

Acast

**Year-end report
January – December 2022
Acast AB (publ)**



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 the Nasdaq First North Premier Growth Market (ACAST.ST).

For brilliant podcasters
For smart advertisers
For The Stories

About Acast's reporting

This is Acast's year-end report for the period January 1, 2022 – December 31, 2022.

The report describes the Group's activities, results and financial position for the period. It concerns the entire group of companies, unless otherwise indicated. Amounts in parentheses are for the corresponding periods in 2021.

This is a translation of the Swedish original. In the event of any discrepancies between the two versions, the Swedish version shall take precedence.

CONTACT INFORMATION

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Financial calendar

Annual report for 2022	April 18, 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 30, 2023	Aug 3, 2023
Interim report for the period January 1 - September 30, 2023	Nov 7, 2023

Q4 2022 Highlights

35%

NET SALES GROWTH

35%

GROSS MARGIN

-7%

ADJ. EBITDA MARGIN

Q4 2022

- Net sales in the quarter amounted to SEK 454.3 M (336.5), corresponding to net sales growth of 35% (40%)
- Organic net sales growth amounted to 24% (35%). Despite continued uncertainty regarding the macro-economic development, the quarter has been characterized by increased advertising purchases and good growth in non-advertising-related revenues
- The gross margin for the quarter was 35% (36%)
- EBITDA for the quarter amounted to SEK -42.4 M (-28.1) and the EBITDA margin was -9% (-8%)
- The adjusted EBITDA result amounted to SEK -31.1 M (-28.2) and the adjusted EBITDA margin was -7% (-8%), corresponding to more than halving the adjusted EBITDA loss compared to the third quarter this year. This is fully in line with the financial goal of reaching profitability in 2024
- Operating loss amounted to SEK -58.6 M (-39.5), including SEK 10.7 M in restructuring costs related to redundancies and SEK 1 M in costs related to the acquisition of Podchaser
- Loss for the period was negatively affected by currency translation effects and amounted to SEK -74.0 M (-25.3)
- Cash flow from operating activities amounted to SEK -12.3 M (12.4)
- Earnings per share for the period before and after dilution amounted to SEK -0.41 (-0.14)
- The number of listens amounted to 1,327 million (1,091) an increase of 22% compared to the same period last year and Average Revenue Per Listen (ARPL) amounted to SEK 0.34 (0.31)

Significant events

- Amazon Music and Acast entered into an agreement to deliver ad-free podcasts for Prime members and Amazon Music Unlimited subscribers. The agreement means that Amazon Music has bought all advertising space in thousands of Acast's podcasts
- During the quarter a new self-serve advertising platform was launched, enabling businesses and brands of all sizes and budgets to reach highly engaged audiences through podcasts available through the Acast Marketplace
- The Keyword Targeting add-on was launched to the platform, Acast Marketplace, which opens up contextual advertising. The proprietary feature allows advertisers to target specific words and phrases in individual podcast episodes
- Acast continued its expansion in Europe by launching in the Netherlands by signing an agreement with podcast studio Meer Van Dit. Acast will host the podcast studio's programming, which generates approximately 27.5 million listens annually, thereby handling distribution and revenues
- In Podtrac's new ranking of ad sales networks for podcasts in the US market - Podcast Sales Network Ranking - Acast is ranked number two
- Acast launched a solution for first-party data, i.e. data that the advertiser has collected directly from its own audience, in order to reach a specific audience on the Acast Marketplace. For the first time ever, advertisers can thus harness the power of their own data to create even more effective podcast campaigns

2022 Highlights

36%

NET SALES GROWTH

34%

GROSS MARGIN

-20%

ADJ. EBITDA MARGIN

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 year has been characterized by increased uncertainty regarding the macroeconomic development, which 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
- The year's result was positively affected by currency translation effects and amounted to SEK -286.4 M (-300.4)
- 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)

Significant events

- 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
- 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 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
- 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 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

Group financial KPIs and alternative performance measures

SEK thousand	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	454,297	336,491	1,390,366	1,025,702
Net sales growth (%)	35%	40%	36%	73%
Organic net sales growth (%)	24%	35%	26%	74%
Gross profit	157,016	122,811	469,856	373,476
Gross margin (%)	35%	36%	34%	36%
EBITDA	-42,431	-28,123	-294,949	-181,618
EBITDA margin (%)	-9%	-8%	-21%	-18%
Adj. EBITDA*	-31,109	-28,227	-272,337	-150,480
Adj. EBITDA margin (%)*	-7%	-8%	-20%	-15%
Operating loss	-58,636	-39,512	-352,643	-221,646
Operating margin (%)	-13%	-12%	-25%	-22%
Adj. operating loss*	-47,314	-39,616	-330,031	-190,508
Adj. operating margin (%)*	-10%	-12%	-24%	-19%
Items affecting comparability*	11,322	-104	22,612	31,138
Loss for the period	-73,997	-25,289	-286,375	-300,394
Cash flow from operating activities	-12,314	12,383**	-294,284	-121,806**
Basic and diluted earnings per share (SEK)***	-0.41	-0.14	-1.59	-1.91
Listens (millions)	1,327	1,091	5,139	3,735
Average revenue per listen, ARPL (SEK)	0.34	0.31	0.27	0.27

*2022 adjusted for costs from the acquisition of Podchaser and restructure costs. 2021 adjusted for costs related to our IPO.

