideration** | **350,597** |
| | |
| Contingent earn-out payments* | -66,541 |
| Payment through issued shares** | -37,157 |
| Holdback of payment of consideration*** | -18,905 |
| Cash and cash equivalents in acquired companies | -18,445 |
| **Impact on cash and cash equivalents** | **209,549** |

*Contingent earn-out payments are reported as Other payables on the balance sheet
**Share price has been set to volume-weighted average stock price of the Parent stock for the immediately preceding 90-trading day period
***Holdback of payment of consideration is reported as Other long-term liabilities on the balance sheet

The acquisition increased the Group's net sales by SEK 10.9 M and had an effect of SEK -11.6 M on net profit. If the acquisition had occured as at January 1, 2022, consolidated net sales would be affected by SEK 21.3 M and net profit by SEK -26.5 M. Podchaser has 33 fulltime employees and 11 fulltime consultants.

## NOTE 5. EXPENSES BY NATURE

| | 2022 | 2021 |
|---|---|---|
| Cost of content | 920,510 | 652,226 |
| Employees benefits expenses | 516,559 | 380,489 |
| Depreciation and amortization | 57,694 | 40,028 |
| Other operating expenses | 249,920 | 179,478 |
| **Total** | **1,744,684** | **1,225,221** |

Employee benefits expenses include SEK 18,437 K in restructuring costs for reduction of work force.

## NOTE 6. OTHER OPERATING EXPENSES

| | 2022 | 2021 |
|---|---|---|
| Rent and office expenses | 6,789 | 4,605 |
| Computers and software | 51,350 | 30,424 |
| Marketing and reseller expenses | 69,246 | 31,226 |
| External services | 88,907 | 83,784 |
| Other expenses | 33,628 | 29,439 |
| **Total** | **249,920** | **179,478** |

## NOTE 7. EMPLOYEES

### EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

| | 2022 | 2021 |
|---|---|---|
| Salaries and remunerations | 392,488 | 291,266 |
| (whereof bonuses, etc.) | 4,641 | 62,132 |
| Termination benefits | 11,818 | – |
| Pension expenses | 19,248 | 12,931 |
| Social expenses | 66,366 | 58,484 |
| Other | 25,594 | 14,782 |
| **Total** | **515,514** | **377,463** |

### AVERAGE NUMBER OF FULL-TIME EMPLOYEES

| | 2022 | 2022 % women | 2021 | 2021 % women |
|---|---|---|---|---|
| Sweden | 128 | 58% | 105 | 51% |
| United States of America | 96 | 52% | 65 | 51% |
| United Kingdom | 101 | 58% | 81 | 62% |
| Australia | 24 | 56% | 20 | 53% |
| France | 20 | 63% | 15 | 47% |
| Germany | 9 | 39% | 5 | 27% |
| Norway | 8 | 27% | 5 | 33% |
| Ireland | 4 | 74% | 3 | 60% |
| Canada | 10 | 68% | 7 | 52% |
| Mexico | 8 | 45% | 7 | 49% |
| **Total** | **406** | | **313** | |

### GENDER DISTRIBUTION IN THE GROUP COMPANY'S MANAGEMENT

| | 2022 % women | 2021 % women |
|---|---|---|
| Board of directors | 33% | 40% |
| Other senior management | 29% | 14% |

### Benefits to senior executives

**Principles for remuneration**
The remuneration committee is instructed by the board to prepare remuneration guidelines for the senior executive management team. The remuneration guidelines are approved by the annual general meeting. The main principle is to offer the senior executive team market-based remuneration. Remuneration for the senior executive team comprises of fixed base salary, cash based variable remuneration, pension and other benefits. In addition, Acast has long-term incentive programs (see note 7 for information regarding outstanding long-term incentive programs). Remuneration shall be individually determined for each senior executive, and be based on factors such as responsibility, experience and performance.

**Remuneration and benefits**
Board fees are presented in the table to the right. Board members are also incentivised through the participation in long-term incentive programs. John Harrobin and Samantha Skey are also entitled to compensation for consulting services in addition to their board fees. Remuneration to CEO and other senior executives is shown in the table below.

Variable remuneration to the CEO and other senior executives is linked to performance during the year and may not exceed 150 percent of annual base salary. Variable remuneration for 2022 performance was primarily based on revenue, net-contribution, and gross margin. The period of notice for the CEO and the other senior executives is maximum twelve months. At the end of the fiscal year the senior executive management team had seven members (including the CEO) and the board had six members. For further information regarding remuneration to senior executive management team, see Corporate Governance report page 47-48.

SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

| 2022 | Basic salary board fees | Variable remuneration | Share-based remuneration | Pension costs | Other remuneration* | 2022 Total |
|---|---|---|---|---|---|---|
| John Harrobin (Chairman)) | 375 | – | – | – | 1,620 | 1,995 |
| Andrea Gisle Joosen (former Chairman) | 368 | – | – | – | – | 368 |
| Jonas von Hedenberg | 383 | – | – | – | – | 383 |
| Björn Jeffery | 335 | – | – | – | – | 335 |
| Hjalmar Didrikson | 313 | – | – | – | – | 313 |
| Samantha Skey | 188 | – | – | – | 810 | 997 |
| Leemon Wu | 348 | – | – | – | – | 348 |
| **Total board** | **2,308** | **–** | **–** | **–** | **2,430** | **4,737** |
| | | | | | | |
| Ross Adams (CEO) | 5,006 | – | 13,269 | – | 3,655 | 21,930 |
| Emily Villatte (deputy CEO) | 2,070 | – | 4,783 | 502 | 4 | 7,360 |
| Group management (7 individuals) | 15,575 | – | 20,782 | 1,884 | 350 | 38,591 |
| **Total senior executives** | **22,651** | – | **38,834** | **2,386** | **4,009** | **67,880** |
| **Total** | **24,958** | – | **38,834** | **2,386** | **6,439** | **72,617** |

| 2021 | Basic salary board fees | Variable remuneration | Share-based remuneration | Pension costs | Other remuneration | 2021 Total |
|---|---|---|---|---|---|---|
| Andrea Gisle Joosen (Chairman) | 618 | – | – | – | – | 618 |
| Jonas von Hedenberg | 158 | – | – | – | – | 158 |
| Björn Jeffery | 248 | – | – | – | – | 248 |
| Hjalmar Didrikson | 138 | – | – | – | – | 138 |
| Leemon Wu | 148 | – | – | – | – | 148 |
| **Total board** | **1,308** | **–** | **–** | **–** | **–** | **1,308** |
| | | | | | | |
| Ross Adams (CEO) | 4,066 | 1,720 | 8,076 | – | 1,942 | 15,804 |
| Emily Villatte (deputy CEO) | 1,798 | 799 | 2,604 | 389 | 895 | 6,486 |
| Group management (5 individuals) | 11,541 | 4,100 | 13,155 | 773 | 4,758 | 34,327 |
| **Total senior executives** | **17,405** | **6,620** | **23,834** | **1,162** | **7,571** | **56,616** |
| **Total** | **18,712** | **6,620** | **23,834** | **1,162** | **7,571** | **57,924** |

* Other renumeration 2021 includes remuneration related to the IPO of SEK 7,381 K

## NOTE 8. LONG-TERM INCENTIVE PROGRAM

### Description of programs and conditions

**Employee stock option programs (ESOP)**
Acast had issued the following employee stock option programs that were live during the year:

2019/2022
2020/2023
2021/2024
2022/2025

Under all employee stock option programs, Acast has granted selected employees of the group, stock options free of charge. Holders of the employee stock options can buy shares in Acast AB during certain exercise periods at a predetermined price.

**Equity warrants (EW)**
Acast had issued the following equity warrant programs to employees of the Acast Group that were live during the year:

2019/2022

The Equity warrants in all above programs were purchased by the employees at fair value calculated in accordance with the Black and Scholes formula and/or Monte Carlo simulation. Holder of an equity warrant can, during the predetermined exercise period, buy a share in Acast AB at a predetermined price. Almost all the equity warrant programs have so called reverse vesting conditions. That means that the warrant holder has paid fair value for the warrant, but, if the warrant holder leaves the company, Acast has the right to buy back non-vested warrants. Vesting conditions are the same as for the employee stock option programs above for each program. The price for the warrants in a buy-back situation is either fair value at termination date, or price paid for the warrants by the employee + 5% interest yearly.

Total expenses arising from share-based payment transactions recognized during the period amounts to SEK 38.2 M (32.7) including SEK -5.6 M (4.9) related to social security charges. The expenses are attributable to the employee stock option programs, no cost arises for the Equity warrants when the market value has been paid.

For Employee option program 2019/2022 no subscription has taken place, as the share price was below the threshold value at the time of termination ofthe programs.

| Grant date (volume-weighted) | Number of Warrants/ Options | Term (years) | Strike price per share (SEK) | Performance criterion (price for one Acast share SEK) | Vesting conditions | Program | Type of warrant |
|---|---|---|---|---|---|---|---|
| July 23, 2019 | 45,496 | 3 | 22.50 | 22.50 | Service condition with graded vesting until May 1, 2022 | 2019/2022:1 | ESOP |
| July 29, 2019 | 3,000 | 3 | 22.50 | 22.50 | Immediate vesting | 2019/2022:1 | EW |
| August 12, 2019 | 42,190 | 3 | 22.50 | 22.50 | Service condition with reverse vesting over 3 years | 2019/2022:1 | EW |
| January 28, 2020 | 5,345 | 3 | 22.50 | 22.50 | Service condition with reverse vesting over 3 years | 2019/2022:2 | EW |
| January 28, 2020 | 740 | 3 | 22.50 | 22.50 | Immediate vesting | 2019/2022:2 | EW |
| January 28, 2020 | 12,654 | 3 | 22.50 | 22.50 | Service condition with graded vesting until May 1, 2022 | 2019/2022:2 | ESOP |
| October 12, 2020 | 38,752 | 3 | 0.0064 | 20.00 | Service condition with graded vesting until June 30, 2023 | 2020/2023 | ESOP |
| June 14, 2021 | 5,867,742 | 3 | 0,0065 | 29.00-52.00 | Service condition with graded vesting until August 1, 2024 | 2021/2024 | ESOP |
| September 1, 2022 | 3,573,033 | 3 | 0.0065 | 19.60 | Service condition with graded vesting until September 1, 2025 | 2022/2025 | ESOP |
| **Total number of options granted** | **9,588,952** | | | | | | |

During 2021 Acast undertook a 50:1 sharesplit, which entails that all options in programs issued before 2021 gives the right to 50 Acast shares.

NUMBER OF OPTIONS AND WEIGHTED AVERAGE STRIKE PRICES

| Options in thousands | Weighted average strike price 2022 | Number of options 2022 | Weighted average strike price 2021 | Number of options 2021 |
|---|---|---|---|---|
| Outstanding at January 1 | 9 | 5,995 | 14 | 295 |
| Granted | 0,0065 | 3,573 | 0 | 5,869 |
| Forfeited | 12 | -197 | 12 | -20 |
| Repurchased | – | – | 10 | 0 |
| Exercised | – | – | 12 | -148 |
| Outstanding at December 31 | 0,0065 | 9,371 | 9 | 5,995 |
| **Exercisable at December 31** | | **–** | | **–** |

*Adjustment of strlke price 2021 has been made due to the 50:1 sharesplit undertaken in 2021.

