Acast

2021
Annual report

Content

About Acast

Acast was founded in 2014 and our strategy is to become the world's largest marketplace for podcast monetization. We do this through connecting podcast creators, advertisers and paying listeners with our technology. We are an independent player working behind the scenes in supplying podcast content direct to hundreds of listening apps, generating and monetizing more than 350 million listens a month. If you are listening to an Acast-connected podcast and hear an ad – it is us delivering that ad behind the scenes and then sharing the revenue with the podcast creator.

Podcast creators come to us to reach and grow as big an audience as possible and, to then monetize that audience to its full potential. Advertisers use our targeted advertising to reach these hyper-engaged audiences in an effective way.

Acast has expanded significantly over the last few years and now has a global presence in more than 13 countries. For 2021 the number of listens to Acast podcasts reached 3.7 billion, with net sales over SEK 1bn and today Acast has more than 40,000 podcasts connected to its platform. Acast's headquarters are located in Stockholm, Sweden, and the Company has nine local subsidiaries including UK, US, Australia, Norway, France, Germany, Ireland, Mexico and Canada.

Acast was co-founded by Johan Billgren, current Chief Innovation Officer, and is listed on the Nasdaq First North Premier Growth Market. Certified Adviser is FNCA Sweden AB, info@fnca.se, +46 (0) 8528 00 399

Everything we do aligns with our mission to become the largest marketplace for podcast monetization globally

Creators

We help creators find and grow their audience and make money from their podcast

>1 Bn*
LISTENS/QUARTER

>40,000
SHOWS

Acast

Advertisers & listeners

Advertisers use our targeted advertising to reach hyperengaged audiences in an effective way

2,400
ADVERTISERS/YEAR

73
MILLION MONTHLY UNIQUES

* Q4 2021

Significant events in 2021

- Completed the acquisition of assets in the US podcasting company RadioPublic, aiming to further strengthen the relationship between podcasters and listeners
- Concluded an Initial Public Offering on Nasdaq First North Premier Growth Market and strengthened the balance sheet with SEK 1.2 Bn in primary proceeds from a new share issue
- Launched beta version of Acast+, which brought new monetization options to podcasters, including the ability to offer ad-free streams, bonus content and more to paying subscribers
- Re-signed a three year contract with the BBC for monetization of international listens
- Repaid European Investment Bank (EIB) quasi-equity instrument
- Two markets: UK and for the first time Sweden, became profitable
- A range of shows joined an existing strong network at Acast taking the total show count to over 40,000 including names such as the BBC, Financial Times, The Economist, TED, Crooked Media and Dagens Industri

Performance 2021

- Strong net sales growth of 73% (64%) and record net sales of SEK 1,026m (592)
- Organic net sales growth of 74% (69%) when adjusting for FX
- Gross margin at a steady 36% (37%)
- Adj. EBITDA margin improved to -15% (-21%)
- Adj. EBITDA of SEK -150m (-123)
- Operating loss of SEK -222m (-149) includes IPO related costs of SEK 35m
- Net loss for the period of SEK -300m (-172), impacted negatively by SEK 98m related to the repayment of EIB quasi-equity instrument as well as negative impact from FX
- Significant improvement of cash flow from operating activities of SEK -107m (-189)
- Basic and diluted earnings per share for the period of SEK -1.91 (-1.36)
- Listens reached 3,735 million (2,976) and ARPL improved to SEK 0.27 (0.20)

Key figures

SEKk	2021	2020
Net Sales	1,025,702	591,530
Net Sales growth (%)	73%	64%
Organic net sales growth (%)	74%	69%
Gross profit	373,476	219,427
Gross margin (%)	36%	37%
EBITDA	-181,618	-123,357
EBITDA margin (%)	-18%	-21%
Adj. EBITDA	-150,480	-123,357
Adj. EBITDA margin (%)	-15%	-21%
Operating loss	-221,646	-148,538
Operating margin (%)	-22%	-25%
Adj. operating loss	-190,508	-148,538
Adj. operating margin (%)	-19%	-25%
Items affecting comparability	31,138	0
Loss for the period	-300,394	-172,222
Cash flow from operating activities	-106,578	-188,800
Basic and diluted earnings per share (SEK)	-1,91	-1,36
Listens (millions)	3,735	2,976
Average revenue per listen, ARPL (SEK)	0,27	0,20

Financial targets

Target set June 2021

TARGET	DESCRIPTION
Organic net sales growth (%) ~60% 2020-2025	Acast targets an average annual Organic net sales growth rate of 60% between 2020-2025.
Gross margin, 37%	Acast aims to maintain its current Gross margin level until 2025
EBITDA profitability in 3-5 years	Acast aims to reach EBIDTA breakeven in 3 – 5 years.
Dividend policy Retain available funds and future earnings to support growth and development	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.

CEO comments

We are entering a new era of podcasting

In a few years' time, we'll look back on 2021 as a landmark in podcasting's short history. Driven by a thriving Creator Economy, more podcast listeners, as well as a more mature approach to advertising, the industry is now entering a new era. Today, podcasts are offering many people comfort, education, information, entertainment and gives many a sense of security in a time, when the world has been and is currently facing a great deal of uncertainty.

Every year, the predictions of podcast industry growth get a little bit bigger and a little more confident. I still think they're being too conservative and I'll try to explain why.

AN INFLUX OF PODCAST CREATORS FROM ACROSS THE MEDIA SPECTRUM

The Creator Economy is revolutionizing all corners of media, and podcasting is riding that wave.

We talk a lot about how important it is that podcasting remains open-source in its nature. Unlike other media — for example video or TV — podcasts are available to all listeners, everywhere, no matter the device or listening app they're using, or the country they live in.

RSS technology, that is, the technology that enables podcasts to be distributed to virtually any listening app makes this all possible, and means creators of all shapes and sizes are able to retain creative control and can make money from their craft on their own terms, irrespective of the listening app being used by the listener.

Not all the players within the podcasting industry agree, but this open-source ecosystem, where it is ultimately the listener who decides which listening app the person wants to use is clearly attractive to creators — especially those who are perhaps more used to being stifled by the platforms that dominate other mediums. It's why we're seeing an influx of social influencers expanding from TikTok and YouTube into podcasting.

Acast has for several years focused on developing the value created by open podcasting, and we're bringing new products and services to the market to actively help champion this ecosystem. Acast+, for example, is our newly launched suite of monetization options that

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ROSS ADAMS
Chief Executive Officer

enables podcast creators to offer paying subscribers exclusive benefits.

Subscription offerings like Acast+ give podcast creators new revenue streams to sustain their podcasts, alongside ads and sponsorship, one-off tips, merchandise, and live events — the latter in particular being something that will come to the fore this year as Covid restrictions continue to relax globally.

PODCASTS FAST APPROACHING MASS-MEDIA STATUS

Having established a base of listeners around the world over the past few years, we're now accelerating on our journey towards the point where half the population in major markets like the US and the UK will regularly listen to podcasts.

We have a little way to go, but I believe podcasts will reach mass-media status sooner, rather than later. That's supported by the huge number and diversity of podcasts being published today, podcast creators flooding into the space, and the slow but steady return of the daily commute for millions of people globally.

As different mediums battle it out for consumer eyes and ears, podcasting is once again in a position of strength. It's an active listening experience, and listeners use headphones 90% of the time. Therefore the level of attention they're paying to the words they're hearing, from both podcasters and advertisers, is absolutely unrivaled.

The above increasingly leads to podcast creators leaving the more traditional confines of commercial radio, for example, to start their own podcasts, attracted by the same things I've already mentioned: creative control, freedom, and revenue potential. And they're bringing their audiences with them.