**Adjustment of cashflow for previous periods has been done. For more information see note 9.

***50:1 sharesplit undertaken in Q2-21 applied to all reporting periods.

For definitions and purpose see note 10, and for reconciliations see note 11.

Comments from the CEO:

Positive end to the year but continued ad-market uncertainty

2022 will go down in history as a year when the focus in many industries shifted from hyper-growth to profitability and internal efficiency. We have seen a gradual change in the advertising market, where podcasts continue to stand out as one of the fastest growing media channels with promising future prospects. At Acast, we have adjusted the operations to suit the new market conditions, which means that we can end the year with a stable development and good organic growth. The adjusted EBITDA of -31.1 MSEK is a strong improvement compared to the third quarter and thus a step on the way towards the goal of reaching positive EBITDA in 2024. The gradually increased uncertainty in the outside world during the year has affected the advertising market also towards the end of the year, however with some improvements in both Europe and North America. During the quarter, we launched several new features that in different ways help advertisers and podcast creators to transact on our platform, an important part in our quest to develop the world's most valuable marketplace for podcasts.

IMPROVED ORGANIC GROWTH AND ON THE RIGHT PATH TOWARDS PROFITABILITY

During the last quarter of 2022, Acast grew by 35 percent compared to the same quarter the previous year. Our position as one of the market leaders in ad sales and monetization for podcasts continues to strengthen. We are seeing many advertisers move from successfully testing a medium, that is new to them, to now capitalizing on this established, incredibly interesting channel by investing larger and larger advertising budgets into our podcasts. This is an important trend for the

long-term positive development of podcasts as an advertising medium. At the same time, a weaker economy means that more advertisers are more cautious than before, which has a countervailing effect in the short term. Net sales in Europe amounted to 297 MSEK (215), an increase of 38 percent. The negative macroeconomic climate has affected the advertising market throughout 2022, but at Acast we continued to expand into several new European markets. Growth in North America amounted to 28 percent and in the rest of the world, 34 percent. The growth rate in both Europe and North America improved



compared to the third quarter of 2022. The average revenue per listen (ARPL) was 0.34 SEK (0.31), an increase of 11 percent compared to the same quarter last year. The gross margin amounted to 35 percent (36). Adjusted EBITDA for the quarter was -31.1 MSEK (-28.2), in line with the previous year and losses more than halved compared to the third quarter of the year. The adjusted EBITDA margin improved slightly to -7 percent (-8). We are now working further to create the conditions to reach the goal of a positive EBITDA result in 2024, and the development during the second half of 2022 shows that we are on the right track.

Acast's route to profitability is through dedicated work on our internal efficiencies and cost control, combined with healthy growth generated by proactive product-led innovations that give rise to an increase in automated sales, and a continual evolution of our advertising offering. The cost reductions announced at the end of the summer are now complete and we enter 2023 with a solid foundation to continue developing Acast as a global independent market leader in revenue creation for podcasts.

DIVERSIFYING MONETIZATION ROUTES

During the last quarter of the year, we announced a first-of-its-kind agreement with Amazon Music, which means that Acast is now delivering podcasts ad-free for Prime members and Amazon Music Unlimited subscribers. This is an innovative deal, and a good example of how we have expanded monetization within podcasts enormously in recent years. The agreement with Amazon Music opens up another channel to increase revenue to both Acast and our podcasters. With Amazon having effectively purchased all

the ad slots in the podcasts on the Amazon Music app, this improves our sell-through rate for the large base of advertising space available on the Acast Marketplace, without requiring further manual resources.

MORE EFFICIENT TARGETING AND ROI FOR ADVERTISERS

Overall, the media landscape has changed compared to a year ago. In times of economic uncertainty advertisers are increasingly looking for ROI through channels that help them optimize their ad investments. Campaigns that show good, measurable conversion become more important than more holistic brand-building efforts. This development benefits us as a marketing channel in the long term, as performance marketing returns from podcasting tend to surpass traditional media such as TV and radio. During the year, the average advertising spend per advertiser on Acast Marketplace increased by 46 percent compared to a year ago.

With every marketer's ad dollars counting even more, we have developed even more granular targeting capabilities to ensure podcast advertising campaigns are as effective and efficient as possible. In the last quarter of the year, we launched Keyword Targeting to further expand our contextual advertising offering for advertisers. This capability allows advertisers to target specific words and phrases in individual podcast episodes, aligning their message with the most contextually relevant content spoken being about within an episode.

MAKING IT EASY TO BUY PODCASTING ADS

At the end of the fourth quarter, the number of podcasts on Acast's platform totaled 92,000

and the number of listens in the quarter was 1,327 million, an increase of 22 percent. Now, with more than 90,000 podcasts in our extensive network, we have the stable foundation that enables us to reallocate our resources somewhat from acquiring new shows in bulk, and towards expanding ad sales in each of these existing Acast shows, thereby increasing our revenue at a lower cost.

A key strategic move for Acast is developing scalable tools that help even more advertisers - regardless of size or budget - to reach relevant podcast listeners. During the quarter, we launched a new self-serve platform for advertisers, which means that advertisers of any size and budget can reach a highly engaged audience. Through the new platform, advertisers can build and activate their ad strategy in podcasting themselves, without the need for Acast sales team time, thus increasing more passive revenue opportunities for both Acast and the podcasters on our platform.