Outstanding options as at December 31, 2022 have a weighted average remaining contractual term of 1.99, years (1.52).

The fair value of services received from employees in return for awarded options is based on the fair value of the options. The fair value of the options has been estimated by using the Black-Scholes formula and the Monte Carlo simulation method.

FAIR VALUE AND ASSUMPTIONS REGARDING OPTIONS GRANTED DURING THE PERIOD

| | 2022 | 2021 |
|---|---|---|
| Fair value at grant date | 5 | 14 |
| Share price (expressed as weighted average) | 11 | 30 |
| Strike price (expressed as weighted average) | 0,0065 | 0 |
| Expected volatility (expressed as weighted average in %) | 42% | 40% |
| Term (expressed as weighted average term in years) | 3 | 3 |
| Expected dividend | – | – |
| Risk free rate (based on Swedish Government Bond) | 2,2% | -0,3% |

The input data presented in the table above relates to the valuation at grant date. The expected volatility is based on historical volatility for listed peer companies, taking into account company specific factors and expected future development of the volatility.

## NOTE 9. RELATED PARTIES

### Identification of related parties

Related party transactions involves transactions between the parent company: Acast AB and its subsidiaries. Concerning Acast AB´s receivables from and liabilities to group companies, see note 23.

Shares in group companies are described in detail in note 22.

Physical persons who are related parties are defined as executive officer (CEO and members of the management team), board members and immediate family members of such persons. For information about remuneration to executive officers and board members, se note 7 “Employees”.

### Transactions / balances with related parties

Related party transaction within the group consists of internal trading of services and is carried out on market terms. In addition, Acast has identified one related party (two) where transactions have taken place.

The transactions consisted of purchasing services and the transactions has been taking place on market terms.

TRANSACTIONS WITH RELATED PARTIES

| | 2022 | 2021 |
|---|---|---|
| Purchases of services | | |
| Related parties | 1,237 | 578 |
| **Total purchases of services** | **1,237** | **578** |

## NOTE 10. AUDIT FEES AND EXPENSES

| | 2022 | 2021 |
|---|---|---|
| **KPMG** | | |
| Audit service | 7,473 | 5,825 |
| Audit service in excess of the audit engagement | | |
| Tax consultancy | 98 | 133 |
| IPO | – | 5,891 |
| Other services | 86 | 37 |
| **Total KPMG** | **7,656** | **11,886** |
| **Others** | | |
| PwC - other services | 2,005 | 1,142 |
| PwC - IPO | – | 3,621 |
| PwC - tax consultancy | 148 | – |
| Kreston Reeves | – | 125 |
| BDO - other services | – | 1,394 |
| Other Services | 606 | 803 |
| **Total audit fee** | **2,759** | **7,085** |
| **Total** | **10,415** | **18,971** |

KPMG is the auditor for Acast AB and all subsidiaries with a few exceptions.

## NOTE 11. NET FINANCE COST

| | 2022 | 2021 |
|---|---|---|
| Interest income | 4,087 | 17,049 |
| Other financial income | 71,627 | 50,354 |
| **Finance income** | **75,714** | **67,403** |
| | | |
| Interest expenses on lease agreement | -1,915 | -2,458 |
| Other interest expenses | -1,346 | -2,567 |
| Costs related to repayment of EIB loan | – | -98,720 |
| Other financial expenses | -76 | -37,130 |
| **Finance costs** | **-3,337** | **-140,875** |
| | | |
| **Net finance costs** | **-72,377** | **-73,472** |

For 2021, Interest income of SEK 17,049 K was a result from stabilization trading in Acast shares undertaken post IPO.

For 2021, Other financial expenses includes change in value of the debt related to the EIB loan of SEK 28,077 K.

## NOTE 12. TAXES

### RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

| | 2022 | 2021 |
|---|---|---|
| Current tax expense for the year | -3,317 | -2,496 |
| Deferred tax related to temporary differences | -2,792 | -2,780 |
| **Total reported tax expense for the group** | **-6,109** | **-5,276** |

### RECONCILIATION OF EFFECTIVE TAX RATE

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Profit/ loss before income tax | | -280,266 | | -300,394 |
| Tax according to current tax rate of the parent company | 20.6% | 57,735 | 20.6% | 61,881 |
| Non-deductible expenses | -0.9% | -2,390 | -4.5% | -13,517 |
| Effect of tax rate in foreign jurisdictions | 0.8% | 2,174 | 8.7% | 26,096 |
| Unrecognized loss carried forward | -22.7% | -63,628 | -26.5% | -79,736 |
| **Reported effective tax** | **-2.2%** | **-6,109** | **-1.8%** | **-5,276** |

### CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES

| | Balance January 1 | Recognized in profit or loss | Recognized in other comprehensive income | Balance December 31 |
|---|---|---|---|---|
| **2022** | | | | |
| Lease agreements | 368 | -40 | – | 328 |
| **Deferred tax asset** | **368** | **-40** | **–** | **328** |
| | | | | |
| Lease agreements | -84 | -252 | – | -336 |
| Other intangible assets | -9,229 | -9,897 | – | -19,126 |
| **Deferred tax liability** | **-9,313** | **-10,149** | **–** | **-19,462** |
| | | | | |
| **2021** | | | | |
| Lease agreements | 316 | 52 | – | 368 |
| EU grant | 117 | -117 | – | – |
| **Deferred tax asset** | **433** | **-65** | **–** | **368** |
| | | | | |
| Lease agreements | - | -84 | – | -84 |
| Other intangible assets | -6,613 | -2,616 | – | -9,229 |
| **Deferred tax liability** | **-6,613** | **-2,700** | **–** | **-9,313** |

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 1,122,216 K (894,327) including the loss for 2022. The unused tax losses are attributable to the negative earnings in the parent company SEK 711,490 K, Acast Stories Ltd SEK 254,510 K and Acast Stories Inc SEK 156,216 K. The unused tax losses have no expiry date.

## NOTE 13. INTANGIBLE ASSETS

| | Concessions, patents, trademarks and similar rights | Database | Customer relations | Capitalized development costs | Goodwill | Total |
|---|---|---|---|---|---|---|
| **Accumulated acquisition cost** | | | | | | |
| Opening balance 1.1.2021 | 1,770 | – | – | 40,035 | 24,485 | 66,291 |
| Investments | 3,756 | – | – | 30,557 | – | 34,313 |
| Exchange differences | – | – | – | – | 2,609 | 2,609 |
| **Closing balance 31.12.2021** | **5,526** | – | – | **70,592** | **27,094** | **103,212** |
| | | | | | | |
| Opening balance 1.1.2022 | 5,526 | – | – | 70,592 | 27,0994 | 103,212 |
| Investments | – | – | – | 42,701 | – | 42,701 |
| Acquisition of operations | 8,094 | 18,855 | 7,948 | – | 311,468 | 346,365 |
| Exchange differences | -211 | 503 | 212 | – | 12,484 | 12,988 |
| **Closing balance 31.12.2022** | **13,408** | **19,358** | **8,160** | **113,293** | **351,046** | **505,265** |
| | | | | | | |
| **Accumulated amortization and impairment** | | | | | | |
| Opening balance 1.1.2021 | -893 | – | – | -13,609 | – | -14,502 |
| Amortization | -397 | – | – | -17,857 | – | -18,254 |
| Exchange differences | -44 | – | – | – | – | -44 |
| **Closing balance 31.12.2021** | **-1,334** | – | – | **-31,466** | **–** | **-32,800** |
| | | | | | | |
| Opening balance 1.1.2022 | -1,334 | – | – | -31,466 | – | -32,800 |
| Amortization | -1,567 | -1,683 | -709 | -27,880 | – | -31,839 |
| Exchange differences | 28 | 70 | 29 | – | – | 126 |
| **Closing balance 31.12.2022** | **-2,874** | **-1,613** | **-680** | **-59,346** | **–** | **-64,512** |
| | | | | | | |
| **Carrying amount** | | | | | | |
| Opening balance 1.1.2021 | 877 | – | – | 26,426 | 24,485 | 51,788 |
| **Closing balance 31.12.2021** | **4,192** | – | – | **39,126** | **27,094** | **70,412** |
| | | | | | | |
| Opening balance 1.1.2022 | 4,192 | – | – | 39,126 | 27,094 | 70,412 |
| **Closing balance 31.12.2022** | **10,535** | **17,745** | **7,480** | **53,947** | **351,046** | **440,753** |

### Intangible assets

Intangible assets contain capitalized development costs, intangible assets from the asset acquisition of RadioPublic and the acquisition of Podchaser, and goodwill. Capitalized development costs are entirely related to internally generated intangible assets and include staff costs based on time spent undertaking relevant product development work.

The amortization of intangible assets are included in the line-item product development costs and administration expenses in the consolidated statement of profit and loss.

Capitalized development costs are amortized over three years. Assets from the asset acquisition of RadioPublic is amortized over five years. Assets from the acquisition of Pochaser are divided into Trademark, Database and Customer relations. Customer relations and Database are amortized over five years and Trademark over ten years.

### Impairment testing of goodwill

Goodwill is tested for impairment at least once per year through calculating the recoverable amount related to each relevant segment or cash generating unit. Allocation of goodwill is done to the cash generating units that are anticipated to benefit from the acquisition that generated the goodwill. The segments represents the lowest level in the company at which goodwill is monitored in internal management reporting.

The recoverable amount is established based on calculations of the asset's value in use, which means that expected future cash flows of the business are discounted with its weighted average cost of capital. The value in use is established by estimating the future cash flows generated by the cash generating unit.

Acast has two elements of goodwill related to SaaS revenues, both are part of the North America segment. The pre-tax discount rate used for the purposes of impairment testing was 25% (25 %).

The assumption of sales growth in the three-year business plan is based on previous experiences and external estimates, such as market conditions and industry development. Costs are based on previous experience and extrapolated, as is the development of the working capital. Testing this year showed that no reasonable changes in they key assumptions would give rise to any impairment.