A MATURING APPROACH TO ADVERTISING

Increased content creation and changes in consumer behavior inevitably leads to more attention from advertisers, so the industry is maturing to meet their expectations.

We're acutely aware that Google's decision to shut off cookies next year will impact ad targeting across most mediums. However, that's something we all should be able to get on board with – advertisers want solutions that don't invade consumers' privacy, and consumers want the same thing.

Here, as in so many instances, podcasts are ahead of the curve. Podcasts are unique in the way they allow for intimate conversations between host and listener — and that makes it all the more important that we respect this environment when it comes to advertising. We have a responsibility to both our podcasters and their fans to help the brands we work with find the best, most relevant conversations to be part of.

That's why we're pioneering brand-safe, privacy-safe solutions that help advertisers reach the right listeners, within the most relevant conversations taking place across our network of 40,000 podcasts. It is crucial that our advertisers are targeting conversations — not individual users.

This approach is something we call 'Conversational Targeting', and we'll be launching several different features under this banner throughout 2022.

In conjunction, we're also refining the data we're able to provide advertisers about our podcasts and their listeners. Acast+, which has the potential to reach millions of unique users, which would create the world's largest and farthest-reaching podcast listener panel, and thus contribute greatly to improving the accuracy of podcast advertising.

A NEW ERA OF PODCASTING

Podcasting is clearly an industry primed and ready to make its mark globally, and I believe we're now entering a new era for the medium. 2021 was a blockbuster year for both Acast and the industry as a whole, and 2022 has the potential to be even better.

Generally speaking the majority of companies you're looking at are treating podcasts as just one, and often small part of their overall strategy. Acast, on the other hand, is a pure play podcast company. It's all we do, and we're the most experienced, most innovative, most successful company doing it.

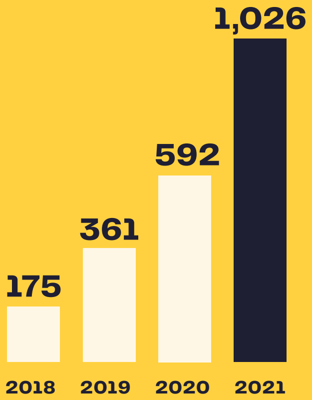
Onwards and upwards

ROSS ADAMS
Chief Executive Officer

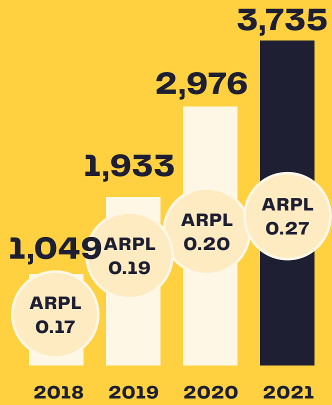
"Podcasts are unique in the way they allow for intimate conversations between host and listener — and that makes it all the more important that we respect this environment when it comes to advertising."

Acast facts and figures

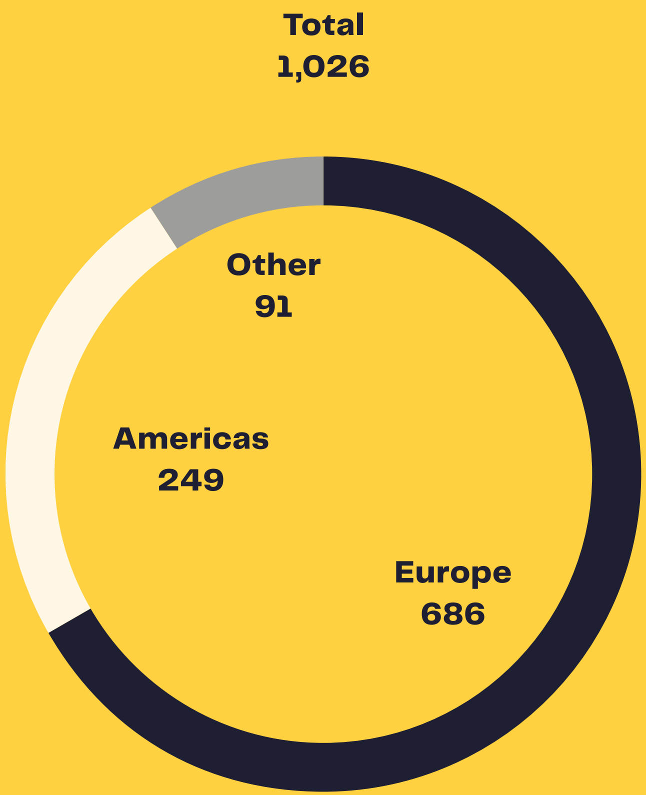
Full year net sales development, SEKm



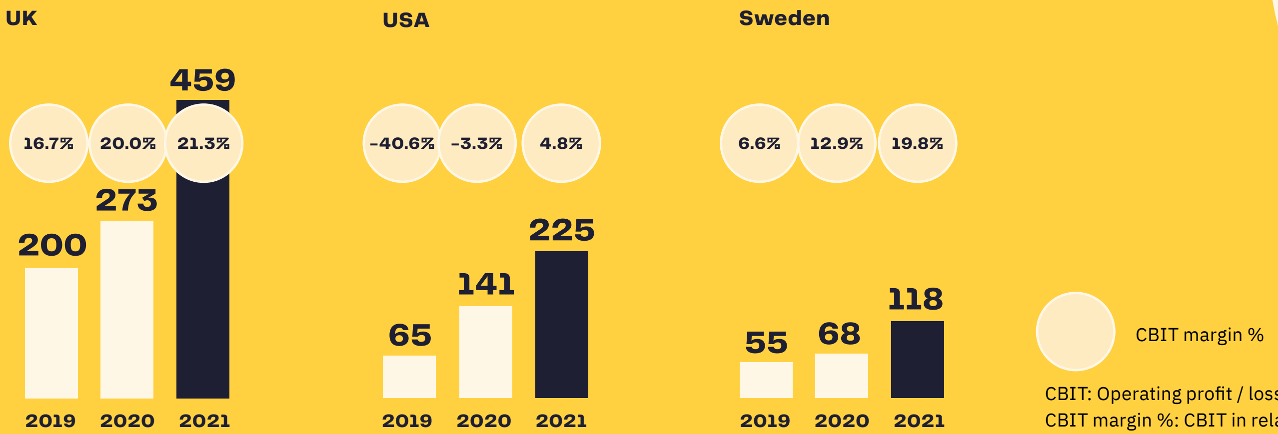
Listens (millions) and average revenue per listen ARPL (SEK)



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.

Dominating Swedish and British charts

PODD INDEX

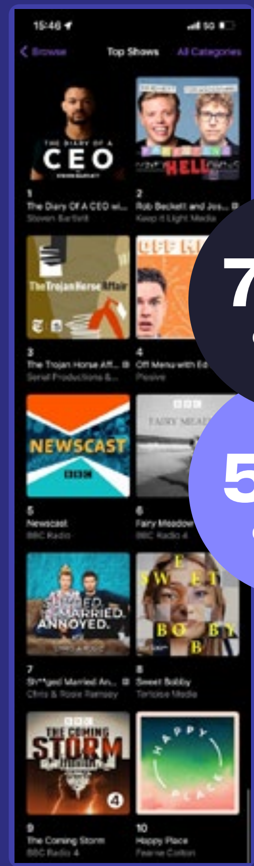
1	podspace	ursäkta
2	podspace	Alex & Sigges podcast
3	Acast	Aftonbladet Daily
4	Acast	Mellan Himmel och Jord
5	Acast	Flashback Forever
6	Acast	Wahlgren & Wistam
7	podspace	Filip & Fredrik podcast
8	podspace	When We Were Kings
9	Acast	Framgångspodden
10	Acast	Historiepodden

60% OF TOP 10

64% OF TOP 50

Acast

Source: Poddindex.se 2022-02-03



70% OF TOP 10 IN UK

58% OF TOP 50 IN UK

Acast

Source: Apple podcast chart 2022-02-03

A global perspective

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

10+
offices globally, offering local expertise to podcasters and advertisers

350
million monthly listens, around the world across the different apps and platforms

383
co-workers. Acasts largest representation is in Sweden, UK and USA

Market overview

The growing podcast market

Podcasting is one of the fastest growing media channels with a strong potential for further growth. Podcasts are in a perfect position to grow with the megatrend of on-demand media consumption.