During the fourth quarter, we also saw a continued positive development in programmatic ad sales, an automated way of buying and selling media through the use of technology, real-time data and algorithms. At the end of the year, programmatic sales accounted for 13 percent of our total revenue, compared to 10 percent a year ago. The automated processes of programmatic benefit both advertisers and Acast - offering the advertiser a seamless, effective buying route, and Acast increased sell-through rates without requiring the same increase in human-led sales efforts: key to creating operational leverage.

A YEAR TO BE PROUD OF

I look back on the year just passed with immense pride. At Acast, we believe in story-

telling as a unifying force, a chance to make a more connected world. Our role is to create space for anyone, anywhere to connect and harness the inherent power of podcasting - be that an advertiser, podcaster or listener. Even in a year characterized by uncertainty due to the outbreak of war in Europe, a gradually changing geopolitical situation and a weak macroeconomic outlook, Acast has advanced its position and taken several important steps towards becoming the number one marketplace in the world for podcasts, providing a world-class advertising experience for creators, advertisers and listeners alike. A huge thank you to all our dedicated Acasters who contribute with so much passion and commitment every day to make this possible.

ROSS ADAMS
Chief Executive Officer

Financial information

Sales and earnings

NET SALES

Oct-Dec

Net sales increased by SEK 117,806 thousand, or 35%, from SEK 336,491 thousand for Q4-21 to SEK 454,297 thousand for Q4-22. Acquired operations accounted for SEK 6,943 thousands. The organic net sales growth amounted to 24% adjusted for currency effects and acquisitions. Europe's net sales increased by 38%, North Americas' by 28% and Other Market's by 34%. All segments had a positive impact from currency during the quarter.

Jan-Dec

Net sales increased by SEK 364,664 thousand, or 36%, from SEK 1,025,702 thousand for the full year 2021 to SEK 1,390,366 thousand for the full year 2022. Acquired operations accounted for SEK 10,941 thousands. The organic net sales growth amounted to 26% adjusted for currency effects and acquisitions. Europe's net sales increased by 31%, North Americas' by 46% and Other Market's by 40%. All segments had a positive impact from currency during the year.

Net sales reflects the usual seasonality for the podcast advertising industry where Q4 is the strongest quarter of the year followed by a softer Q1 and where Q2 and Q3 do not see the same level of seasonal variation. The macro economic situation has affected Acast's growth rate, albeit Acast's growth is now pacing above the advertising market in general.

GROSS PROFIT

Oct-Dec

Gross profit increased by SEK 34,205 thousand, or 28%, from SEK 122,811 thousand for Q4-21 to SEK 157,016 thousand for Q4-22. This resulted in a gross margin of 35% (36%).

Jan-Dec

Gross profit increased by SEK 96,380 thousand, or 26%, from SEK 373,476 thousand for the full year 2021 to SEK 469,856 thousand for the full year 2022. This resulted in a gross margin of 34% (36%). The gross margin is lower, as the softening ad-market impacted projected earnings on guarantee contracts resulting in one-off costs of SEK 30,952 thousand. Excluding this one-off, the underlying gross margin was 36%.

OTHER OPERATING EXPENSES

Oct-Dec

Other operating expenses increased by SEK 54,912 thousand, or 34%, from SEK 162,323 thousand for Q4-21 to SEK 217,235 thousand for Q4-22. Continued investments in product development have also led to higher costs as well as restructuring costs (see below).

Items affecting comparability amounted to SEK 11,322 thousand for Q4-22 (-104), and consisted mainly of restructuring costs for reduction of the current workforce, SEK 10,680 thousand. Apart from this, costs from the Podchaser acquisition are also reported as items affecting comparability. Items affecting comparability for Q3-21 consisted of costs from the IPO.

Jan-Dec

Other operating expenses increased by SEK 224,179 thousand, or 37%, from SEK 599,995 thousand for the full year 2021 to SEK 824,174 thousand for the full year 2022. The increase is driven by an increased number of employees and consultants. We have also deepened our cooperation with podcasters, who act as ambassadors for our brand, which effect our sales- and marketing costs. Continued investments in product development, have also led to higher costs, as well as costs for restructuring (see below).

Items affecting comparability amounted to SEK 22,612 thousand for the full year (31,138), and consisted mainly of restructuring costs for reduction of the current workforce, SEK 18,437 thousand. On annual basis cost savings of c. SEK 77 M will be delivered. This will be visible from Q1-23 and onwards. Apart from this, costs related to the acquisition of Podchaser are also reported as items affecting comparability. Last year's items affecting comparability were affected by costs from the IPO.

OPERATING LOSS

Oct-Dec

The operating loss increased by SEK 19,125 thousand, or 34%, from SEK -39,512 thousand for Q4-21 to SEK -58,636 thousand for Q4-22. This resulted in an operating margin of -13% (-12%).

Jan-Dec

The operating loss increased by SEK 130,997

thousand, or 59%, from SEK -221,646 thousand for the full year 2021 to SEK -352,643 thousand for the full year 2022. This resulted in an operating margin of -25% (-22%).

Two of our three largest markets delivered local profits for the full year, being UK and Sweden. The local losses in the US were impacted by one-off costs related to guarantee contracts in 2022 and all market profits (CBIT) are unadjusted for one-off costs related to redundancies in Q3 and Q4 of 2022.