## NOTE 14. TANGIBLE ASSETS

| | Equipment | Leasehold improvement | Total |
|---|---|---|---|
| **Accumulated acquisition cost** | | | |
| Opening balance 1.1.2021 | 3,532 | 1,270 | 4,802 |
| Acquisitions | – | – | – |
| Disposal | -1,561 | 326 | -1,235 |
| Exchange differences | 187 | 6 | 193 |
| **Closing balance 31.12.2021** | **2,158** | **1,602** | **3,760** |
| | | | |
| Opening balance 1.1.2022 | 2,158 | 1,602 | 3,760 |
| Acquisitions | 55 | – | 55 |
| Acquisition of operations | 57 | – | 57 |
| Exchange differences | 95 | 12 | 107 |
| **Closing balance 31.12.2022** | **2,365** | **1,614** | **3,979** |
| | | | |
| **Accumulated amortization and impairment** | | | |
| Opening balance 1.1.2021 | -2,148 | -258 | -2,406 |
| Disposal | 1,082 | -326 | 756 |
| Depreciation | -702 | -176 | -878 |
| Exchange differences | -112 | – | -112 |
| **Closing balance 31.12.2021** | **-1,880** | **-760** | **-2,641** |
| | | | |
| Opening balance 1.1.2022 | -1,880 | -760 | -2,641 |
| Depreciation | -207 | -230 | -437 |
| Exchange differences | -77 | -1 | -77 |
| **Closing balance 31.12.2022** | **-2,165** | **-991** | **-3,155** |
| | | | |
| **Carrying amount** | | | |
| Opening balance 1.1.2021 | 1,384 | 1,012 | 2,396 |
| **Closing balance 31.12.2021** | **278** | **842** | **1,119** |
| | | | |
| Opening balance 1.1.2022 | 278 | 842 | 1,119 |
| **Closing balance 31.12.2022** | **201** | **623** | **823** |

## NOTE 15. FINANCIAL ASSETS

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Other shares and participations | 522 | 452 |
| Deposits for lease contracts | 1,770 | 2,696 |
| **Total** | **2,292** | **3,149** |

## NOTE 16. TRADE RECEIVABLES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Trade receivables | 484,590 | 377,431 |
| Provision for expected credit loss | -40,108 | -32,242 |
| **Net trade receivables** | **444,482** | **345,190** |

| | | | Number of days past due date | | |
|---|---|---|---|---|---|
| | Carrying amount | Not due | 1<29 | 30<89 | 90< |
| **2022** | | | | | |
| Trade receivables as at 31. Dec 2022 | 484,590 | 167,177 | 119,823 | 95,669 | 101,921 |
| Provision for expected credit loss | -40,108 | -836 | -959 | -1,904 | -36,409 |
| **Total 2021** | **444,482** | **166,341** | **118,864** | **93,764** | **65,512** |
| | 100% | 37% | 27% | 21% | 15% |
| **2021** | | | | | |
| Trade receivables as at 31. Dec 2021 | 377,431 | 134,592 | 84,709 | 68,617 | 89,513 |
| Provision for expected credit loss | -32,242 | -673 | -424 | -1,673 | -29,472 |
| **Total 2021** | **345,190** | **133,920** | **84,286** | **66,943** | **60,041** |
| | 100% | 39% | 24% | 19% | 17% |

For more information, please se note 25.

## NOTE 17. PREPAID AND ACCRUALS

### PREPAID EXPENSES AND ACCRUED INCOME

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Prepaid rent | 2,654 | 1,685 |
| Prepayments to podcast creators | 23,525 | 2,144 |
| Other prepaid expenses | 19,150 | 8,620 |
| Accrued income | 18,423 | 16,088 |
| **Total** | **63,752** | **28,537** |

Prepayments to podcast creators have risen as we have more podcast creators with minimum guarantee, where we have paid in advance

### ACCRUED EXPENSES AND PREPAID INCOME

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Accrued payroll related expenses | 38,216 | 31,944 |
| Prepaid income | 20,062 | 6,209 |
| Accrued production costs | 148,929 | 101,719 |
| Other accrued expenses | 24,545 | 16,199 |
| **Total** | **231,751** | **156,070** |

Accrued production cost relates to cost for podcast creators. Prepaid income has risen due to higher sales as well ad the acquisition of Podchaser who have a SaaS-model with a large amount of prepaid revenue.

## NOTE 18. CASH AND CASH EQUIVALENTS

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Cash and cash equivalent | 867,757 | 1,364,751 |
| **Total** | **867,757** | **1,364,751** |

Cash and cash equivalent refer to bank accounts in Acast AB and all subsidiaries and the liquidity fund where SEK 300 M has been placed. The fund is classified as cash equivalents since the means are available to us within a few bank days. The fund has a BBB credit rating, which means it's a low-risk fund.

## NOTE 19. ADJUSTMENT FOR NON-CASH ITEMS

| | 2022 | 2021 |
|---|---|---|
| Depreciation | 57,694 | 40,028 |
| Long term incentive plan, no cash consideration | 48,143 | 33,368 |
| Unrealized foreign currency losses, no cash consideration | -22,635, | -2,674, |
| Other non-cash items | – | – |
| **Total** | **83,202** | **70,721** |

## NOTE 20. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

| | 1.1.2022 | Cash flow | Non-cash flow changes | | | 31.12.2022 |
|---|---|---|---|---|---|---|
| | | | Additions leasing agreements | Foreign currency translation effects | Other changes | |
| Lease liabilities | 47,231 | -27,007 | 8,498 | -1 | – | -28,721 |
| **Total of liabilities from financing activities** | **47,231** | **-27,007** | **8,498** | **-1** | **–** | **-28,721** |

| | 1.1.2021 | Cash flow | Non-cash flow changes | | | 31.12.2021 |
|---|---|---|---|---|---|---|
| | | | Additions leasing agreements | Foreign currency translation effects | Other changes | |
| Long-term loans from credit institutions | 100,361 | -100,361 | – | – | – | – |
| Lease liabilities | 46,763 | -19,707 | 20,174 | 1 | – | 47,231 |
| **Total of liabilities from financing activities** | **147,124** | **-120,068** | **20,174** | **1** | **–** | **47,231** |

## NOTE 21. EQUITY

### NUMBER OF SHARES ISSUED

| | 2022 | 2021 |
|---|---|---|
| At the beginning of the year | 178,731,126 | 132,072,850 |
| Issued EIB June 17, 2021 | – | 4,819,200 |
| Issued IPO June 17, 2021 | – | 34,210,526 |
| Issued during the year* | – | 7,628,550 |
| Issued consideration Podchaser | 2,336,980 | – |
| **Shares issued fully paid** | **181,068,106** | **178,731,126** |

*refers to utilized warrants at several times during the year and regulation of shares in connection with the asset acquisition of RadioPublic

During 2021 Acast undertook a 50:1 sharesplit, which has been applied in the table above.

### Share capital

As at 31 December 2022, the total number of shares was 181,068,106 (178,731,126) and share capital was SEK 1,174 K (1,159). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.0065).

According to the Articles of Association, share capital shall amount to not less than SEK 500 K and not more than SEK 2,000 K. In August 2022 shared were issued in accordance with the merger agreement from the acquisition of Podchaser Inc. The company has issued warrants, which may increase the number of shares. For more information, see note 8 "Long term incentive program".

## NOTE 22. SUBSIDIARIES

### GROUP COMPANIES

| Name, registered office | Place of Business | Ownership 31.12.2022 | Ownership 31.12.2021 | Principal activities |
|---|---|---|---|---|
| Acast AB | Sweden | 100.00% | 100.00% | Parent company and platform holder |
| Acast Stories AS | Norway | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Gmbh | Germany | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Inc | USA | 100.00% | 100.00% | Sales & Marketing |
| Pippa Inc | USA | 100.00% | 100.00% | Sales & Marketing |
| Podchaser Inc | USA | 100% | - | Sales & Marketing |
| Acast Stories Ltd | Great Britain | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Pty | Australia | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories SAS | France | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Ireland Ltd | Ireland | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Canada Inc | Canada | 100.00% | 100.00% | Sales & Marketing |
| Acast Stories Mexico, S. de R.L. de C.V. | Mexico | 99.99% | 99.99% | Sales & Marketing |

All direct subsidiaries have been started by Acast AB. Acast Stories Mexico, S de R.L is owned to 99,99% of Acast AB, and to 0,01% by Acast Stories Ltd. Pippa Inc and Podchaser Inc are fully owned by Acast Stories Inc.

## NOTE 23. OTHER PAYABLES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Taxes and social charges | 50,003 | 44,045 |
| Podchaser stock consideration | 69,311 | – |
| Other external liabilities | 13,015 | 9,519 |
| **Total** | **132,329** | **53,564** |

## NOT 24. CONTINGENT LIABILITIES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Maximum obligations within 12 months | 272,439 | 181,355 |
| Maximum obligations after 12 months | 245,498 | 240,229 |
| **Total** | **517,938** | **421,584** |

In order to attract and retain leading podcasts, the group offers certain podcast creators a minimum revenue guarantee. This means a guaranteed income for the podcast creator for the duration of the contract in the form of monthly payments and/or an upfront payment to the podcast creator. For Acast, the minimum guarantee agreements ensure access to future content within which Acast is able to sell advertisements. The podcast creator's obligations are fulfilled during the duration of the contract as the group consumes the benefit of these commitments. In cases where the podcast creators does not fufill their obligations, the obligation may be reduced. The expected future sales of ads are valued on an ongoing basis.

## NOTE 25. FINANCIAL INSTRUMENTS

### Risk management framework

Acast's Board of directors has the overall responsibility for the establishment and oversight of the group's risk management. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Acast is exposed to financial risks including credit risk, counterparty risk, liquidity and refinancing risk, interest risk and currency risk.

### Credit and counterparty risk

Credit risk is the risk of financial loss to Acast if a customer or another counterparty to a financial instrument fails to meet its contractual obligations to the group. The exposure from credit risk arises mainly from the group's accounts receivable, accrued income and from the group's holdings of cash and cash equivalents.

Acast have invested SEK 300 M in a Short-term Fixed Income Fund. The fund is rated BBB, indicating that the counterparty credit risk is low.

Bank counterparty risk is mitigated by concentrating the group's cash management activity with a limited number of top tier banks in each of the group's regions.

The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses of the financial assets recognized in the profit or loss the fiscal year were as follows:

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Trade receivables | 7,866 | 17,704 |
| Accrued income | – | – |
| Other receivables | – | – |
| Cash and cash equivalents | – | – |
| **Total** | **7,866** | **17,704** |

### Credit risk in trade receivables and accrued income

Overall Acast did not have any material confirmed credit losses in 2022, 0% of net sales (0%). During the year, efforts have been put in to strengthen the order-to-cash process. Customers with a longer paying pattern have been assessed from a credit risk perspective and continuous dialogue has been held to improve the ways of working and to hence decrease the risk of customer loss.

The table below shows the past due status of trade receivables:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Gross carrying amounts | % of gross total carrying amount | Gross carrying amounts | % of gross total carrying amount |
| Not due | 167,177 | 34.5% | 134,592 | 35.7% |
| 1 - 30 days past due | 119,823 | 24.7% | 84,709 | 22.4% |
| 31 - 90 days past due | 95,669 | 19.7% | 68,617 | 18.2% |
| More than 90 days past due | 101,921 | 21.0% | 89,513 | 23.7% |
| **Total gross** | **484,590** | **100.0%** | **377,431** | **100.0%** |
| | | | | |
| Loss allowance | -40,108 | -8.3% | -32,242 | -8.5% |
| **Total net** | **444,482** | **91.7%** | **345,190** | **91.5%** |

Acast applies the simplified approach according to IFRS 9 for measuring expected credit losses for trade receivables. This means that the allowance always equates to the expected loss from all possible default events over the expected life of the trade receivable and is accounted for at the inception of the trade receivable.

The table below shows the movements in the allowance for impairment in respect of trade receivables:

| | 2022 | 2021 |
|---|---|---|
| Balance 1.1. | 32,242 | 14,538 |
| Net remeasurement of loss allowance | 7,866 | 17,704 |
| **Balance 31.12.** | **40,108** | **32,242** |

The group does not have any material concentration of credit risks in trade receivables. No individual customer or group of customers represents more than 10% of total sales.