The global podcast market is growing rapidly. The growth is a result of the digitalization of the radio that has taken place where podcasts, audiobooks and music streaming, expanded their share of the revenue streams as radio has taken a step back. The podcast expansion has been driven by the extensive use of smartphones that has made it easier to listen to podcasts, not only in headphones, but also in cars and smart speakers. Users can now access a wider range of content and use hundreds of different streaming apps, for example Itunes, Apple podcasts or Samsung Free. This way of consuming content has just recently taken off and, in other words, we are only in the beginning phase of a promising future.

Acast's addressable market is defined as the existing market for podcast advertising and the radio advertising market, which according to a PwC survey, amounts to approximately USD 30bn (2020). The market is supported by several positive global trends that favor a long-term increase in podcasts, 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. This is illustrated by an average annual growth rate of podcasts of 56 percent between 2015 and 2020.

The increase in podcast listening continued in 2021. This is driven both by additional podcast listeners and the fact that existing listeners are consuming more podcasts. For example, in the US, the average number of podcasts a podcast listener consumes has increased from six to eight podcasts per week from 2020 to 2021. The average time that US listeners consume podcasts has increased by 50 percent since 2015, from about four hours per week on average to about six hours per week. With favorable developments the podcast market is expected to grow and reach USD 3.4 bn in 2025, representing an average annual growth rate of 19 percent from 2020 to 2025. (Source: PwC Strategy&)

ACAST'S ROLE IN THE VALUE CHAIN

Acast is at the center of the value chain, bringing together advertisers seeking a committed audience with podcast creators who want to generate revenue from their shows. Acast's podcast advertising marketplace provides access to a global network of connected advertisers and podcasters. Podcast creators who want to expand their platform and create revenues can take advantage of Acast's tools. They, in turn, provide access to the listeners that advertisers want to target, resulting in more advertisers joining Acast as the number of connected podcast creators and thus listeners grows.

PODCAST ADS

Podcasts enable brands to connect with their customers in new ways as audience engagement is high and consumers are more receptive to advertising. Podcast listeners are less likely to skip ads, and ads are generally not perceived as intrusively as in other media formats.

Acast has a wide range of services and products for advertisers, helping them target a committed audience directly on a global scale. This includes the proprietary so-called TDAI technology (True Dynamic Ad Insertion) which enables advertising to a specific audience of listeners, improving the effectiveness of ads.

ACAST CREATES REVENUE FOR PODCASTERS

For podcast creators aspiring to grow, Acast can offer opportunities to generate revenue with integrated tools to expand and improve content, as well as increase the number of listeners. Acast distributes podcast creators' shows to hundreds of listening apps and web channels, which creates a possibility to generate revenue through ads. Acast also gives creators the opportunity to generate revenue directly from listeners through Acast+. This means that podcast creators can offer a subscription service directly to their listeners as a complement to advertising revenue. Through the subscription, listeners can enjoy, for example, ad-free episodes and bonus content. By adding revenue from subscriptions, Acast+ is an important piece of the puzzle in Acast's future growth.

Podcast creators range from major media companies to independent hobby creators. Smaller creators account for most of the shows. Smaller podcasters often have a very engaged audience, but a smaller number of listeners, which can still make a great impression on advertisers. Major independent podcast creators are usually popular podcasts led by a famous person in a talk-show environment where the revenue is primarily generated from advertising.

Acast's business model enables both smaller and larger shows to join the platform.

Through these services and its efficient ad marketplace, Acast has attracted many shows over the years, reaching over 40,000 shows by the end of 2021 that generated over 3,7 bn listens throughout the year.

Podcast advertising market overview

Europe

The European market accounted for around 20 percent of the total podcast market in 2020. Europe accounts for 67 percent of Acast's revenues. Acast has a market-leading position in both the UK and Sweden. These markets grew by 68 percent and 74 percent respectively in 2021.

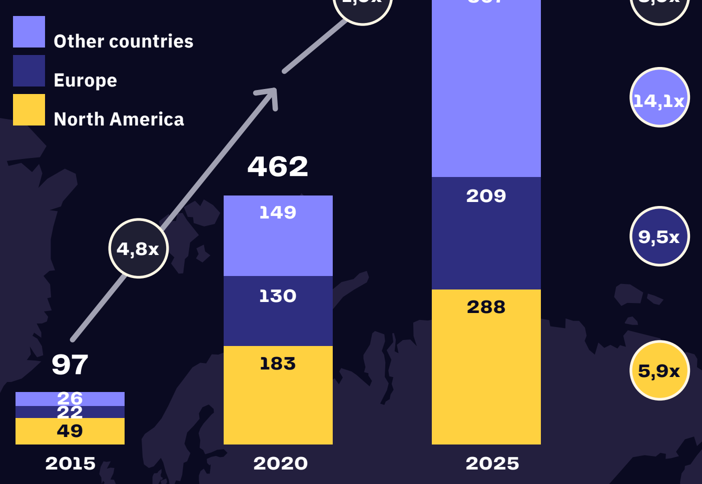
North America

The North American market accounted for approximately 70 percent of the total podcast market in 2020. The US is one of the largest podcast markets in the world, with advertising reaching USD 756 million in 2020. The US, Canada, and Mexico account for 24 percent of Acast's revenue, and the US accounts for growth potential in terms of listeners and revenue. The US is one of Acast's most important markets with a large listening base and great scope for further growth through further penetration.

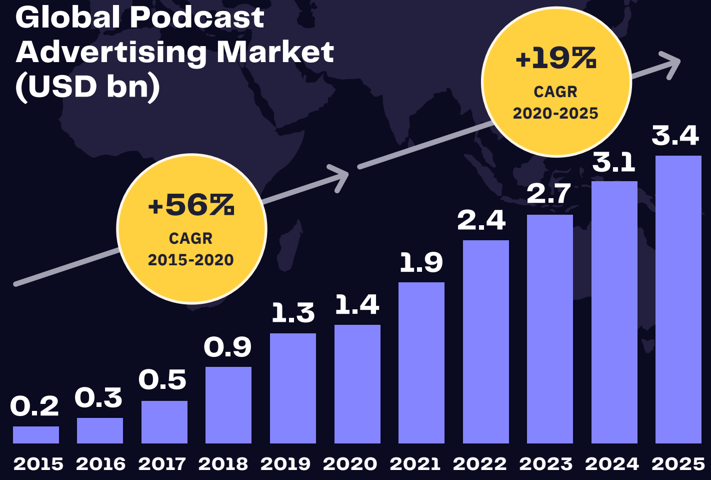
Other countries

(Asia-Pacific, APAC),
APAC accounted for 10 percent of the total podcast market in 2020 and is the fastest growing market with an expected average annual growth rate of 26 percent in 2020-2026, driven primarily by the breakthrough for podcasts in India. APAC accounts for approximately 9 percent of Acast's net sales.