Net sales and local profits (CBIT*) SEK thousand

UK	2020	2021	2022
Net sales	272,598	459,009	585,248
CBIT	54,630	97,801	121,073
CBIT %	20%	21%	21%
US	2020	2021	2022
Net sales	140,993	225,008	301,313
CBIT	-4,612	10,791	-41,871
CBIT %	-3%	5%	-14%
Sweden	2020	2021	2022
Net sales	67,692	117,984	154,945
CBIT	8,753	23,350	36,748
CBIT %	13%	20%	24%

*CBIT refers to a local market or segment's operating profit before allocation of global costs. After allocation of global costs both UK and Sweden were profitable in 2021 and 2022. In 2020 the UK was profitable after allocation of global costs.

Financial information cont.

ACQUISITIONS 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 350,597 thousand including an initial consideration of USD 27.2 million and a contingent consideration of USD 6.8 million. 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 10,941 thousand to Acast's net sales in 2022 and SEK -11,683 thousand to operation profit. The acquisition led to a net outflow of cash of SEK 209,549 thousand.

FINANCIAL ITEMS

Oct-Dec

Financial items decreased by SEK 29,965 thousand, from SEK 15,551 thousand for Q4-21 to SEK -14,414 thousand for Q4-22. The decrease in Q4-22 is primarily due to unrealized currency exchange losses.

Jan-Dec

Financial items increased by SEK 145,849 thousand, from SEK -73,472 thousand for the full year 2021 to SEK 72,377 thousand for the same period 2022. The financial net for the full year 2021 was impacted by the repayment of the loan-element of the quasi-equity instrument that Acast had with the European Investment Bank (EIB), which resulted in a financial cost of SEK 99,729 thousand. The increase in 2022 is primarily driven by unreal-

ized currency exchange gains.

LOSS FOR THE PERIOD

Oct-Dec

The loss for the period increased by SEK 48,708 thousand, or 193%, from SEK -25,289 thousand for Q4-21 to SEK -73,997 thousand for Q4-22.

Jan-Dec

The loss for the full year 2022 decreased by SEK 14,019 thousand, or 5%, from SEK -300,394 thousand for the full year 2021 to SEK -286,375 thousand for 2022.

EARNINGS PER SHARE

Oct-Dec

Earnings per share (basic and diluted) amounted to -0.41 SEK for Q4-22 compared to -0.14 SEK for Q4-21.

Jan-Dec

Earnings per share (basic and diluted) amounted to -1.59 SEK for the full year 2022 compared to -1.91 SEK for the same period 2021.

NUMBER OF OUTSTANDING SHARES AND WARRANTS

At the end of the period Acast had 181,068,106 outstanding shares and an additional 11,241,794 unexercised warrants (after applying 50:1 sharesplit). A total of 192,309,900 outstanding shares and unexercised warrants.

EMPLOYEES

As at December 31, 2022 Acast had 361 employees (352) and an additional 34 full

time consultants (39), totalling a combined 395 full time employees and consultants. This includes Podchaser's 33 full time employees and 11 full time consultants.

Group financial position, equity and cash flow

FINANCIAL POSITION AND EQUITY MOVEMENTS

Jan-Dec

As at December 31, 2022, equity amounted to SEK 1,307,880 thousand, compared to SEK 1,494,808 thousand per December 31, 2021.

As at December 31, 2022, cash and cash equivalents amounted to SEK 867,757 thousand, compared to SEK 1,364,751 thousand per December 31, 2021.

Cash equivalents include SEK 300,000 thousand placed in a liquidity fund at the end of 2021. These are classified as cash equivalents since they are available to us within a few bank days and the fund is a low risk-fund, category 2.

CASH FLOW

Oct-Dec

The Group's cash flow from operating activities amounted to SEK -12,314 thousand during Q4-22 compared to SEK 12,383 thousand for the same period last year. The change is due to a higher operating loss and higher trade receivables from higher sales.

The Group's cash flow from investing activities amounted to SEK -11,467 thousand

during Q4-22. Cash flow for the same period last year amounted to SEK -12,424 thousand. The cash flow for the period was primarily related to investments in intangible assets resulting from own development of the Group's proprietary tech-platform.

The Group's cash flow from financing activities amounted to SEK -6,684 thousand during Q4-22 compared to SEK -6,595 thousand during the same period last year. The cash flow was related to amortization of the lease liability.

Cash and cash equivalents at the beginning of the period were SEK 901,871 thousand. Cash flow for the period was SEK -6,873 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK -27,242 thousand resulting in cash and cash equivalents at the end of the period of SEK 867,757 thousand.

Jan-Dec

The Group's cash flow from operating activities amounted to SEK -294,284 thousand during the full year 2022 compared to SEK -121,806 thousand for the same period last year. 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 Group's cash flow from investing activities amounted to SEK -251,266 thousand during the full year 2022. Cash flow for the same period last year amounted to SEK

Financial information cont.

-35,311 thousand. The cash flow for the period was primarily related to the acquisition of Podchaser Inc, which led to an outflow of SEK 209,549 thousand and investments in intangible assets resulting from own development of the Group's proprietary tech-platform.

The Group's cash flow from financing activities amounted to SEK -27,007 thousand during 2022 compared to SEK 1,213,657 thousand during the same period last year. The cash flow was related to amortization of the lease liability. The cash flow for 2021 was affected by the new share issue undertaken in conclusion with the IPO, which affected the cash flow positive by SEK 1,249,135 thousand and inflow from warrant programmes of SEK 86,173 thousand.