**Credit risk in cash and cash equivalents and in short term investments**

According to the Acast's treasury policy, excess cash may only be placed as cash or in short term (<180 days) low risk interest bearing instruments issued by the Swedish government or Swedish commercial banks.

As at December 31, 2022 the group's cash and cash equivalents amounted to SEK 867,757 K and > 90% was placed in deposits with Swedish commercial banks.

The table below shows deposits grouped by the credit rating of the counterparties from Moody's.

| | | | Counterparty credit rating (Moody's) | |
|---|---|---|---|---|
| **Cash and cash equivalents** | **31.12.2022** | **31.12.2021** | **Short term** | **Long term** |
| P1 / A1 | 975 | 1,771 | P-1 | A1 |
| P-1 / Aa1 | 10,057 | 11,263 | P-1 | Aa1 |
| P-1 / Aa2 | 521,899 | 1,010,431 | P-1 | Aa2 |
| P-1 / Aa3 | – | 28,015 | P-1 | Aa3 |
| P-2 / A3 | 305,670 | 301,650 | P-2 | A3 |
| P-2 / Baa1 | – | 117 | P-2 | Baa1 |
| Other | 29,156 | 11,504 | – | – |
| **Total** | **867,757** | **1,364,751** | | |

### Liquidity risk

A consolidated cash flow model is used to identify liquitidy needs and benefits attainable by utilization of available funds.

As is stated above, the group's cash and cash equivalents consisted almost entirely of bank deposits as at December 31, 2022.

The table below shows a maturity analysis for the remaining contractual maturities of the group's financial liabilities, the values are undiscounted.

**2022**

| | Carrying amount | 2023 | 2024 | 2025 | 2026 | After 2026 |
|---|---|---|---|---|---|---|
| Hold-back consideration Podchaser | 19,686 | – | 10,618 | 10,618 | – | – |
| Lease liabilities | 28,721 | 17,996 | 11,905 | – | – | – |
| Trade payables | 122,030 | 122,030 | – | – | – | – |
| Earn-out Podchaser | 69,311 | 70,961 | | | | |
| Other liabilities | 13,015 | 13,015 | – | – | – | – |
| Accrued costs | 173,474 | 173,474 | – | – | – | – |
| **Total** | **426,237** | **397,476** | **22,523** | **10,618** | **–** | **–** |

**2021**

| | Carrying amount | 2022 | 2023 | 2024 | 2025 | After 2025 |
|---|---|---|---|---|---|---|
| Lease liabilities | 47,231 | 25,750 | 13,721 | 9,396 | – | – |
| Trade payables | 101,101 | 101,101 | – | – | – | – |
| Other liabilities | 9,520 | 9,520 | – | – | – | – |
| Accrued costs | 117,917 | 117,917 | – | – | – | – |
| **Total** | **275,769,** | **254,288** | **13,721** | **9,396** | **–** | **–** |

### Interest rate risk

Since the group doesn't have any essential loan ,there is no interest risk to consider.

### Carrying amounts and fair value of financial instruments

All financial assets and financial liabilities within the group are measured at amortized cost.

All financial assets are short term and Acast therefore considers their carrying amounts to be reasonable approximations of their fair values. This also applies for accounts payables, other liabilities and accrued expenses as those items are also short term.

The carrying amounts of the group's finance lease liabilities are also considered to be reasonable approximations of their fair values since there has not been a change in comparable leasing rates since initial recognition that would have a material impact on the fair value of the lease liabilities. The holdback of consideration for Podchaser is a long-term debt and is booked at amortized cost.

The table below shows the carrying amounts of financial assets and liabilities.

| | Financial assets measured at amortized cost | Financial liabilities measured at amortized cost | Total carrying amount Dec 31 |
|---|---|---|---|
| **Financial assets** | | | |
| Trade receivables | 444,482 | – | 444,482 |
| Other receivables | 5,021 | – | 5,020 |
| Accrued income | 18,423 | – | 18,423 |
| Cash and cash equivalents | 867,757 | – | 867,757 |
| **Total 2022** | **1,335,685** | **–** | **1,335,685** |
| **Financial liabilities** | | | |
| Hold-back consider-ation Podchaser | – | 19,686 | 19,686 |
| Trade payables | – | 122,030 | 122,030 |
| Earn-out Podchaser | – | 69,311 | 69,311 |
| Other liabilities | – | 13,015 | 13,015 |
| Accrued costs | – | 173,474 | 173,474 |
| **Total 2022** | **–** | **397,516** | **397,516** |
| **Financial assets** | | | |
| Trade receivables | 345,190 | – | 345,190 |
| Other receivables | 1,566 | – | 1,566 |
| Accrued income | 16,088 | – | 16,088 |
| Cash and cash equivalents | 1,364,751 | – | 1,364,751 |
| **Total 2021** | **1,727,595** | **–** | **1,727,595** |
| **Financial liabilities** | | | |
| Trade payables | – | 101,101 | 101,101 |
| Other liabilities | – | 9,520 | 9,520 |
| Accrued costs | – | 117,917 | 117,917 |
| **Total 2021** | **–** | **228,538** | **228,538** |

| SEK thousand | Financial liabilities at fair value through profit or loss | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Contingent earn-out payment | 69,311 | | | 69,311 |

**Fair value measurement**
When determining the fair value of and asset or liability, the group uses observable data as far ast possible. Fair value is categorized in various levels in a fair value hierarchy based on input data that is used in the measurement method as follows:

Level 1: according to prices quoted in an active market for the same instruments
Level 2: based on directly or indirectly observable market data that is not included in level 1
Level 3: based on input data that is not observable in the market

Contingent earn-out in connection with the acquisition of Podchaser is a financial liability and is valued at fair value and belongs to level 3 in the fair value hierarchy. For more information see note 4.

CONTINGENT EARN-OUT

| SEK thousand | 2022 | 2021 |
|---|---|---|
| **Opening balance, January 1** | **-** | **-** |
| Cost of acquisition | 69,128 | - |
| Discounting at acquisition | -2,587 | |
| Interest cost (dscouting) | -1,005 | - |
| Currency exchange effect | 1,764 | - |
| **Closing balance, December 31** | **69,311** | **-** |

## Currency risk

Currency risk is divided into two different types: Transactional risk, occuring when the group invoices clients or pays costs in a currency that is not the reporting currency, and Translation risk, the conversion of revenues and costs and assets and liabilities, in non-SEK reporting currencies, into the group reporting currency, (SEK).

As a multi-national company, the group has both transactional and translational foreign currency exposures across its key foreign currencies GBP, USD, AUD, EUR, NOK, CAD, NZD and MXN. The group is exposed to movements in currency exchange rates for foreign currency revenue transactions and the translation of the net assets and profit and loss accounts of overseas subsidiaries. The group seeks to minimize these movements by invoicing clients from the respective subsidiary and paying suppliers from bank accounts that holds the currency matching the one on the inovice.

The main transactional FX risk that the group is exposed to is related to the intercompany balances and cash balances of Acast AB. Due to a recently introduced interest on the group's SEK accounts on all funds exceeding SEK 50 M, it was decided to move funds into foreign currency accounts, GBP and USD, to avoid some of the interest cost. This has resulted in an increased currency risk. The carrying amount as at December 31, 2022 and a sensitivity analysis illustrating the impact of the SEK gaining or losing 10% in value against the GBP and USD has been included below.

| | As at 31.12.2022 | |
|---|---|---|
| | **GBP** | **USD** |
| **Acast AB** | | |
| Bank accounts foreign currency | 12,627 | 2,176 |
| Intercompany carrying amount | 1,978 | 44,504 |
| **Total** | **14,605** | **46,680** |

| | GBP | USD |
|---|---|---|
| **Impact on Profit & Loss** | | |
| SEK 10% gain | 12,219 | 47,499 |
| SEK 10% loss | -18,219 | -47,499 |
| **Impact on Equity** | | |
| SEK 10% gain | 18,375 | 48,720 |
| SEK 10% loss | -18,375 | -48,720 |

**Capital management**
The group has defined "Total equity" as managed capital. Total equity for the group amounted to SEK 1,307,880 K as per December 31, 2022. The group was as at December 31, 2021 fully funded by equity.

According to the group's dividend policy, the group is not anticipating to distribute dividends in the next few years.

The group is not subject to externally imposed capital requirements.

## NOTE 26. LEASES

This note provides information for leases where the group is a lessee. The balance sheet shows the following amounts relating to leases.

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| **Right of use assets** | | |
| Buildings | 30,335 | 47,255 |
| **Total carrying amount** | **30,335** | **47,255** |

| | | |
|---|---|---|
| **Lease liabilities** | | |
| Current | 17,097 | 24,054 |
| Non-Current | 11,624 | 23,177 |
| **Total lease liability** | **28,721** | **47,231** |

Amount recognized in the statement of profit or loss:

| | 2022 | 2021 |
|---|---|---|
| Depreciation of right of use assets, Buildings | 25,481 | 20,894 |
| Interest expenses (incl in financial costs) | 1,915 | 2,458 |
| **Total** | **27,397** | **23,352** |

Additions to the right-of-use asset during 2022 financial year, were SEK 8,498 K (20,174).

Total cash outflow for leases in 2022 was SEK 28,922 K (22,165). This consists of both interest SEK 1,915 K (2,458) and amortizatio of SEK 27,007 K (19,707).

No significant lease payments relating to short term leases and leases of low value assets are identified. No variable lease payment exists.

A new lease agreement for premises in London was signed starting February 1, 2023, it has also been decided to end the contract in New York, which expires at February 28, 2023.

More information about leasing in note 25.

## NOTE 27. LONG TERM LIABILITIES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Holdback Podchaser consideration | 19,686 | – |
| **Total** | **19,686** | **–** |

For more information on the acquisition of Podchaser, see note 4.

## NOTE 28. EARNINGS PER SHARE

### EARNINGS PER SHARE

| | 2022 | 2021 |
|---|---|---|
| Basic and diluted earnings per share, SEK | -1.59 | -1.91 |

| | | |
|---|---|---|
| **Measurements used in calculating earnings per share:** | | |
| Profit/loss attributable to the parent company's shareholders, SEKK | -286,375 | -300,394 |
| **Total** | **-286,375** | **-300,394** |

| | | |
|---|---|---|
| Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share | 179,685,126 | 157,255,961 |

During 2021 Acast undertook a 50:1 sharesplit. The same split has been applied to prior periods for the purpose of calculating earnings per share.

There are 9,370,876 (5,995,040) options outstanding as at December 31, 2022 which are not included in the calculation of diluted earnings per share as they are antidilutive since the loss per share would decrease if exercised. These options could potentially dilute basic earnings per share in the future.

## NOTE 29. ADJUSTMENT OF CASH FLOW FOR PREVIOUS PERIODS

An adjustment has been made in cash flow for previous periods, regarding effect from movements in exchange rates on cash and cash equivalents. This has resulted in a lower cash flow and higher increase in movements in exchange rates on cash and cash equivalents for the periods. This has no effect on the actual cash balance.