Listeners per month and region (millions)



Global Podcast Advertising Market (USD bn)

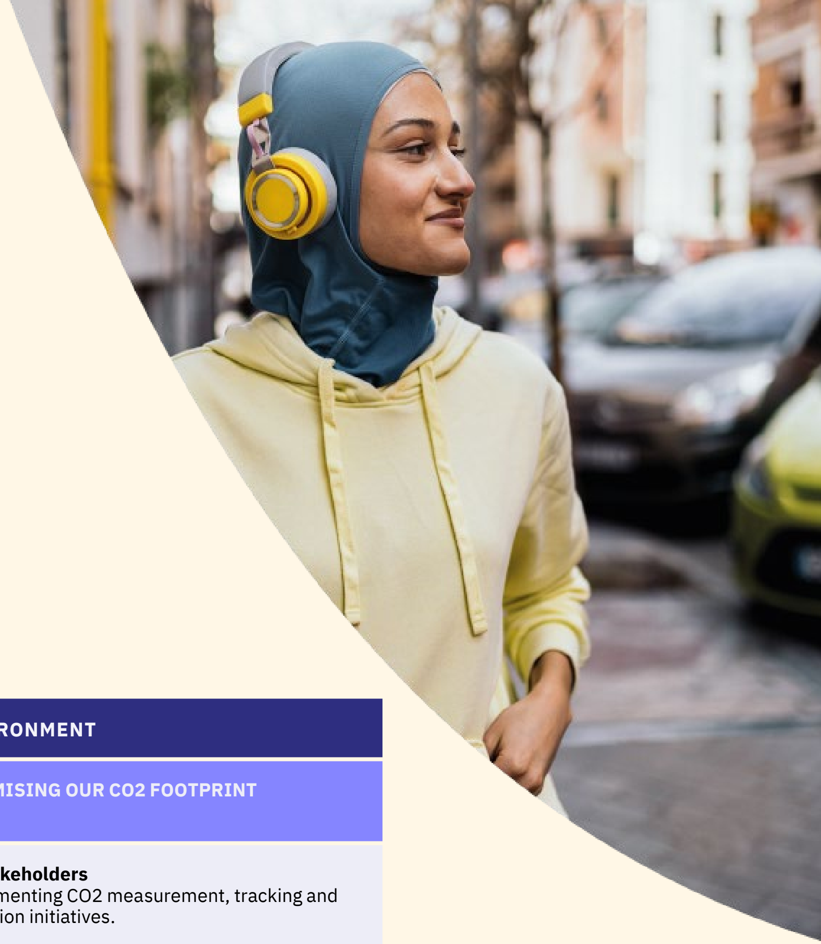


Potential to reach USD 3.4 bn market globally by 2025

Podcast advertising has grown by a CAGR of 56% since 2015 to 2020

Source: PwC Strategy&

Sustainability and ESG



Acast's vision is to build, champion and supercharge a profitable, fair and sustainable open global ecosystem for podcasts.

As an international, high growth, tech-company, we are striving 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 key stakeholders. Our overall business strategy is to become the largest podcast monetization marketplace, connecting advertisers and podcasters and we are committed to acting responsibly in this pursuit.

In considering our key stakeholders and the key areas of impact we can have on our journey, Acast has grouped its ESG efforts into three themes:

	SOCIAL	GOVERNANCE	ENVIRONMENT
OBJECTIVE	ENSURING DIVERSE VOICES ARE HEARD EXTERNALLY AND INTERNALLY	CHAMPIONING THE OPEN PODCASTING ECOSYSTEM	MINIMISING OUR CO2 FOOTPRINT
Key Stakeholders and Activities	**Podcasters** To strengthen diversity among creators by pro-actively finding underrepresented voices and supporting the building and growth of their podcasts. **Staff** Through organizational practice and culture, the internal work is driven with diversity and inclusion. This includes the recruitment process, the work with management representation and by mapping the gender pay distribution. **Listeners and advertisers** Acast apply advertising policies which prevent us from accepting advertising of for example guns, tobacco, porn or U.S. political ads. We also work to ensure an ad-safe environment for our advertisers and publish guidelines for podcast content to our creators.	**All stakeholders** Championing The Open Ecosystem and its positive impact on the industry and creators alike. **Investors** Building a business that is financially sustainable for Acast and its investors.	**All stakeholders** Implementing CO2 measurement, tracking and reduction initiatives.
UN Sustainability Goal	5 – Gender Equality 8 – Decent Work and Economic Growth	8 – Decent Work and Economic Growth 9 – Industry, innovation and infrastructure	13 – Climate Action / CO2

Sustainability

Ensuring Diverse Voices are heard externally and internally

CREATORS

It is Acast's mission to seek out and support storytellers, giving their stories the audience they deserve. Acast believes that for too long, the top podcast charts have been underrepresenting large sections of society, especially different ethnicities, LGBTQ+ community, women and other groups. Recognizing its important role in ensuring the podcast industry reflects the world around, Acast has been focused on a strategy of finding and supporting underrepresented voices. Championing voices not heard in other traditional mediums helps build a more equitable society, and generates greater revenue for more creators, and the whole industry. Acast proactively seeks out these creators, supports the building of their podcasts and helps grow these shows to become the mainstream, revenue-driving hits they should be.

This strategy is based on three pillars: Acquisition, Partnerships and Growth.

Acquisition

Acast's podcaster teams ensure their outreach strategies supports this mission. The teams are continuously monitoring new and established creators and looking for talent from underrepresented groups to bring into the network.

In parallel to this, two years ago Acast initiated a program of free Aclass masterclasses for underrepresented groups in podcasting, giving advice, tools and inspiration needed to launch a podcast. Aclass masterclasses have been run across UK, US, Sweden and Canada – covering Queer, Black, Women, Latin and Asian voices. During 2021, we held events focusing on Black Voices, Asian Voices, Indigenous Voices and Pro-Tools, the latter aiming to teach aspiring podcasters to use software to further create knowledge, accessibility and an equitable podcasting community. The workshops featured Acast and non-Acast podcasters and reached hundreds of aspiring and existing podcasters.

Partnerships and Growth

Platform collaborations: Acast actively works with large platform stakeholders to promote collections with diverse hosts - including with Apple Podcasts' 'Black All Ways, Black Always' — a curation of podcasts in collaboration with podcasters gal-dem — to help spotlight a breadth of new podcasts while simultaneously celebrating black voices in podcasting, both in front of and behind the mic.

Marketing and promotions: Acast works to ensure that marketing and press opportunities feature podcasters from all areas of society. Acast also uses its own channels and unsold inventory to promote its podcasters and are actively increasing the promotions that support shows with hosts or content from underrepresented groups. During 2021 we have marked many moments across the year with special activations in some markets. For Black History Month a number of our podcasters recorded 30 second audio which we ran across our network, for Pride Month our Acast promoted LGBTQIA+ shows, and for Mental Health Awareness week we ran a campaign asking prominent podcasters to answer the question 'What piece of advice do I wish I could tell my younger self?'

Sales: When it comes to sales, ultimately Acast is aiming to ensure that underrepresented voices are not just heard, but earning a fair share of revenue. During 2022 Acast is commencing analysis of how much revenue we are generating for podcasts from self-identified minority groups through our marketplace.

ORGANIZATIONAL PRACTICES AND CULTURE

We strive to make Acast the best workplace imaginable, and that's made possible by our colleagues with whom we engage with every single day. By following our core values; Fuelled by Passion, Curious and Brave, and Open and Caring we encourage accountability, transparency, and ethics in our decision-making and employee behaviour at Acast.

Acast's Code of Conduct includes guidelines for the rights and obligations of employees. Discrimination of employees based on gender, social status, ethnicity, religion, age, disability, sexual orientation, nationality or political views are not accepted.