Cash and cash equivalents at the beginning of the period were SEK 1,364,751 thousand. Cash flow for the period was SEK -572,559 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK 75,566 thousand resulting in cash and cash equivalents at the end of the period of SEK 867,757 thousand.

Parent company

Acast AB is the Parent company of the Group.

Oct-Dec

Net sales of the Parent company were SEK 113,084 thousand for Q4-22 (61,970). Total operating expenses were SEK 196,763 thousand (98,237) including cost of content,

sales and marketing costs, administration expenses, product development costs and other income. 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.

Financial items amounted to SEK -9,516 thousand for Q4-22 (16,605). The decrease in Q4-22 is driven by movements in foreign exchange rates.

The loss for Q4-22 for the parent company was SEK -93,195 thousand (19,662), mainly affected by the movements in financial items.

Jan-Dec

Net sales of the Parent company were SEK 366,677 thousand for the period (381,775).

Total operating expenses were SEK 627,845 thousand (435,399) including cost of content, sales and marketing costs, administration expenses, product development costs and other income. 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.

Financial items amounted to SEK 74,050 thousand for the period (-70,728). The financial net for 2021 was affected by the repayment of the loan-element of the quasi-equity instrument that Acast had

with the European Investment Bank (EIB), incurring a financial cost of SEK 99,729 thousand. The increase in 2022 is driven by movements in foreign exchange rates.

The loss for the period for the parent company was SEK -187,118 thousand (-123,905)

Significant events after the end of the reporting period

There are no significant events after the reporting period.

Declaration by the Board and CEO

The Board and CEO confirm that the year-end report gives a fair overview of the Group and Parent Company operations, financial position and results and provides a description of the principal risks and uncertainties the Group and Parent Company faces.

This year-end report has not been subject to audit or review by the company's auditors.

The year-end report includes insider information that Acast is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication at 08:00 a.m. CET on February 15, 2023.

Stockholm, February 15, 2023

Board and CEO

John Harrobin
Chairman

Leemon Wu
Board member

Björn Jeffery
Board member

Hjalmar Didrikson
Board member

Jonas von Hedenberg
Board member

Samantha Skey
Board member

Ross Adams
CEO

Financial statements

Group financial statement

Condensed consolidated statement of profit or loss

SEK thousand	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	4	454,297	336,491	1,390,366	1,025,702
Cost of content		-297,281	-213,680	-920,510	-652,226
Gross profit		157,016	122,811	469,856	373,476
Sales and marketing costs		-106,615	-74,440	-399,635	-270,103
Administration expenses		-58,651	-51,654	-220,695	-208,731
Product development costs		-51,969	-36,229	-203,844	-121,161
Other income		1,583	-	1,675	4,873
Operating loss		-58,636	-39,512	-352,643	-221,646
Financial items		-14,414	15,551	72,377	-73,472
Loss before income tax		-73,050	-23,961	-280,266	-295,118
Income tax expense		-947	-1,328	-6,109	-5,276
Loss for the period		-73,997	-25,289	-286,375	-300,394
Earnings per share, based on loss for the period attributable to Parent Company shareholders:					
Basic earnings per share, SEK		-0.41	-0.14	-1.59	-1.91
Diluted earnings per share, SEK		-0.41	-0.14	-1.59	-1.91
Average number of shares, thousands		181,068	178,731	179,685	157,256

Condensed consolidated statement of other comprehensive income

SEK thousand	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Loss for the period		-73,997	-25,289	-286,375	-300,394
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		-135	922	14,147	-4,818
Total comprehensive income for the period		-74,132	-24,367	-272,228	-305,212

Loss for the period and total comprehensive income are, in their entirety, attributable to Parent Company shareholders.

Group financial statement

Condensed consolidated statement of financial position

SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	6, 7	351,046	27,094
Intangible assets		89,706	43,318
Tangible assets		824	1,119
Right-of-use assets		30,335	47,255
Financial assets		2,292	3,149
Deferred tax assets		328	368
Total non-current assets		474,531	122,303
Current assets			
Accounts receivable		444,482	345,190
Other receivables		12,213	4,200
Prepaid expenses and accrued income		63,752	28,537
Cash and cash equivalents		867,757	1,364,751
Total current assets		1,388,204	1,742,678
TOTAL ASSETS		1,862,735	1,864,981

SEK thousand	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,174	1,159
Other paid in capital		2,337,807	2,300,666
Translation reserves		9,812	-4,335
Retained earnings (including loss for the period)		-1,040,913	-802,682
Total equity attributable to Parent company shareholders		1,307,880	1,494,808
LIABILITIES			
Non-current liabilities			
Lease liabilities		11,624	23,177
Other long-term liabilities	7	19,686	-
Deferred tax liabilities		19,462	9,313
Total non-current liabilities		50,772	32,490
Current liabilities			
Accounts payable		122,030	101,101
Other payables	7	132,329	53,564
Current tax liabilities		876	2,894
Lease liabilities		17,097	24,054
Accrued expenses and prepaid income		231,751	156,070
Total current liabilities		504,083	337,683
TOTAL EQUITY AND LIABILITIES		1,862,735	1,864,981

Condensed consolidated statement of changes in equity

	Equity attributable to the equity holders of the parent company					
Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	Total equity	
Opening balance at 1 January 2021	856	840,221	483	-535,656	305,905	
Loss for the period	-	-	-	-300,394	-300,394	
Other comprehensive income	-	-	-4,818	-	-4,818	
Total comprehensive income for the period	-	-	-4,818	-300,394	-305,212	
Transactions with owners						
Issued warrants	-	26	-	-	26	
Utilized 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 31 December 2021	1,159	2,300,666	-4,335	-802,682	1,494,808	

Group financial statement

Condensed consolidated statement of changes in equity, cont.