The impact on cash flow compared to previously communicated periods is explained in the table below.

| SEK thousand | 2022 Jul-Sep | 2022 Jan-Mar | 2021 Jan-Dec | 2021 Oct-Dec |
|---|---|---|---|---|
| Decrease of adjustments for non-cash items | 23,592 | -23,592 | -15,228 | -15,228 |
| Decrease of cash flow from operating activities | 23,592 | -23,592 | -15,228 | -15,228 |
| Decrease of cash flow for the period | 23,592 | -23,592 | -15,228 | -15,228 |
| Increase in effect from movements in exchange rates on cash and cash-equivalents | -23,592 | 23,592 | 15,228 | 15,228 |

## NOTE 30. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

# Acast Parent company financial information

## Income statement Parent company

| | Note | 2022 | 2021 |
|---|---|---|---|
| Net sales | 2 | 366,677 | 381,775 |
| Cost of content | | -101,188 | -71,474 |
| **Gross profit** | | **265,489** | **310,301** |
| | | | |
| Sales and marketing costs | 3, 4, 5 | -104,441 | -57,514 |
| Administration expenses | 3, 4, 5, 6 | -233,110 | -208,855 |
| Product development costs | | -190,690 | -97,556 |
| Other income | | 1,583 | 563 |
| **Operating profit/loss** | | **-261,169** | **-53,061** |
| | | | |
| Financial income | 7 | 74,667 | 68,336 |
| Financial costs | 7 | -616 | -139,064 |
| **Profit/ Loss before income tax** | | **-187,118** | **-123,789** |
| | | | |
| Tax | 8 | – | -116 |
| | | | |
| **Profit/Loss for the year** | | **-187,118** | **-123,905** |

There are no items in the parent company that are reported as other comprehensive income and therefore the sum of total comprehensive income corresponds to the profit/ loss for the year.

# Balance sheet Parent company

| | Note | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| **Non-current assets** | | | |
| Intangible assets | 9 | 5,339 | 7,706 |
| Tangible assets | 10 | 559 | 833 |
| Financial assets | | | |
| Participations in group companies | 22, 24 | 666,017 | 355,227 |
| Receivables from group companies | 23 | 193,711 | – |
| **Total non-current assets** | | **865,626** | **363,766** |
| | | | |
| **Current assets** | | | |
| Trade receivables | 11 | 64,877 | 46,219 |
| Receivables from group companies | 23 | 1,165,925 | 712,653 |
| Other receivables | 13 | 8,841 | 8,631 |
| Prepaid expenses and accrued income | 12 | 61,499 | 25,902 |
| Other current investment | 15 | 300,769 | 300,053 |
| Cash and bank | 14 | 312,961 | 769,099 |
| **Total current assets** | | **1,914,872** | **1,862,557** |
| | | | |
| **TOTAL ASSETS** | | **2,780,498** | **2,226,323** |

| | Note | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| | | | |
| **Equity** | | | |
| ***Restricted equity*** | | | |
| Share capital | 16 | 1,174 | 1,159 |
| ***Non-restricted equity*** | | | |
| Other paid in capital | | 2,337,807 | 2,304,582 |
| Retained earnings | | -471,146 | -397,547 |
| Profit/ Loss for the year | | -187,118 | -123,905 |
| **Total equity** | | **1,680,717** | **1,784,289** |
| | | | |
| **Long-term liabilities** | | | |
| Long-term liabilities | 17 | 3,934 | – |
| **Total long-term liabilities** | | **3,934** | **–** |
| | | | |
| **Current liabilities** | | | |
| Trade payables | | 116,404 | 96,953 |
| Liabilities to group companies | 23 | 769,919 | 195,877 |
| Other payables | 18 | 22,650 | 17,946 |
| Current tax liability | | – | – |
| Accrued expenses and deferred income | 12 | 186,874 | 131,258 |
| **Total current liabilities** | | **1,095,847** | **442,034** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **2,780,498** | **2,226,323** |

# Changes in equity Parent company

| | Note | Share capital | Share premium | Retained Earnings including profit/ loss for the period | Total equity |
|---|---|---|---|---|---|
| **Opening balance at January 1, 2021** | | **856** | **840,222** | **-428,041** | **413,037** |
| Profit/ Loss for the year/Total comprehensive income for the year | | – | – | -123,905 | **-123,905** |
| **Total comprehensive income for the year** | | **–** | **–** | **-123,905** | **-123,905** |
| **Transactions with owners** | | | | | |
| Issued warrants | | – | 26 | – | **26** |
| Utilizied warrants | | 48 | 86,125 | – | **86,173** |
| Repurchased warrants | | – | -81 | – | **-81** |
| Net issue of ordinary shares | | 255 | 1,425,018 | – | **1,425,272** |
| Costs related to listing | | – | -50,643 | – | **-50,643** |
| Asset acquisition | | – | – | 4,377 | **4,377** |
| Employee share schemes - value of employee services | | – | – | 30,035 | **30,035** |
| **Total transactions with owners** | | **303** | **1,460,444** | **34,411** | **1,495,157** |
| **Closing balance at December 31, 2021** | | **1,159** | **2,300,666** | **-517,535** | **1,784,289** |

| | | | | | |
|---|---|---|---|---|---|
| **Opening balance at January 1, 2022** | | **1,159** | **2,300,666** | **-517,535** | **1,784,289** |
| Profit/ Loss for the year/Total comprehensive income for the year | | – | – | -187,118 | **-187,118** |
| **Total comprehensive income for the year** | | **–** | **–** | **-187,118** | **-187,118** |
| **Transactions with owners** | | | | | |
| Consideration through issued shares | | 15 | 37,142 | – | **37,157** |
| Employee share schemes - value of employee services | | – | – | 46,389 | **46,389** |
| **Total transactions with owners** | | **15** | **37,142** | **46,389** | **83,546** |
| **Closing balance at December 31, 2022** | | **1,174** | **2,337,808** | **-658,264** | **1,680,717** |

# Statement of cash flows, Parent company

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/ loss | | -261,169 | -53,061 |
| Adjustments for non-cash items | 20 | 15,136 | 11,586 |
| Interest received | 7 | 2,748 | 17,485 |
| Interest paid | 7 | -95 | -2,552 |
| Income taxes paid | | – | – |
| | | **-243,380** | **-26,542** |
| | | | |
| **Change in working capital** | | | |
| Accounts receivable (increase - / decrease +) | | -18,658 | -1,940 |
| Other current receivables (increase - / decrease +) | | -451,534 | -299,856 |
| Accounts payable (increase + / decrease -) | | 19,451 | 48,302 |
| Other current liabilities (increase + / decrease -) | | 662,972 | 160,883 |
| **Total change in working capital** | | **212,230** | **-92,610** |
| **Cash flow from operating activities** | | **-31,150** | **-119,152** |

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Investing activities** | | | |
| Investment of equipment | | – | – |
| Investment in intangible assets | | – | -3,756 |
| Long-term assets ( increase - / decrease + ) | | -467,060 | -286,333 |
| **Cash flows from investing activities** | | **-467,060** | **-290,089** |
| | | | |
| **Financing activities** | | | |
| Long-term incentive programs | | – | 86,118 |
| Issues of new shares | | – | 1,249,135 |
| Repayment of borrowing | 21 | – | -101,889 |
| **Cash flows from financing activities** | | **–** | **1,233,364** |
| | | | |
| Cash flows for the year | | -498,211 | 824,123 |
| Cash and bank at the beginning of the period | | 1,069,152 | 241,826 |
| Effect of movements in foreign exchange rates on cash and cash equivalents | | 42,788 | 3,203 |
| **Cash and cash equivalents at the end of the period** | **14, 15** | **613,730** | **1,069,152** |

# Parent company notes

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

The parent company has prepared its annual report in line with the-Swedish Annual Accounts Act (1995:1554) and RFR2 Accounting for legal entities (Rådet för finansiell rapporterings rekommendation). In addition, RFR2 statements around requirements for listed companies have been applied. The financial statements have been prepared on a historical cost basis.

Preparing financial reports in accordance with RFR 2 requires the usage of estimates for accounting purposes.

Further, it also requires the management to make certain judgements when applying the accounting principles. Details for such critical estimates and judgements are disclosed in group note 2. The company is subject to a number of financial risks, varying in nature. The financial risk management for the parent company corresponds to the risk management of the group. For further details, please see group note 25.

RFR 2 requires that the parent company applies the same accounting principles as the group, that being IFRS, to the extent permitted by RFR 2. The main deviations between accounting policies adopted for the group and for the parent company are described below.

### Classification and presentation

The statement of profit and loss and balance sheet are prepared in accordance with format as stated by the Annual Accounts Act. The statement of changes in equity adhere to the format of the group, but includes the columns stipulated by the Annual Accounts Act. There are certain discrepancies in the terminology used compared to the group statements, mainly related to equity.

### Subsidiaries

Participations in subsidiaries are recognized in the parent company according to the cost method, meaning that transaction costs are included in the carrying amount for investments in subsidiaries. In the consolidated accounts, such costs are recognized in the income statement when they arise.

A calculation of the recoverable amount is made when there is an indication that the value of participations in subsidiaries have declined. Should the recorded value exceed the calculated recoverable amount, a write-down is made. Write-downs are presented in the income statement as “Results from Participation in subsidiaries”.

### Leasing

The parent company has elected not to apply IFRS 16, but instead opted for RFR 2 IFRS 16 p. 2-12. This means that no right-of-use asset, nor lease liability is accounted for in the statement of financial position. Instead, the lease fee is charged to profit or loss over the lease period on a straight- line basis.

### Intangible fixed assets

Costs for internally generated intangible assets are charged to profit or loss as they arise.

### Financial Instruments

IFRS 9 is not applied in the parent company which instead applies RFR 2 (IFRS 9 Financial Instruments, p. 3-10).

Financial instruments are initially recognized at acquisition cost. In subsequent periods, short-term financial assets are recorded at the lower of acquisition cost and market cost.

When establishing the net realizable value of receivables classified as current assets, impairment testing and credit loss provisions in accordance with IFRS 9 are applied. This means that the group’s credit loss provision for trade receivables recorded at amortized cost at group level is also recognized in the parent company.

### Group contributions and shareholders’ contributions

Group contributions are accounted for as “appropriations” in the income statement. Shareholders’ contributions are accounted for as an increase in the carrying value of the shares in subsidiary, and as an increase in equity in the recipient.

Risks are managed on group level. The description in group note 25 is therefore essentially applicable to the parent company as well.

## NOTE 2. NET SALES

NET SALES BY REGION

| | 2022 | 2021 |
|---|---|---|
| Europe | 255,636 | 170,420 |
| North America | 68,292 | 38,722 |
| Other | 42,749 | 172,633 |
| **Total** | **366,677** | **381,775** |

## NOTE 3. BREAKDOWN OF EXPENSES BY NATURE

| | 2022 | 2021 |
|---|---|---|
| Cost of content | 101,188 | 71,475 |
| Employees benefits expenses | 164,506 | 139,840 |
| Depreciation | 2,254 | 1,647 |
| Other operating expenses | 361,481 | 222,437 |
| **Total** | **629,428** | **435,399** |

## NOTE 4. OTHER OPERATING EXPENSES

| | 2022 | 2021 |
|---|---|---|
| Rent and office expenses | 14,356 | 13,241 |
| Computers and software | 41,033 | 24,483 |
| Marketing and reseller expenses | 18,282 | 18,139 |
| Transfer pricing charges | 191,436 | 92,143 |
| External services | 79,055 | 65,914 |
| Other expenses | 17,320 | 8,517 |
| **Total** | **361,481** | **222,437** |

Transfer pricing charges are higher due to the Group’s Transfer pricing-model being adjusted to current organizational conditions concerning global functions between the model’s main agents.