Acast is equally continuing its commitment to diversity, equity and inclusion (DE&I) internally and took meaningful steps towards improving representation across the entire company in 2020, a work that continued throughout 2021. In 2020 we initiated a partnership with a DE&I specialist which included training for all hiring managers, and an improvement of Acast's hiring process — especially within Acast's tech and engineering teams. As of December 31, 2021 55% of all employees are women compared to 52% in 2020. Acast's Board of Directors consists of three men and two women. The management team consists of nine persons of which two are women. During 2021 we have also continued our analysis to identify, and correct, any potential inequality in pay, promotions and distribution of work within the organization.

When it comes to labour practices and work environment we see a good work environment as a prerequisite for us to be productive and competitive and to have the opportunity to recruit and retain qualified employees. It's vital that everyone feels comfortable at Acast, and we actively work to reduce and prevent work-related ill health and illness. This includes physical and organisational as well as social aspects. We focus primarily on areas in terms of the organisational and social workplace environment, which includes working hours, workload, and harassment or degrading treatment. As a result of covid and remote work practices, much focus has during 2020 and 2021 been on training managers in identifying and mitigating risks to staff mental health.

In the UK Acast has signed and is actively adhering to the Equality in Audio Pact. Equality in Audio Pact is an initiative to enhance equality within the audio industry. It means that Acast pay all interns, no longer participates in panels that are not representative of the cities towns and industries they take place in, hires people with all different ethnicities and from different minority groups etc.

RESPONSIBLE ADVERTISING

A vast majority of Acast's incomes comes from advertisement in podcasts hosted by Acast. That means that Acast has a great responsibility in what type of ads we choose to include in the podcasts as well as ensuring a brand safe environment for those brands and advertisers who choose to work with Acast.

Sustainability

Acast ad-operations apply ad-policies to all ads delivered by the plafrom. These ad policies include not accepting any advertisement of weapons, tobacco, porn or US political ads. For certain categories of ads the podcaster may opt-in to allow for advertising, such opt in categories include for example betting (where legal) and non-tobacco-based smoking devices.

In terms of the advertiser perspective, advertisers need to ensure that their brand's messaging is conveyed in relevant and brand-safe environments. In 2021 Acast announced a partnership with Comscore where Acast will leverage Comscore's services and technology for direct and programmatic ad sales to enable brands to ensure that their advertising appears within podcast episodes that align with their brand preferences.

During 2022 Acast joined the UK chapter of the Unstereotype Alliance. Convened by UN Women, the Unstereotype Alliance seeks to eradicate harmful stereotypes in media and advertising content, and use the advertising industry as a force for good to drive positive change. As the first audio partner appointed by the Unstereotype Alliance globally, Acast will offer its perspective on how stereotyping can be tackled in audio ads.

COMMUNITY GUIDELINES

Acast will always seek to safeguard freedom of expression and freedom of information for creators and listeners. As much as we want to promote free speech and the right to information, we also believe that conversations should take place in a respectful, safe, and relevant way. Therefore, Acast has adopted a set of community guidelines which are communicated to all creators and have been available publicly for years on the Acast webpage https://acast.com/sv/community-guidelines.

As part of these guidelines Acast fully and unconditionally reserves the right to remove any inappropriate content on the Acast platform, without prior notification to creators or any third parties. This covers the entire platform provided by Acast.

Championing a fair, open and sustainable ecosystem

CREATORS AND ADVERTISERS

Open podcasting is the bedrock on which the entire podcast industry was built: in short, an ecosystem that allows content creators to share and monetize their work with listeners everywhere, across every podcast app and player there is. The sustainable way to build podcasters and grow an engage and consistently monetizable audience is by not limiting podcasters or listeners to a single platform nor shutting anyone out. When podcasters and advertisers reach more people with brilliant stories and the right messages everyone makes money.

LISTENERS

To be sustainable as a medium means that our podcast content needs to be valuable to our listeners and create a good listening experience. Acast has undertaken proprietary research as part of our beta test for Acast+ to understand how listeners experience podcasts consumption. Our conclusions show that listeners often describe the experience as follows:

- I feel calm
- I get intellectual stimulation
- I feel happy and sometimes laugh out loud
- It feels like I'm hearing my friends speak
- It reminds me of home
- I feel part of a community

In this way, listening to podcasts can be a very positive element in our everyday lives, in contrast to the experience people may have in consuming some other media or social media.

INVESTORS

A financially sustainable business is a prerequisite for Acast to continue creating value for stakeholders in the podcast industry, including sustainable value growth for shareholders. Acast has been democratizing podcast monetization for many years. We invented true dynamic ad insertion (TDAI) for podcasting, allowing advertisers to change the ads served in podcast episodes according to their desired target audience, or to include new messages or products, for example — no matter how long ago the episode it's airing in was originally published. More recently, we have added additional tools for the creators to use. One example is Acast+ in which podcasters can offer paying subscribers ad-free streams, early access and exclusive content. One way to measure how well we succeed in developing our financially sustainable business model is to look at how effective we become at monetizing each listen, the average revenue per listen (ARPL) and how scalable our business model is. The higher earning rate we as a company generate, the more money we can pass on to the podcast creators, which is a crucial factor for us to continue to be an attractive partner for the creators and for us to be able to achieve our common goals.

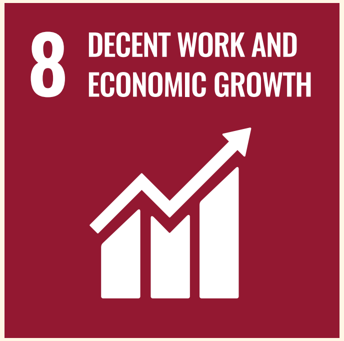
In 2021 ARPL increased to 0.27 SEK from 0.20 SEK in 2020 and in delivering our future growth goals Acast sees futher potential to increase the ARPL metric over time. When it comes to scalability Acast reported that for the first time in 2021 Acasts two largest markets, UK and Sweden became fully profitable. The US also reached local profitability for the first time in 2021 before allocation of global overheads (CBIT). Acast's revenues grows significantly faster than its costs. This is demonstrated by the fact that the Adj EBITDA margin improved to -15% in 2021 compared to -21% in 2020 as the business continues to scale and grow. These are good conditions for Acast's continued journey towards profitability.

Minimizing our CO_2 footprint

ACAST'S FOOTPRINT

In 2021 Acast initiated the work to start measuring its environmental impact. It will include measurement of emissions from e.g. electricity, business travel and purchase of IT equipment. It will also include streaming emissions caused by listening to our podcasts and the aim is to start reporting progress from 2022 and onwards.

Sustainability



Sustainability Goals

We envisage that our business model, vision, strategic plans and activities, underpinned by how we conduct our business will most meaningfully contribute to the following key UN Sustainability Goals:

5. GENDER EQUALITY
– Through our diversity & inclusion initiatives we actively work to develop a diverse and inclusive organization as well as enhancing equality within the audio industry as a whole.

8. DECENT WORK AND ECONOMIC GROWTH
– Both directly and indirectly, Acast affects the work conditions and environment of stakeholder groups, including its own employees, suppliers and partners. Acast's policies and routines related to occupational health and safety, and the Code of Conduct are clearly linked to Goal 8. Additionally, Acast's open podcast ecosystem allows podcast creators to sustainably monetize their work and grow their audiences.

9. INDUSTRY, INNOVATION & INFRASTRUCTURE
– By championing the Open Ecosystem and its positive impact on the industry and creators alike Acast builds an infrastructure that helps the industry grow and facilitates sustainable and innovative operations.

13. CLIMATE ACTION
– Acast is committed to reducing our impact on environment and climate and is working to reduce CO2 emission from its operation, including energy consumption, transportation and business travels.

Acast's share

Acast's share has been listed on Nasdaq First North Premier Growth Market since June 17, 2021. The share capital in Acast amounts to SEK 1,159 thousand. The number of shares amounts to 178,731,126 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

The introductory price for Acast's share at the listing on Nasdaq First North Premier Growth Market was SEK 38 per share. At the end of 2021, the price was SEK 23. For the current price, please refer to Nasdaq Stockholm's website. Acast's share was traded, in 2021, at a maximum of SEK 39.5 and at a low of SEK 21.36.