Equity attributable to the equity holders of the parent company						
	Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	Total equity
Opening balance at 1 January 2022		1,159	2,300,666	-4,335	-802,682	1,494,808
Loss for the period		-	-	-	-286,375	-286,375
Other comprehensive income		-	-	14,147	-	14,147
Total comprehensive income for the period		-	-	14,147	-286,375	-272,227
Transactions with owners						
Consideration through issued shares	7	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 31 December 2022		1,174	2,337,808	9,812	-1,040,914	1,307,880

Group financial statement

Condensed consolidated statement of cash flows

SEK thousand	Note	2022 Oct-Dec	2021 Oct-Dec*	2022 Jan-Dec	2021 Jan-Dec*
Operating activities					
Operating loss		-58,636	-39,512	-352,643	-221,646
Adjustments for non-cash items		34,640	6,391	83,202	70,721
Interest received		2,404	17,049	4,012	17,049
Interest paid		-338	-655	-1,958	-5,025
Income taxes paid		-5,120	-1,427	-5,120	-1,427
		-27,050	-18,154	-272,507	-140,328
Changes in working capital					
Accounts receivable (increase - / decrease +)		-80,730	-17,676	-74,217	-44,209
Other current receivables (increase - / decrease +)		5,444	-3,361	-39,554	-14,825
Accounts payable (increase + / decrease -)		34,722	45,173	20,188	50,826
Other current liabilities (increase + / decrease -)		55,300	6,401	71,806	26,730
Total change in working capital		14,736	30,537	-21,777	18,522
Cash flows from operating activities		-12,314	12,383	-294,284	-121,806

SEK thousand	Note	2022 Oct-Dec	2021 Oct-Dec*	2022 Jan-Dec	2021 Jan-Dec*
Investing activities					
Investment in equipment		-	-	-55	-104
Investment in intangible assets		-9,356	-12,148	-42,701	-34,312
Acquisition of subsidiaries	7	-545	-	-209,549	-
Long-term asset (increase - / decrease +)		-1,566	-276	1,039	-895
Cash flows from investing activities		-11,467	-12,424	-251,266	-35,311
Financing activities					
Repayment of loans		-	-	-	-101,889
Principal elements of lease payments		-6,684	-6,540	-27,007	-19,707
Long-term incentive programs		-	-55	-	86,118
Issue of new shares		-	-	-	1,249,135
Cash flows from financing activities		-6,684	-6,595	-27,007	1,213,657
Cash flows for the period		-30,465	-6,636	-572,559	1,056,540
Cash and cash equivalents at the beginning of the period		901,871	1,360,623	1,364,751	288,599
Effect from movements in exchange rates on cash and cash equivalents		-3,649	10,764	75,566	19,612
Cash and cash equivalents at the end of the period		867,757	1,364,751	867,757	1,364,751

* Adjustment of cashflow for previous periods has been done. For more information see note 9.

Parent company financial statement

Condensed parent company income statement

SEK thousand	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales		113,084	61,970	366,677	381,775
Cost of content		-35,105	-20,503	-101,188	-71,474
Gross profit		77,980	41,467	265,489	310,301
Sales and marketing costs		-45,987	-14,546	-104,441	-57,514
Administration expenses		-39,347	-33,098	-233,110	-208,855
Product development costs		-77,909	-30,090	-190,690	-97,556
Other income		1,583	-	1,583	563
Operating profit / loss		-83,679	-36,267	-261,168	-53,061
Financial items		-9,516	16,605	74,050	-70,728
Profit / loss before income tax		-93,195	-19,662	-187,118	-123,789
Income tax expense		-	-	-	-116
Profit / loss for the period		-93,195	-19,662	-187,118	-123,905

Condensed parent company statement of financial position

SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets		5,339	7,706
Tangible assets		559	833
Financial assets			
Participations in group companies		666,017	355,227
Receivables from group companies		193,711	-
Deferred tax assets		-	-
Total non-current assets		865,626	363,766
Current assets			
Accounts receivable		64,877	46,219
Receivables from group companies		1,165,925	712,653
Other receivables		8,841	8,631
Prepaid expenses and accrued income		61,499	25,902
Other short-term investments		300,769	300,053
Cash and bank		312,961	769,099
Total current assets		1,914,872	1,862,557
TOTAL ASSETS		2,780,498	2,226,323

SEK thousand	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		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 period		-187,118	-123,905
Total equity		1,680,717	1,784,289
LIABILITIES			
Non-current liabilities			
Other long-term liabilities		3,934	-
Total non-current liabilities		3,934	-
Current liabilities			
Accounts payable		116,404	96,953
Liabilities to group companies		769,919	195,877
Other payables		22,650	17,946
Accrued expenses and prepaid income		186,874	131,258
Total current liabilities		1,095,847	442,034
TOTAL EQUITY AND LIABILITIES		2,780,498	2,226,323

Notes

NOTE 1. GENERAL INFORMATION

Acast AB (publ) ("Acast" or "the Company"), Corp. Reg. No. 556946-8498 is a parent company registered in Sweden with its registered office in Stockholm at Kungsgatan 28, 111 35 Stockholm, Sverige.