## NOTE 5. EMPLOYEES

### EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

| | 2022 | 2021 |
|---|---|---|
| Salaries and remunerations | 90,560 | 84,511 |
| (whereof bonuses, etc.) | -153 | 15,729 |
| Termination benefits | 1,618 | – |
| Pension expenses | 10,937 | 7,859 |
| Social expenses | 32,483 | 29,968 |
| Other employee cost | 18,499 | 9,703 |
| **Total** | **154,097** | **132,042** |

### AVERAGE NUMBER OF FULL TIME EMPLOYEES

| | 2022 | 2022 % women | 2021 | 2021 % women |
|---|---|---|---|---|
| Sweden | 128 | 51% | 105 | 51% |

### GENDER DISTRIBUTION IN THE PARENT COMPANY MANAGEMENT

| | 2022 % women | 2021 % women |
|---|---|---|
| Board of directors | 33% | 40% |
| Senior management | 29% | 14% |

### SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

| 2022 | Basic salary board fees | Variable remuneration | Share-based remuneration | Pension costs | Other remuneration | 2022 Total |
|---|---|---|---|---|---|---|
| Group management (3 individuals) | 5,203 | – | 5,707 | 1,197 | 19 | 12,125 |
| **Total** | **5,203** | **–** | **5,707** | **1,197** | **19** | **12,125** |
| **2021** | | | | | | |
| Group management (3 individuals) | 4,869 | 4,632 | 6,542 | 1,030 | 13 | 17,086 |
| **Total** | **4,869** | **4,632** | **6,542** | **1,030** | **13** | **17,086** |

For information on the board of directors and all senior management, see group note 7 and 8.

## NOTE 6. AUDIT FEES AND EXPENSES

| | 2022 | 2021 |
|---|---|---|
| **KPMG** | | |
| Audit service | 4,332 | 5,825 |
| **Audit services in excess of the audit engagement** | | |
| Tax consultancy | 98 | 133 |
| IPO | – | 5,891 |
| Other services | 86 | 37 |
| **Others** | | |
| PwC - other services | 2,005 | 1,652 |
| PwC - IPO | – | 3,621 |
| PwC - tax consultancy | 148 | – |
| BDO - other services | – | 1,394 |
| Deloitte - other services | 576 | 215 |
| | **7,243** | **18,257** |

## NOTE 7. FINANCIAL INCOME AND EXPENSES

| | 2022 | 2021 |
|---|---|---|
| Interest income | 2,748 | 17,049 |
| Interest income from group companies | 2 569 | 436 |
| Other financial income | 69,350 | 50,851 |
| **Financial income** | **74,667** | **68,336** |
| Interest expense | -88 | -2,552 |
| Financial costs related to repayment of EIB loan | – | -98,720 |
| Other financial expenses | -528 | -37,792 |
| **Financial costs** | **-616** | **-139,064** |
| **Net financial item** | **74,051** | **-70,728** |

For 2021 nterest income of SEK 17,049 K was a result from stabilization trading in Acast shares undertaken post IPO. For 2021 Other financial expenses includes change in value of the debt related to the EIB loan of SEK 28,077 K.

## NOTE 8. INCOME TAX AND DEFERRED TAX

### RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

| | 2022 | 2021 |
|---|---|---|
| Current tax expense for the year | – | – |
| Deferred tax related to temporary differences, EU-grant | – | -116 |
| **Total reported tax expense** | **–** | **-116** |

### RECONCILIATION OF EFFECTIVE TAX RATE

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Profit before income tax | | -187,118 | | -123,789 |
| Theoretical tax income according to current tax rate | 20.6% | 38,546 | 20.6% | 25,501 |
| Non-deductible expenses | -0.5% | -861 | -1.1% | -1,348 |
| Unrecognized loss carried forward | -20.1% | -37,685 | -19.6% | -24,269 |
| **Reported effective tax** | **-0.00%** | **–** | **-0.09%** | **-116** |

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 711,490 K (525,232) including the loss for 2022.

The unused tax losses are attributable to the negative earnings, with no expiry date.

### CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES

| | Jan 1 | Recognized in profit or loss | Dec 31 |
|---|---|---|---|
| 2022 | | | |
| Deferred tax asset | – | – | – |
| Deferred tax liability | – | – | – |
| **Net deferred tax asset 2022** | **–** | **–** | **–** |
| 2021 | | | |
| Deferred tax asset | 116 | -116 | – |
| Deferred tax liability | – | – | – |
| **Net deferred tax asset 2021** | **116** | **-116** | **–** |

## NOTE 9. INTANGIBLE ASSETS

| SEK thousands | Accumulated cost | Accumulated amortization and impairment | Carrying amount |
|---|---|---|---|
| Opening balance 1.1.2021 | 1,770 | -894 | 876 |
| Other investments | 8,132 | – | 8,132 |
| Amortization | – | -1,303 | -1,303 |
| **Closing balance 31.12.2021** | **9,902** | **-2,197** | **7,706** |
| | | | |
| Opening balance 1.1.2022 | 9,902 | -2,197 | 7,706 |
| Reclassifications | -428 | 42 | -386 |
| Amortization | – | -1,980 | -1,980 |
| **Closing balance 31.12.2022** | **9,474** | **-4,135** | **5,340** |

Intangible assets relates to acquired assets as expenses for patent and trademarks.

## NOTE 10. TANGIBLE ASSETS

| | Equipment | Improvement on Leasehold | Total |
|---|---|---|---|
| **Accumulated cost** | | | |
| Opening balance 1.1.2021 | 1,394 | 1,130 | 2,524 |
| Acquisitions | – | – | – |
| Disposals | – | 326 | 326 |
| **Closing balance 31.12.2021** | **1,394** | **1,456** | **2,850** |
| | | | |
| Opening balance 1.1.2022 | 1,394 | 1,456 | 2,850 |
| Acquisitions | – | – | – |
| **Closing balance 31.12.2022** | **1,394** | **1,456** | **2,850** |
| | | | |
| **Accumulated depreciation and impairment** | | | |
| Opening balance 1.1.2021 | -1,050 | -255 | -1,305 |
| Disposals | – | -326 | -326 |
| Depreciation | -213 | -173 | -386 |
| **Closing balance 31.12.2021** | **-1,263** | **-753** | **-2,016** |
| | | | |
| Opening balance 1.1.2022 | -1,263 | -753 | -2,016 |
| Depreciation | -48 | -226 | -274 |
| **Closing balance 31.12.2022** | **-1,311** | **-979** | **-2,290** |
| | | | |
| **Carrying amount** | | | |
| Opening balance 1.1.2021 | 344 | 875 | 1,219 |
| **Closing balance 31.12.2021** | **131** | **702** | **833** |
| | | | |
| Opening balance 1.1.2022 | 131 | 702 | 833 |
| **Closing balance 31.12.2022** | **83** | **477** | **560** |

## NOTE 11. TRADE RECEIVABLES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Trade receivables | 68,505 | 51,523 |
| Provision for expected credit losses | -3,627 | -5,304 |
| **Net trade receivables** | **64,877** | **46,219** |

| | Carrying amount | Not due | Number of days past due date | | |
|---|---|---|---|---|---|
| | | | 1<29 | 30<89 | 90< |
| **2022** | | | | | |
| Trade receivables as of Dec 31, 2022 | 68,505 | 34,321 | 13,644 | 14,040 | 6,500 |
| Provision for expected credit losses | -3,627 | -172 | -109 | -192 | -3,155 |
| **Total 2022** | **64,877** | **34,149** | **13,535** | **13,849** | **3,345** |
| | 100% | 53% | 21% | 21% | 5% |
| **2021** | | | | | |
| Trade receivables as of Dec 31, 2021 | 51,523 | 23,721 | 13,618 | 8,251 | 5,934 |
| Provision for expected credit losses | -5,304 | -119 | -68 | -89 | -5,028 |
| **Total 2021** | **46,219** | **23,602** | **13,550** | **8,162** | **905** |
| | 100% | 51% | 29% | 18% | 2% |

For further information regarding the groups provision for expected credit losses, see group note 25.

## NOTE 12. PREPAID AND ACCRUALS

### PREPAID EXPENSES AND ACCRUED INCOME

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Prepaid rent | 3,265 | 2,970 |
| Other prepaid expenses | 7,265 | 4,956 |
| Prepayment to podcast creators | 32,300 | 2,144 |
| Accrued interest group companies | 2,490 | – |
| Accrued income | 16,178 | 15,832 |
| **Total** | **61,499** | **25,902** |

### ACCRUED EXPENSES AND PREPAID INCOME

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Accrued payroll related expenses | 14,434 | 16,313 |
| Accrued production costs | 148,937 | 101,719 |
| Other accrued expenses | 17,416 | 11,964 |
| Deferred revenue | 6,088 | 1,263 |
| **Total** | **186,874** | **131,258** |

## NOTE 13. OTHER RECEIVABLES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| VAT receivables | 3,298 | 2,261 |
| Tax receivable | 3,150 | 4,805 |
| Other receivables | 2,393 | 1,565 |
| **Total other receivables** | **8,841** | **8,631** |

## NOTE 14. CASH AND BANK

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Bank balances | 312,961 | 769,099 |
| **Total cash and bank** | **312,961** | **769,099** |

A large part of the bank balance is placed with Swedish commercial banks, c. 28% of the balance is in SEK.

## NOTE 15. OTHER CURRENT INVESTEMENT

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Balance liquidity fund | 300,769 | 300,053 |
| **Total other current investments** | **300,769** | **300,053** |

In 2021 SEK 300 M was placed in a liquidity fund. The fund has a BBB credit rating, which means it's a low-risk fund, and the means are available within a few days.

## NOTE 16. EQUITY

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Shares issued fully paid | | |
| At the beginning of the year | 178,731,126 | 132,072,850 |
| Issued EIB June 17, 2021 | – | 4,819,200 |
| Issued listing June 17, 2021 | – | 34,210,526 |
| Issued during the year* | – | 7,628,550 |
| Consideration through issued shares, Podchaser | 2,336,980 | – |
| **Shares issued fully paid** | **181,068,106** | **178,731,126** |

* refers to utilized warrants at several times during the year and regulation of shares in connection with the asset acquisition of RadioPublic.

As at December 31, 2022, the total number of shares was 181,068,106 (178,731,126) and share capital was SEK 1,174 K (1,159). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.0065).

## NOTE 17. LONG TERM LIABILITIES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Holdback consideration Podchaser, through issue of shares | 3,934 | – |
| **Total other current investments** | **3,934** | **–** |

This relates to the part of the holdback of consideration that is expected to be paid through issue of shares. Hence, the debt is booked in Acast AB even though Acast Stories Inc acquired Podchaser. For further information regarding the acquisition of Podchaser, see group note 4.