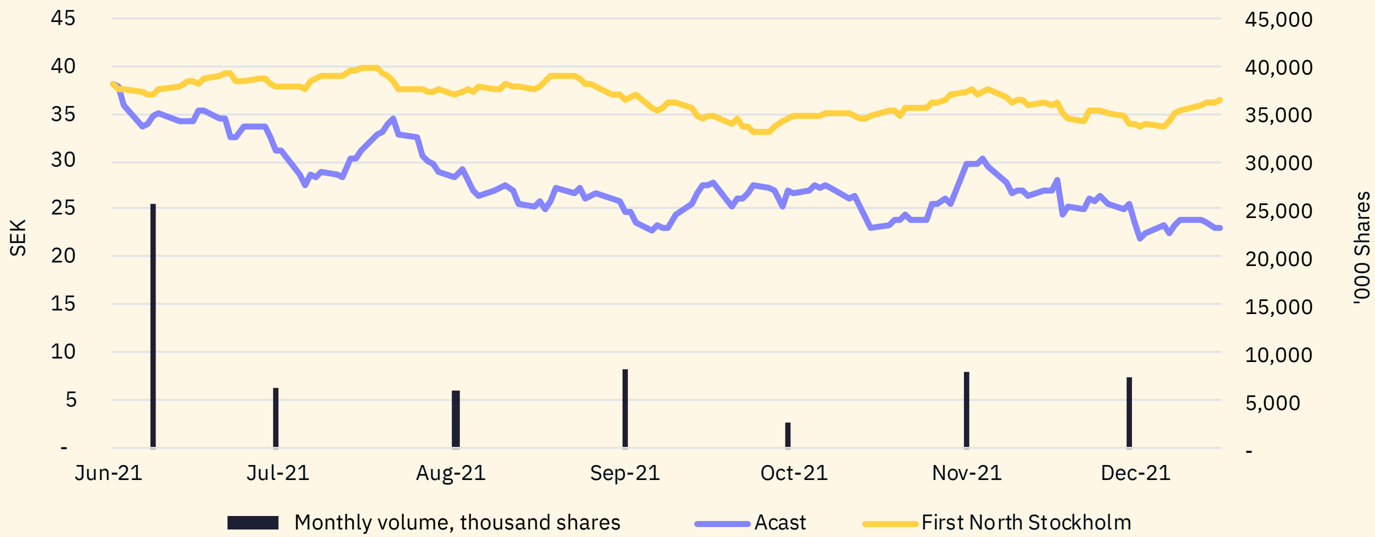
FINANCIAL TARGETS

Acast's target is to achieve an average annual organic net sales growth of 60% between the years 2020 and 2025. Acast aims to retain a gross margin of 37% until 2025. Acast aims to reach an EBIDTA breakeven in 3-5 years (noting that the target was set in June 2021).

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	Number of shares	Capital & votes
Alfvén & Didrikson AB	23,243,613	13.00%
Moor&Moor AB	19,531,450	10.93%
Första AP-fonden	15,149,878	8.48%
Bonnier Ventures	14,508,903	8.12%
Alecta Pensionsförsäkring	13,842,105	7.74%
Swedbank Robur Fonder	12,918,650	6.67%
Handelsbanken Fonder	11,129,500	5.90%
Kuvari Partners LLP	5,600,000	2.77%
BlackRock	4,875,839	2.73%
Movestic Livförsäkring AB	3,607,917	2.31%
Sum of 10 largest owners	**124,407,855**	**69.61%**
Other	54,323,271	30.39%
Total number of shares	**178,731,126**	**100%**



FINANCIAL CALENDAR 2022

Annual General Meeting:	17 May 2022
Interim report January-March:	17 May 2022
Interim report January-June:	2 August 2022
Interim report January-September:	8 November 2022

SHAREHOLDER INFO

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

Board of directors

Andrea Gisle Joosen

Chairman and member of the board of directors since 2018. Chairman of the remuneration committee since 2019 and member of the audit committee since 2020

Born: 1964

Education and professional experience: BA and M.Sc., in Business Administration and International Marketing, Copenhagen Business School, Denmark, Executive leadership courses, Harvard Law School and Harvard Business School, United States. Andrea Gisle Joosen has fifteen years of experience of roles as Managing Director and CEO and has experience from the consumer goods/FMCG sector and retail sector

Other ongoing assignments: Board member of Stadium AB, The NU Company, companies within the BillerudKorsnäs group, Neopitch AB, Currys Plc, Qred AB and companies within the Logent group

Independent in relation to the Company and its management: Yes

Independent in relation to major shareholders: Yes

Holding in Acast: 437,500 shares and 13,000 warrants (held personally and through a company)

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

Holding in Acast: -

Independent in relation to the Company and its management: Yes

Independent in relation to major shareholders: No

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: Investment Director of Bonnier Ventures AB, chairman of the board of Evoke Gaming Holding AB, Mediafy AB and Storykit AB, board member of People People People AB, Heja Sports AB, Vården Online AB and Spoon Norway A/S as well as deputy board member of von Hedenberg Consulting AB

Holding in Acast: 2,658 shares

Independent in relation to the Company and its management: Yes

Independent in relation to major shareholders: No

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. Bonnier Duke Program (custom executive training program in management, innovation and leadership), Duke Corporate Education. Björn Jeffery's previous experience includes positions/assignments as CEO and board member of companies within media and technology and also as a strategic advisor

Other ongoing assignments: Chairman of the board and owner in Björn Jeffery AB and Paperwork HQ AB, board member and owner in Outer Sunset AB, board member of Rovio Entertainment Corporation, Kinzoo Technologies Inc, Athanase Innovation AB and Fenix Begravning AB, as well as deputy board member of Dolores Bay AB

Holding in Acast: 3,750 shares, 4,000 warrants

Independent in relation to the Company and its management: Yes

Independent in relation to major shareholders: Yes

Leemon Wu

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

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, Voicemachine Sweden AB and Tinsum AB, as well as Chief Investment Officer of Moor Holding AB

Holding in Acast: 120,800 shares

Independent in relation to the Company and its management: Yes

Independent in relation to major shareholders: No

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

Holding in Acast: 770,750 shares, 1,820,244 warrants and stock options (Sw. personaloptioner)

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

Holding in Acast: 691,907 warrants and 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

Holding in Acast: 1,910 shares, 188,404 warrants and stock options

Management

Johan Billgren

Co-founder and Chief Innovation Officer since 2021

Born: 1984

Education and professional experience: Master and Ba in Integrated Product Development and Design and Product Development, KTH Royal Institute of Technology, Stockholm. Johan Billgren is one of the founders of Acast. His previous experience includes working as a consultant

Ongoing assignments: Board member of J. Billgren Holding AB and deputy board member of K Billgren AB

Holding in Acast: 2,524,600 shares, 576,324 warrants and stock options (held personally and through a company)

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: -

Holding in Acast: 2,800 shares and 54,183 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

Other ongoing assignments: Board member at Vitanima AB

Holding in Acast: 32,613 warrants and stock options

Management

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: -

Holding in Acast: 49,417 stock options

Leandro Saucedo

Chief Business and Strategy Officer Since 2018

Born: 1984

Education and professional experience: M.Sc., Economics and Business, Stockholm School of Economics, Industrial Engineering and Management program (specialization in Programming and Software Design), KTH Royal Institute of Technology, Stockholm, M.Sc. International Management, École Des Hautes Etudes Comerciales (HEC), France. Leandro Saucedo has previously worked as an analyst and has had various investment roles at venture capital companies such as 3i Group plc and Christian Stenstierna

Other ongoing assignments: Chairman of the board of Saucedo & Co AB as well as deputy board member of Lundeviken AB

Holding in Acast: 567,200 shares, 857,053 warrants and 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: -

Holding in Acast: 127,850 shares and 950,103 warrants and 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, 2021.