Unless otherwise stated, all amounts are in thousands of SEK. Data in parentheses pertain to the comparative period.

This interim report was authorized for issue by the board of directors on February 15, 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies applied agree with those described in the annual report for Acast AB (publ) for 2021.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act chapter 9, Interim reporting and RFR2, Accounting principles for legal entities. The same accounting principles and calculation bases have been applied as per the prior Annual Report.

Disclosures under IAS 34.16A are presented in the financial reports and notes as well as in other parts of the interim report.

NOTE 3. RISKS AND UNCERTAINTIES

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

Since the previous quarter, Acast has completed the program for cost reduction by reducing workforce, which supports the path to profitability in 2024, as the company adapts to the prevailing macro-economic conditions.

The group and parent company's 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/Counterparty risk i.e. the risk that a counterparty is not able to fulfil its contractual obligations including both commercial credit risk and financial credit risk

The financial risks in the group remain the same as in the previous quarter.

NOTE 4. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUES

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 Group's performance from a geographical perspective and the Group has identified three operating segments, Europe, Americas and Other that constitutes "rest of the world".

SEGMENT INFORMATION, SEK THOUSAND

2022 Oct-Dec	Europe	North America	Other	Total
Net sales from external customers	296,835	115,819	41,643	454,297
Total segment net sales	296,835	115,819	41,643	454,297
CBIT*	53,852	-6,124	2,806	50,534
Global costs*				-109,170
Operating loss				-58,636
Financial net				-14,414
Loss before income tax				-73,050

2021 Oct-Dec	Europe	North America	Other	Total
Net sales from external customers	214,702	90,640	31,149	336,491
Total segment net sales	214,702	90,640	31,149	336,491
CBIT*	44,769	359	2,034	47,162
Global costs*				-86,673
Operating loss				-39,512
Financial net				15,551
Loss before income tax				-23,961

Notes

SEGMENT INFORMATION, SEK THOUSAND

2022 Jan-Dec	Europe	North America	Other	Total
Net sales from external customers	899,238	363,101	128,027	1,390,366
Total segment net sales	899,238	363,101	128,027	1,390,366
CBIT*	155,017	-62,006	1,629	94,640
Global costs*				-447,282
Operating loss				-352,643
Financial net				72,377
Loss before income tax				-280,266

2021 Jan-Dec	Europe	North America	Other	Total
Net sales from external customers	685,749	248,598	91,355	1,025,702
Total segment net sales	685,749	248,598	91,355	1,025,702
CBIT*	118,521	3,682	3,778	125,981
Global costs*				-347,626
Operating loss				-221,646
Financial net				-73,472
Loss before income tax				-295,218

See note 8 for definitions.

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, such as SaaS and subscription revenue, for the reporting periods presented.

Seasonal variation within podcast advertising typically manifests in Q4 which is the strongest quarter in the year followed by lower net sales in Q1. Q2 and Q3 see less impact from seasonal variation.

NOTE 5. TRANSACTIONS WITH RELATED PARTIES

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

SEK thousand	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Purchases of services				
IT-services	169	578	1,237	578
Total purchases of services	169	578	1,237	578

NOTE 6. GOODWILL

SEK thousand	2022	2021
Opening balance, January 1	27,094	24,485
Acquisitions	311,468	-
Exchange difference	12,484	2,609
Closing balance, December 31	351,046	27,094

NOTE 7. ACQUISITION OF OPERATIONS

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 podcasters and advertisers. Podcasters 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 identified are: customer relations, brand and database. The allocation to these are based on the discounted cash-flow attributable to respective asset, where assessment 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 4.2M refer to consulting and legal fees, mainly for financial and legal due diligence in connection with the acquisition. These are recognized as Administration expenses in the income statement, and are included in items affecting comparability.

NET ASSETS IN ACQUIRED COMPANIES AT DATE OF ACQUISITION

Group SEK thousand	
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

** 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 million and had an effect of SEK -11.6 M on net profit. If the acquisition had occurred 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 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

December 31, 2022

SEK thousand	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
Financial liabilities						
Contingent earn-out payment	69,311	69,311	69,311			69,311

Fair value measurement

When determining the fair value of an asset or liability, the Group uses observable data as far as 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 7.

CONTINGENT EARN-OUT

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

NOTE 9. 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

Notes

NOTE 10. 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.
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

Alternative performance measurements not defined under IFRS	Definition	Purpose
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.
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.

Notes

Alternative performance measures not defined under IFRS	Definition	Purpose
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.