## NOTE 18. OTHER PAYABLES

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Taxes and social charges | 9,236 | 9,425 |
| Contingent consideration Podchaser, to be paid through issued shares | 11,549 | – |
| Other short term liabilities | 1,865 | 8,521 |
| **Total** | **22,650** | **17,946** |

The contingent consideration from the acquisition of Podchaser concerns the part is to be paid by issuing shares. For more information regarding the contingent consideration see group note 4.

## NOTE 19. LEASES

| | 2022 | 2021 |
|---|---|---|
| Maturity date within 1 year | 12,059 | 10,892 |
| Maturity date between 1-3 years | 15,074 | 21,816 |
| Maturity date later than 3 years | – | 1,818 |
| **Total** | **27,134** | **34,526** |

The leasing costs for the year pertaining to operational leasing fee totaled SEK 11,881 K (11,589).

## NOTE 20. ADJUSTMENT FOR NON-CASH ITEMS

| | 2022 | 2021 |
|---|---|---|
| Depreciation | 2,254 | 1,647 |
| Long term incentive plan, no cash consideration | 12,882 | 9,939 |
| **Total** | **15,136** | **11,586** |

## NOTE 21. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

| | 1.1.2022 | Cash flow | Non-cash flow changes | | | 31.12.2022 |
|---|---|---|---|---|---|---|
| | | | Acquisitions | New Leasing agreements | Foreign Currency translation effects | |
| Long-term loans from credit institutions | – | – | – | – | – | – |
| **Total of liabilities from financing activities** | **–** | **–** | **–** | **–** | **–** | **–** |

| | 1.1.2021 | Cash flow | Non-cash flow changes | | | 31.12.2021 |
|---|---|---|---|---|---|---|
| | | | Acquisitions | New Leasing agreements | Foreign Currency translation effects | |
| Long-term loans from credit institutions | 100,361 | -100,361 | – | – | – | – |
| **Total of liabilities from financing activities** | **100,361** | **-100,361** | **–** | **–** | **–** | **–** |

## NOTE 22. PARTICIPATION IN GROUP

### PARTICIPATION IN GROUP COMPANIES

| | |
|---|---|
| Opening balance 1.1.2021 | 24,279 |
| Shareholder's contribution* | 330,948 |
| **Closing balance 31.12.2021** | **355,227** |

| | |
|---|---|
| Opening balance 1.1.2022 | 355,227 |
| Shareholder's contribution* | 310,790 |
| **Closing balance 31.12.2022** | **666,017** |

* During 2022 Shareholder's contribution of USD 8.7 M and GBP 15.0 M has been given from Acast AB to Acast Stories Inc and Acast Stories Ltd, a total of SEK 277.3 M. Other Shareholder's contribution relates to employee LTI programs.

For further information regarding employee long-term incentive programs see group note 8.

## NOTE 23. RELATED PARTY

| 2022 | Acast Stories Inc | Acast Stories Ltd | Acast Stories Pty | Acast Stories SAS | Acast Stories AS | Acast Stories Gmbh | Acast Stories Canada Inc | Acast Stories Ireland Ltd | Acast Stories Mexico, S. de R.L. de C.V | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Transfer pricing revenue | 148,003 | 16 979 | 925 | 15,290 | 16 | 14,336 | 5,176 | – | 3,872 | 204,597 |
| Transfer pricing charges | -3,272 | -174,990 | -4,401 | -2,161 | -2,705 | -1,036 | -1,355 | -8,449 | -506 | -198,874 |
| Intercompany loans | -189,955 | – | – | – | – | – | – | – | – | -189,955 |
| Non-current intercompany liabilities | -3,938 | – | – | – | – | – | – | – | – | -3,938 |
| Current intercompany receivables | 108,126 | 152,462 | 112,589 | 75,384 | 8,958 | 32,745 | 34,527 | 54,887 | 14,304 | 593,981 |
| Current intercompany liabilities | -378,727 | -177,346 | -126,371 | -105,950 | -9,743 | -53,900 | -50,456 | -55,944 | -20,649 | -979,085 |

| 2021 | Acast Stories Inc | Acast Stories Ltd | Acast Stories Pty | Acast Stories SAS | Acast Stories AS | Acast Stories Gmbh | Acast Stories Canada Inc | Acast Stories Ireland Ltd | Acast Stories Mexico, S. de R.L. de C.V | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Transfer pricing revenue | 16,436 | 0 | 9,984 | 17,883 | 2,863 | 7,601 | 9,852 | 1,498 | 5,374 | 71,491 |
| Transfer pricing charges | -17,238 | -190,667 | -13,549 | -6,116 | -4,169 | -2,214 | -2,497 | -5,386 | -714 | -242,550 |
| Intercompany loans | – | – | – | – | – | – | – | – | – | – |
| Current intercompany receivables | 22,423 | 20,680 | 52,586 | 50,723 | 1,696 | 16,796 | 15,481 | 8,638 | 6,855 | 195,878 |
| Current intercompany liabilities | -184,545 | -289,994 | -87,262 | -58,965 | -7,862 | -21,570 | -22,394 | -31,800 | -8,262 | -712,654 |

The table above shows Transfer pricing revenue invoiced from the subsidiaries to Acast AB och Transfer pricing costs invoiced to the subsidiaries from Acast AB. The intercompany receivables are the subsidiaries claims on Acast AB and the intercompany liabilities are the subsidiaries debts to Acast AB.

The legal entities within the group are categorized into two categories, Affiliates or Entrepreneurs. The Entrepreneurs are defined as group entities with strategic group functions and group managers involved in the key-decision-making functions. Together with the parent company, Acast Stories Limited and Acast Stories Inc are classified as Entrepreneurs. The other legal entities are classified as Affiliates and have a cost-plus agreement. The profit (or loss) for the group is shared between the group's Entrepreneurs based on the parties' contributions.

| | 2022 | 2021 |
|---|---|---|
| Receivables which fall due later than one year | 193,893 | – |

**Transactions / balances with related parties**

Related party transactions within the group consists of internal trading of services and is carried out on market terms. In addition, Acast has identified one related party where transactions have taken place. The transactions consisted of purchasing services and the transaction has been taking place on market terms.

TRANSACTIONS WITH RELATED PARTIES

| | 2022 | 2021 |
|---|---|---|
| Purchases of services | | |
| Related parties | 1,237 | 578 |
| **Total purchases of services** | **1,237** | **578** |

## NOTE 24. SUBSIDIARIES

| Name | Corporate reg. no | Place of Business | Ownership 31.12.2022 | Ownership 31.12.2021 | 31.12.2022 carrying amount |
|---|---|---|---|---|---|
| Acast Stories AS | 922 061 084 | Norway | 100.00% | 100.00% | 103 |
| Acast Stories Gmbh | HRB 205265B | Germany | 100.00% | 100.00% | 322 |
| Acast Stories Inc | 36-4813086 | USA | 100.00% | 100.00% | 253,402 |
| Acast Stories Ltd | 9040006 | Great Britain | 100.00% | 100.00% | 410,254 |
| Acast Stories Pty | ABN 30 619 624 823 | Australia | 100.00% | 100.00% | 762 |
| Acast Stories SAS | 848 766 663 | France | 100.00% | 100.00% | 496 |
| Acast Stories Ireland Ltd | 661 047 | Ireland | 100.00% | 100.00% | 36 |
| Acast Stories Canada Inc | 715 141 | Canada | 100.00% | 100.00% | 326 |
| Acast Stories Mexico, S. de R.L. de C.V. | N-2020014294 | Mexico | 99.99% | 99.99% | 316 |
| **Total** | | | | | **666,017** |

All direct subsidiaries have been started by Acast AB. Acast Stories Mexico, S de R.L is owned to 99.99% of Acast AB, and to 0.01% by Acast Stories Ltd.

## NOTE 25. ALLOCATION OF PROFIT OR LOSS

The Board of directors and the Chief Executive Officer propose that the shareholders at the 2023 AGM decide that Acast AB will balance available funds in a new account for the 2023 financial year.

### ALLOCATION OF PROFIT OR LOSS

| | |
|---|---|
| Share premium reserve | 2,337,806,699 |
| Retained earnings | -471,145,809 |
| Profit for the year | -187,118,338 |
| **Total** | **1,679,542,552** |

| | |
|---|---|
| Profit or loss brought forward | 1,679,542,552 |
| **Total** | **1,679,542,552** |

## NOTE 26. DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES AND OPERATIONAL MEASURES

Certain information in this report that management and analysts use to assess the group's development is not defined in IFRS. Management believes that this information makes it easier for investors to analyze the group's earnings trend and financial position. Investors should consider this information as a supplement to, rather than a replacement of, the financial reporting in accordance with IFRS.

| Alternative performance measurements not defined under IFRS | Definition | Purpose |
|---|---|---|
| **Net sales growth (%)** | Change in net sales compared to same period previous year. | The measure shows growth in net sales compared to the same period previous year. It is a relevant performance measure for a company within a high growth industry. |
| **Organic net sales growth (%)** | Change in net sales compared to same period previous year adjusted for translational currency effects, acquisition and divestment effects. Currency effects are calculated by applying the previous period exchange rates to the current period. | Organic net sales growth facilitates a comparison of net sales over time excluding impact from currency translation, acquisitions and divestments. |
| **Gross profit** | Net sales for the period reduced by cost of content. | Gross profit is used to measure the residual profit that remains after deducting the cost of content. It gives an indication of the group's ability to cover its other operating expenses. |
| **Gross margin (%)** | Gross profit in relation to net sales. | Gross margin is used to measure the residual profit that remains after deducting the cost of content. It gives an indication of the group's ability to cover other operating expenses. |
| **Other operating expenses** | The sum of sales and marketing costs, administration expenses and product development costs. | Other operating expenses is used to assess the amount of operating expenses excluding cost of content. |
| **EBITDA** | Loss for the period adding back income tax expense, financial income, financial costs, depreciation and amortization. | EBITDA is a measure of operating loss before depreciation and amortization and is used to monitor the operations. |
| **EBITDA margin (%)** | EBITDA in relation to net sales. | EBITDA in relation to net sales is used to measure the profitability of operations and shows cost effectiveness. |

| Alternative performance measurements not defined under IFRS | Definition | Purpose |
|---|---|---|
| **Adjusted EBITDA** | EBITDA adjusted for items affecting comparability. | Adjusted EBITDA is a measure of operating loss before depreciation and amortization and is used to monitor the operating activities. The purpose is to show adjusted EBITDA excluding items that affect comparability with other periods |
| **Adjusted EBITDA margin (%)** | Adjusted EBITDA in relation to net sales. | Adjusted EBITDA in relation to net sales is used to measure the profitability of operations and shows the group's cost effectiveness. |
| **Operating loss** | Loss for the period adding back income tax expense, financial costs and financial income. | Operating loss is used to evaluate the group's profitability. |
| **Operating margin (%)** | Operating loss in relation to net sales. | Operating loss in relation to the group's net sales is an indicator of the group's profitability. |
| **Adjusted operating loss** | Operating loss adjusted for items affecting comparability. | Adjusted operating loss is a supplement to operating loss and with the purpose is to show the operating loss excluding items that affect comparability with other periods. |
| **Adjusted operating margin (%)** | Adjusted operating loss in relation to net sales. | Adjusted operating loss in relation to net sales is an indicator of the group's profitability. |
| **Items affecting comparability** | Items affecting comparability means items that are reported separately due to their character and amount. | Items affecting comparability is used by management to explain variations in historical profitability. Separate reporting and specification of Items affecting comparability enables the users of the financial statements to understand and evaluate the adjustments performed by management when presenting Adjusted operating profit and Adjusted EBITDA. |