GENERAL INFORMATION

Acast has completed another successful financial year despite the continous unusual conditions prevalent during the year. The Covid-19 pandemic is not considered to have had any negative effect in 2021.

Podcasting, which is a digital medium, could continue production and Acast's services largely remained unaltered. Creators adjusted well, changing show formats, or simply recording remotely.

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

IMPORTANT EVENTS DURING THE YEAR

- Closer to four billion listens for the year, 3.7 billion. Listeners continued to make the move from analogue to digital audio consumption
- Net sales passed SEK one billion for the first time; SEK 1,026m for the full year. Net sales grew 73%
- Gross margin at steady 36% (37%)
- Acast acquired the assets of the US podcasting company RadioPublic, aiming to further strengthen the relationship between podcasters and listeners
- An Initial Public Offer on Nasdaq First North Premier Growth Market was concluded and strengthened the balance sheet with SEK 1,2 bn in primary proceeds from a new share issue
- A beta version of Acast+ was launched. Acast+ provides podcasters with the ability to offer a number of paid services, including the ability to offer ad-free streams, bonus content and pre-listens
- Two markets: UK and for the first time Sweden, became profitable

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

Consolidated net sales in 2021 reached SEK 1,025.7m (591.5), representing an increase of 73% compared to 2020. This following strong growth across all markets, Europe 77%, Americas 70% and Other 59%. Currency affected the revenue negatively, by 1% and organic net sales growth amounted to 74%.

The gross margin for the full year was 36%, a small change from 37% in 2020. Gross profit grew by 70% to SEK 373.5m (219.4).

Operating expenditure amounted to SEK 600.0m (368.8). The increase was mainly driven by growth in staff and consultants, as well as costs arising in connection with the IPO, which amounted to SEK 35.4m.

Efforts to further improve operating processes and practices have resulted in increased scalability of the business whilst maintaining strong governance and control. This is illustrated by the operating profit margin of -22% in 2021 improving from -25% in 2020. Adjusted for costs related to the IPO, SEK 35.4m and loan forgiveness for Paycheck Protection Program, SEK -4.3m, the operating margin improved to -19% for 2021 (-25%). The net loss for the year was SEK 300.4 (-172.2) which, in addition to an increased gross profit and increased operating expenses, was also affected by costs of SEK 98,7m in connection with the repayment of an EIB loan as well as by adverse FX movements.

FINANCIAL POSITION

On December 31, 2021, the group's total assets amounted to SEK 1,865.0m (687.6). The equity ratio was 80% (45%). Intangible assets of SEK 43.3m (27.3) relate to the development of the groups technology platform and assets from the asset acquisition of RadioPublic. Right-of-use assets of SEK 47.3m (48.0) consists of lease agreements for premises.

Cash and cash equivalents, including current investments, totaled SEK 1,364.8m (288.6). During the year, the company saw an increase in accounts receivable to SEK 345.2m (279.1), related to the increase in net sales and international expansion.

In June 2021 a share issue was undertaken in connection with the IPO which added SEK 1,423.7m in equity or SEK 1,249.1m in cash after deducting costs of the share issue.

CASH FLOW

Cash flow from the operating activities amounted to SEK -106.6m (-188.8). The reduction is driven by improvements in management of working capital.

The cash flow from investing activities amounted to SEK -35.3m (-18.2). The negative cash flow related to investments in building Acast's proprietary technology platform as well as the asset acquisition of RadioPublic.

The cash flow from financing activities amounted to SEK 1,213.7m (333.2), which-was mainly related to SEK 1,249m from new share issues after deducting costs associated to the IPO.

Cash flow for the period amounted to SEK 1,071.8m (126.3).

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:

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

The primary financial risks are:

- 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
- Refinancing risk resulting from lack of financing facilities or unfavorable financing conditions
- 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.

For more information about the group's financial risks, see Group Note 23.

PARENT COMPANY

Acast AB is the parent company of the group. Net sales of the parent company were SEK 381.8m in 2021 (210.5). The increase is related to increased sales in the parent company and effects from the company's transfer pricing model.

Operating expenses in 2021 amounted to SEK 363.9m (199.3). The increase is primarily driven by an increase in the number of staff and consultants and costs related to the IPO, which amounted to SEK 35.4m. As a result of this the parent company had a loss for the period after financial items and tax of SEK -123,9m (-50.9), the loss for the period was also affected by costs of SEK 98,7m in connection with repayment of an EIB loan.

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 24-28. Information about sustainability is presented on pages 12-15 and information acout Acast's share can be found on page 16.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- In January Acast announced that its product Acast+ was made available to any podcaster. Acast will earn c. 15% in net sales revenue from each subscriber contribution. Acast+ enables podcasters new monetization options including the ability to offer paying subscribers services like ad-free streams, bonus content and pre-listens
- In March Acast announced that it will discontinue its podcast app in 2022. The decision is based on the fact that the user data historically generated by the app has been replaced by better data sources and that the app does not support the company's vision of a completely open podcast ecosystem
- Acast has entered into a partnership with BuzzFeed, Inc. Acast will develop and launch six podcasts from BuzzFeed Studios, as well as monetize them through ads, sponsorships and paid subscriptions
- Acast has also partnered with That Peter Crouch Podcast, the UK's largest sports podcast. The collaboration agreement means that Acast will be responsible for distribution the podcast to all listening platforms as well as all advertising, through Acast Marketplace
- The conflict in Ukraine has not had any material effect on Acast's business operationally. However, since the ongoing conflict has led to a negative impact on the international financial markets, it cannot be ruled out that a long-lasting conflict may have indirect consequenses on the advertising market, mainly in Europe

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	2,304,582,026
Retained earnings	-397,547,109
Profit/loss for the year	-123,904,600
Total	**1,783,130,317**

The board proposes that available funds be carried forward into the 2022 accounts.

Corporate Governance report 2021

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 not found suitable considering the particular circumstances. All such deviations must be explained and accounted for. Acast applied the Code without any deviations during 2021. 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 25, 2021, authorized the board on one or more occasions for the period before the next AGM, by applying or disapplying shareholders' preferential rights, to decide to issue new shares in the company in connection with a listing of the company's shares on a regulated market or multilateral trading platform, although not more than what follows from the limits for the share capital and the number of shares in the applicable articles of association. The AGM held on May 25, 2021, also 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 in the company for the purpose of acquiring other businesses that are deemed important for the company's business, thereby using the company's share as consideration, although not more than 10 percent of the total number of shares in the company at the time of the first exercise of the authorization for such purpose.

The AGM 2022 will take place on May 17 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 16 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 25, 2021, 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. 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 2021 AGM. The board comprises two women and three men.

Acast's Nomination Committee ahead of the 2022 AGM comprises:
Måns Alfvén (chair), Garden Street Stories AB (Alvén & Didrikson AB)
Anders Lindeberg, Moor & Moor AB
Ossian Ekdahl, Första AP-fonden
Andrea Gisle Joosen, Chair of Acast AB

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 five ordinary members elected by the general meeting of which two are women and three 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 17-18 in the Annual report.

Board member	Independent from the company	Independent from major shareholders	Member of audit committee	Member of remuneration committee
Andrea Gisle Joosen (chair)	Yes	Yes	Yes	Yes (chair)
Björn Jeffery	Yes	Yes	No	Yes
Hjalmar Didrikson	Yes	No	No	No
Jonas von Hedenberg	Yes	Yes*	Yes (chair)	No
Leemon Wu	Yes	No	No	Yes

*As from the date of listing, June 17, 2021, Jonas von Hedenberg is independent from the major shareholders since Bonnier Ventures AB's owndership decreased to a level below 10% of the total shares/votes in the company in connection with the IPO.