NOTE 11. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS AND OTHER OPERATIONAL MEASURES

SEK thousand (unless stated otherwise)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Alternative performance measures not defined under IFRS				
Net sales	454,297	336,491	1,390,366	1,025,702
Net sales growth (%)*	35%	40%	36%	73%
Net sales	454,297	336,491	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)	-30,380	-12,590	-84,789	1,395
Impact from acquisitions	-6 943	-	-10 941	-
Organic net sales	416,974	323,901	1,294,634	1,027,097
Net sales growth (%)	35%	40%	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)	-9%	-5%	-8%	0%
Impact from acquisitions Net sales growth (%)	-2%	-	-1%	-
Organic net sales growth (%)	24%	35%	26%	74%

SEK thousand (unless stated otherwise)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	454,297	336,491	1,390,366	1,025,702
Cost of content	-297,281	-213,680	-920,510	-652,226
Gross profit	157,016	122,811	469,856	373,476
Net sales	454,297	336,491	1,390,366	1,025,702
Gross margin (%)	35%	36%	34%	36%
Loss for the period	-73,997	-25,289	-286,375	-300,394
Income tax expense	-947	-1,328	-6,109	-5,276
Financial items	-14,414	15,551	72,377	-73,472
Operating loss	-58,636	-39,512	-352,643	-221,646
Net sales	454,297	336,491	1,390,366	1,025,702
Operating margin (%)	-13%	-12%	-25%	-22%
Operating loss	-58,636	-39,512	-352,643	-221,646
Items affecting comparability**	11,322	-104	22,612	31,138
Adj. Operating loss	-47,314	-39,616	-330,031	-190,508
Net sales	454,297	336,491	1,390,366	1,025,702
Adj. Operating margin (%)	-10%	-12%	-24%	-19%

Notes

SEK thousand (unless stated otherwise)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating loss	-58,636	-39,512	-352,643	-221,646
Depreciation and amortization	16,205	11,389	57,694	40,028
EBITDA	-42,431	-28,123	-294,949	-181,618
Net sales	454,297	336,491	1,390,366	1,025,702
EBITDA margin (%)	-9%	-8%	-21%	-18%
EBITDA	-42,431	-28,123	-294,949	-181,618
Items affecting comparability**	11,322	-104	22,612	31,138
Adj. EBITDA	-31,109	-28,227	-272,337	-150,480
Net sales	454,297	336,491	1,390,366	1,025,702
Adj. EBITDA margin (%)	-7%	-8%	-20%	-15%
Operational measures				
Listens (millions)	1,327	1 091	5,139	3,735
Net sales	454,297	336,491	1,390,366	1,025,702
Average revenue per listen, ARPL (SEK)	0.34	0.31	0.27	0.27

* Net sales growth compared to same quarter in the previous year.

** Items affecting comparability for Q4-22 are costs from the acquisition of Podchaser and restructuring costs. Items affecting comparability for Q4-21 and the full year are costs from the IPO.

Group financial KPIs and alternative performance measures

SEK thousand	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Net Sales	454,297	321,950	315,826	298,293	336,491	265,142	226,635	197,434	239,868	1,390,366	1,025,702	591,530
Net Sales growth (%)	35%	21%	39%	51%	40%	89%	130%	74%	95%	36%	73%	64%
Organic net sales growth (%)	24%	7%	28%	40%	35%	87%	134%	86%	117%	26%	74%	69%
Gross profit	157 016 ,	112,551	94,003	106,285	122,811	96,740	82,815	71,110	92,718	469,856	373,476	219,427
Gross margin (%)	35%	35%	30%	36%	36%	36%	37%	36%	39%	34%	36%	37%
EBITDA	-42,431	-86,117	-98,570	-67,832	-28,123	-42,040	-75,246	-36,210	-6,624	-294,949	-181,618	-123,357
EBITDA margin (%)	-9%	-27%	-31%	-23%	-8%	-16%	-33%	-18%	-3%	-21%	-18%	-21%
Adj. EBITDA*	-31,109	-75,144	-98,253	-67,832	-28,227	-42,009	-46,638	-33,606	-6,624	-272,337	-150,480	-123,357
Adj. EBITDA margin (%)*	-7%	-23%	-31%	-23%	-8%	-16%	-21%	-17%	-3%	-20%	-15%	-21%
Operating loss	-58,636	-101,986	-111,959	-80,063	-39,512	-52,747	-84,951	-44,437	-13,040	-352,643	-221,646	-148,538
Operating margin (%)	-13%	-32%	-35%	-27%	-12%	-20%	-37%	-23%	-5%	-25%	-22%	-25%
Adj. operating loss*	-47,314	-91,013	-111,642	-80,063	-39,616	-52,716	-56,343	-41,834	-13,040	-330,031	-190,508	-148,538
Adj. operating margin (%)*	-10%	-28%	-35%	-27%	-12%	-20%	-25%	-21%	-5%	-24%	-19%	-25%
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	-28,059	-286,375	-300,394	-172,222
Cash flow from operating activities	-12,314	-96,707**	-97,629	-87,633**	12,383**	-70,830	-64,452	1,091	-54,728	-294,284	-121,806**	-188,800
Basic and diluted earnings per share (SEK)***	-0.41	-0.38	-0.40	-0.41	-0.14	-0.26	-1.28	-0.37	-0.21	-1.59	-1.91	-1.36
Listens (millions)	1,327	1,318	1,238	1,256	1,091	891	880	872	863	5,139	3,735	2,976
Average revenue per listen, ARPL (SEK)	0.34	0.24	0.26	0.24	0.31	0.30	0.26	0.23	0.28	0.27	0.27	0.20

*Items affecting comparability for Q2-22 are for the acquisition of Podchaser. Items affecting comparability for Q3 and Q4 2022 are costs for restructuring and for the acquisition of Podchaser. Items affecting comparability for the quarters in 2021 are costs for the IPO.

**Adjustment of cashflow for previous periods has been done. For more information see note 9.

***50:1 sharesplit undertaken in Q2-21 applied to all reporting periods.

For definitions and purpose see note 10, and for reconciliations see note 11.

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