| Alternative performance measurements not defined under IFRS | Definition | Purpose |
|---|---|---|
| **Cash flows from operating activities** | Cash flows for the period excluding cash flows from financing activities and cash flows from investing activities. | Cash flow from operating activities indicates the amount of cash generated from (or spent on) its ongoing operations. |
| **CBIT** | Operating profit / loss in a segment before deducting Global costs. | CBIT is used in the assessment of the group's operating segments. It shows the operating segments contribution to the group's operating loss before allocation of Global costs. |
| **CBIT margin (%)** | CBIT in relation to net sales. | CBIT in relation to net sales of a segment is an indicator of the segment's profitability. |
| **Global costs** | Global costs include central costs including administrative costs, finance team costs, the people team costs, strategy and business development, legal team costs. | The purpose of measuring global costs is to be able to illustrate the difference between global and local costs and is used in the calculation of CBIT. |

| Operational measures | Definition | Purpose |
|---|---|---|
| **Listens*** | Number of listens per year based on Acast's IAB 2.0 certified measurement** | Used to identify number of listens during a specified period. |
| **Average net sales per listen (ARPL)** | Net sales divided by number of listens for the same period. | Used to measure average net sales per listens as defined above. |

*Number of listens per year based on Acast´s IAB 2.0 certified measurement. A listen is defined as a minimum download of at least 60 seconds of the episode and Acast only count one listen per listener per episode within 24 hours.

**The IAB 2.0 measurement came into effect in Q4 2019 for Acast. Historical listens preceding this date have been recalculated by Acast management to retroactively seek to align with the IAB 2.0 measurement. Listens figures have not been audited by any third party.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS AND OTHER OPERATIONAL MEASURES

| SEK thousand (unless stated otherwise) | 2022 | 2021 |
|---|---|---|
| **Alternative performance measures not defined under IFRS** | | |
| Net sales | 1,390,366 | 1,025,702 |
| **Net sales growth (%)** | **36%** | **73%** |
| Net sales | 1,390,366 | 1,025,702 |
| Translational currency effects on Net sales (a positive amount represents a negative effect on net sales in current period, a negative amount represents the opposite) | -84,789 | 1,395 |
| Impact from acquisitions | -10,941 | – |
| Organic net sales | 1,294,634 | 1,027,097 |
| **Net sales growth (%)** | **36%** | **73%** |
| Translational currency effects on Net sales growth (%) (a positive percentage represents a negative effect on growth in current period, a negative percentage represents the opposite) | -8% | 0,2% |
| Impact from acquisitions on Net sales growth (%) | -1 | – |
| **Organic net sales growth (%)** | **26%** | **74%** |

| SEK thousand (unless stated otherwise) | 2022 | 2021 |
|---|---|---|
| Net sales | 1,390,366 | 1,025,702 |
| Cost of content | -920,510 | -652,226 |
| **Gross profit** | **469,856** | **373,476** |
| Net sales | 1,390,366 | 1,025,702 |
| **Gross margin (%)** | **34%** | **36%** |
| | | |
| Loss for the period | -286,375 | -300,394 |
| Income tax expense | -6,109 | -5,276 |
| Financial costs | -3,337 | -140,875 |
| Financial income | 75,714 | 67,403 |
| **Operating loss** | **-352,643** | **-221,646** |
| Net sales | 1,390,366 | 1,025,702 |
| **Operating margin (%)** | **-25%** | **-22%** |
| | | |
| Operating loss | -352,643 | -221,646 |
| Items affecting comparability* | 22,612 | 31,138 |
| **Adj. Operating loss** | **-330,031** | **-190,508** |
| Net sales | 1,390,366 | 1,025,702 |
| **Adj. Operating margin (%)** | **-24%** | **-19%** |

| SEK thousand (unless stated otherwise) | 2022 | 2021 |
|---|---|---|
| Operating loss | -352,643 | -221,646 |
| Depreciation and amortization | 57,694 | 40,028 |
| **EBITDA** | **-294,949** | **-181,618** |
| Net sales | 1,390,366 | 1,025,702 |
| **EBITDA margin (%)** | **-21%** | **-18%** |
| | | |
| EBITDA | -294,949 | -181,618 |
| Items affecting comparability* | 22,612 | 31,138 |
| **Adj. EBITDA** | **-272,337** | **-150,480** |
| Net sales | 1,390,366 | 1,025,702 |
| **Adj. EBITDA margin (%)** | **-20%** | **-15%** |
| | | |
| **Operational measures** | | |
| **Listens (millions)** | **5,139** | **3,735** |
| Net sales | 1,390,366 | 1,025,702 |
| **Average revenue per listen, ARPL (SEK)** | **0.27** | **0.27** |

* Items affecting comparability are SEK 18 M in restructuring costs and SEK 4 M in costs from the acquisition of Podchaser. 2021 items affecting comparability relate to costs to prepare for the IPO SEK 35 M and PPP loan forgiveness of SEK -4 M.

# Group financial KPI's and alternative performance measures

| SEK thousand | 2022 Q4 | 2022 Q3 | 2022 Q2 | 2022 Q1 | 2021 Q4 | 2021 Q3 | 2021 Q2 | 2021 Q1 | 2022 Jan-Dec | 2021 Jan–Dec |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Sales | 454,297 | 321,950 | 315,826 | 298,293 | 336,491 | 265,142 | 226,635 | 197,434 | 1,390,366 | 1.025,702 |
| Net Sales growth (%) | 35% | 21% | 39% | 51% | 40% | 89% | 130% | 74% | 36% | 73% |
| Organic net sales growth (%) | 24% | 7% | 28% | 40% | 35% | 87% | 134% | 86% | 26% | 74% |
| Gross profit | 157 016 , | 112,551 | 94,003 | 106,285 | 122,811 | 96,740 | 82,815 | 71,110 | 469,856 | 373,476 |
| Gross margin (%) | 35% | 35% | 30% | 36% | 36% | 36% | 37% | 36% | 34% | 36% |
| EBITDA | -42,431 | -86,117 | -98,570 | -67,832 | -28,123 | -42,040 | -75,246 | -36,210 | -294,949 | -181,618 |
| EBITDA margin (%) | -9% | -27% | -31% | -23% | -8% | -16% | -33% | -18% | -21% | -18% |
| Adj. EBITDA | -31,109 | -75,144 | -98,253 | -67,832 | -28,227 | -42,009 | -46,638 | -33,606 | -272,337 | -150,480 |
| Adj. EBITDA margin (%) | -7% | -23% | -31% | -23% | -8% | -16% | -21% | -17% | -20% | -15% |
| Operating loss | -58,636 | -101,986 | -111,959 | -80,063 | -39,512 | -52,747 | -84,951 | -44,437 | -352,643 | -221,646 |
| Operating margin (%) | -13% | -32% | -35% | -27% | -12% | -20% | -37% | -23% | -25% | -22% |
| Adj. operating loss | -47,314 | -91,013 | -111,642 | -80,063 | -39,616 | -52,716 | -56,343 | -41,834 | -330,031 | -190,508 |
| Adj. operating margin (%) | -10% | -28% | -35% | -27% | -12% | -20% | -25% | -21% | -24% | -19% |
| Items affecting comparability | 11,322 | 10,973 | 317 | - | -104 | 31 | 28,608 | 2,603 | 22,612 | 31,138 |
| Loss for the period | -73,997 | -68,543 | -70,635 | -73,201 | -25,289 | -46,132 | -179,743 | -49,231 | -286,375 | -300,394 |
| Cash flow from operating activities | 11,274 | -96,707** | -97,629 | -87,633** | 27,611 | -70,830 | -64 452 | 1,091 | -294,284 | -121,806** |
| Basic and diluted earnings per share (SEK)* | -0.41 | -0.38 | -0.40 | -0.41 | -0.14 | -0.26 | -1.28 | -18.62 | -1,59 | -1.91 |
| Listens (millions)** | 1,327 | 1,318 | 1,238 | 1,256 | 1,091 | 891 | 880 | 872 | 5,139 | 3,735 |
| Average revenue per listen, ARPL (SEK)** | 0.34 | 0.24 | 0.26 | 0.24 | 0.31 | 0.30 | 0.26 | 0.23 | 0,27 | 0.27 |

* 50:1 sharesplit undertaken in Q2-21 applied to all reporting periods.
** Adjustment of cashflow for previous periods has been done. For more information see group note 29.

For definitions and purpose see page 88-89 , and for reconciliations see page 90.

# Auditor's report

To the general meeting of the shareholders of Acast AB (publ), corp. id 556946-8498

## Report on the annual accounts and consolidated accounts

**OPINIONS**

We have audited the annual accounts and consolidated accounts of Acast AB (publ) for the year 2022, except for the corporate governance statement on pages 45-49 and the sustainability report on pages 27-37. The annual accounts and consolidated accounts of the company are included on pages 43-87 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 45-49 and sustainability report on pages 27-37. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

**BASIS FOR OPINIONS**

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-42, 27-37 and 89-91. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**AUDITOR'S RESPONSIBILITY**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

**OPINIONS**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Acast AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

**BASIS FOR OPINIONS**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**AUDITOR'S RESPONSIBILITY**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

**THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for that the corporate governance statement on pages 45-49 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

**THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT**

The Board of Directors is responsible for the sustainability report on pages 27-37, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm 18 April 2023

KPMG AB

Mattias Lötborn
Authorized Public Accountant

# Information to shareholders

**ANNUAL GENERAL MEETING 2023**
The Annual General Meeting of Acast AB (publ) will be held on Tuesday, May 9, 2023 at 2 PM at the company's head office at Kungsgatan 28 in Stockholm.

Notice is given through advertising in Svenska Dagbladet and the Swedish Official Gazette (Post- and Inrikes Tidningar).

**RIGHT TO PARTICIPATE**
In order to participate in the AGM, shareholders must be registered in the share register kept by Euroclear Sweden AB no later than Friday, 28 April 2023.

In addition, shareholders who wish to participate in the AGM must register their participation no later than Wednesday, 3 May 2023.

The notice and other information before the annual general meeting can be found at investors.acast.com/governance/annual-general-meeting-2023.

**FINANCIAL CALENDAR 2023**

| | |
|---|---|
| Interim report for the period January 1 – March 31, 2023 | **May 9, 2023** |
| Annual general meeting 2023 | **May 9, 2023** |
| Interim report for the period January 1 – June 31 | **August 3, 2023** |
| Interim report for the period January 1 – September 30, 2023 | **November 7, 2023** |

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This report has been prepared in Swedish and English.
In case of any discrepancy, the Swedish version shall govern.

Acast

For The Stories.