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 30 meetings during the year, one of which was a statutory board meeting. All members have been present at all meetings throughout the year. The relatively large number of meetings during the year is primarily a result of Acast's listing. 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 2021, besides regular board matters, the board addressed issues related to the listing on First North Premier Growth Market, strategy, competition, organization, risk management, information security and sustainability.

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, Andrea Gisle Joosen (chair), Björn Jeffery and Leemon Wu. 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 seven meetings during 2021, 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 Andrea Gisle Joosen. 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 have had.

The audit committee operates according to an annual work plan and has held five meetings during 2021, in which the following main topics have been discussed: IPO related matters, order to cash, contract administrating, 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 2021 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 25, 2021, it was resolved that fees to the independent board members Andrea Gisle Joosen (chair of the board) and Björn Jeffery shall be paid with SEK 550,000 and SEK 225,000 respectively and that no fees shall be paid to the other members of the board or for committee work. If, and from the point in time, that the company's shares are listed the AGM resolved that the following shall apply instead regarding board fees: the chair of the board shall receive a fee of SEK 675,000 and the other members of the board shall each receive a fee of SEK 275,000. The chair of the audit committee shall receive a fee of SEK 40,000, each of the other members of the audit committee shall receive a fee of SEK 20,000, the chair of the remuneration committee shall receive a fee of SEK 40,000 and each of the other members of the remuneration committee shall receive a fee of SEK 20,000. 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 2021.

Board member	Board fees (SEK)	Audit committee fees (SEK)	Remuneration committee fees (SEK)
Andrea Gisle Joosen (chair)	675,000	20,000	40,000
Björn Jeffery	275,000	N/A	20,000
Hjalmar Didrikson	275,000	N/A	N/A
Jonas von Hedenberg	275,000	40,000	N/A
Leemon Wu	275,000	N/A	20,000

Guidelines for remuneration to the CEO and executive management
At the AGM on May 25, 2021, 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 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 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 43-44 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

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 2021 is set out in page 42 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 and one agreement is governed by the laws of England and Wales. There are no accrued amounts and no provisions have been made for pensions and similar benefits following resignation of members of the executive management team.

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 11.9 million.

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.

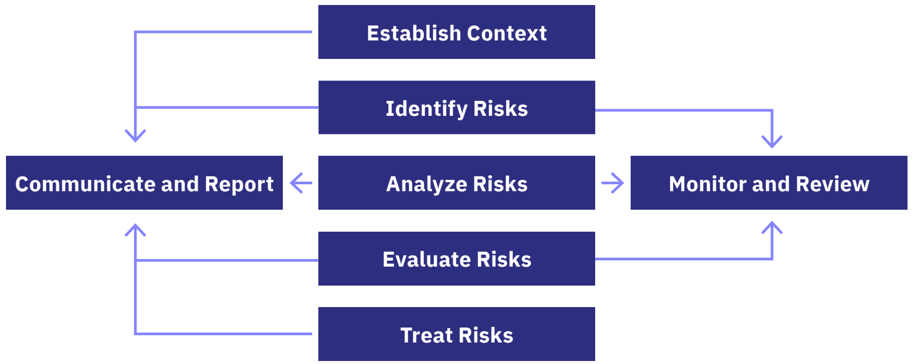
RISK ASSESSMENT AND CONTROL ACTIVITIES

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 further below, 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 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 2021, Acast strengthened its internal control function with a second line of defense; a Risk, Internal control and Compliance Manager, to be responsible for Acast's internal control function. Based on the above and the size and complexity of the business, the board has concluded that no internal auditing function is necessary. 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, 2021, 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.

Stockholm, April 5, 2022
Board and CEO

Andrea Gisle Joosen
Chair

Hjalmar Didrikson
Board member

Jonas von Hedenberg
Board member

Björn Jeffery
Board member

Leemon Wu
Board member

Ross Adams
CEO

Our Auditor´s report was submitted on April 5, 2022
KPMG AB

Mattias Lötborn
Authorized public accountant

Financial Information Content

Acast Group financial information

Consolidated statement of profit or loss

	Note	2021	2020
Net sales	3	1,025,702	591,530
Cost of content		-652,226	-372,103
Gross profit		**373,476**	**219,427**
Sales and marketing costs	4, 5, 6, 7	-270,103	-176,883
Administration expenses	4, 5, 6, 7, 9 , 24	-208,731	-112,216
Product development costs	4, 5, 6, 7, 8	-121,161	-79,743
Other income		4,873	877
Operating profit/loss		**-221,646**	**-148,538**
Financial income	10	67,403	45
Financial costs	10	-140,875	-18,503
Profit/ Loss before income tax		**-295,118**	**-166,996**
Tax	11	-5,276	-5,225
Profit/Loss for the year		**-300,394**	**-172,222**
Earnings per share			
Basic earnings per share*	26	-1.91	-68.14
Diluted earnings per share*	26	-1.91	-68.14
Average number of shares, thousands*		157,256	126,369

Consolidated statement of comprehensive income

	Note	2021	2020
Profit/Loss for the year		**-300,394**	**-172,222**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		-4,818	191
Total comprehensive income for the year		**-305,212**	**-172,031**

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

*During 2021 Acast undertook a 50:1 sharesplit. The same split has been applied to previous year for comparison.

Consolidated statement of financial position

	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Goodwill	12	27,094	24,485
Intangible assets	3, 12	43,318	27,303
Tangible assets	3, 13	1,119	2,396
Right-of-use assets	3, 23, 24,	47,255	47,975
Financial assets	14	3,149	2,047
Deferred tax assets	11	368	433
Total non-current assets		**122,303**	**104,639**
Current assets			
Accounts receivable	15, 23	345,190	279,108
Other receivables	23	4,200	3,120
Prepaid expenses and accrued income	16	28,537	12,172
Cash and cash equivalents	17	1,364,751	288,599
Total current assets		**1,742,678**	**582,999**
TOTAL ASSETS		**1,864,981**	**687,638**

	Note	31.12.2021	31.12.2020
EQUITY			
Share capital	20	1,159	856
Other paid in capital		2,300,666	840,221
Reserves		-4,335	483
Retained earnings		-802,682	-535,655
Total equity attributable to parent company shareholders		**1,494,808**	**305,905**
LIABILITIES			
Non-current liabilities			
Lease liabilities	23, 24	23,177	32,769
Long-term loans from credit institutions	25	–	100,361
Deferred tax liabilities	11	9,313	6,613
Total non-current liabilities		**32,490**	**139,743**
Current liabilities			
Accounts payable	23	101,101	50,012
Other payables	22, 23	53,564	45,579
Current tax liability	11	2,894	874
Lease liabilities	23, 24	24,054	13,994
Accrued expenses and prepaid income	16	156,070	131,532
Total current liabilities		**337,683**	**241,991**
TOTAL EQUITY AND LIABILITIES		**1,864,981**	**687,638**

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, 2020		**775**	**590,690**	**292**	**-373,502**	**218,255**
Profit/ Loss for the year		–	–	–	-172,222	-172,222
Other comprehensive income		–	–	191	–	191
Total comprehensive income for the year		**–**	**–**	**191**	**-172,222**	**-172,031**
Transactions with owners						
Issued warrants		–	797	–	–	797
Repurchased warrants		–	-140	–	–	-140
Net issue of ordinary share		81	248,875	–	–	248,956
Employee share schemes - value of employee services		–	–	–	10,068	10,068
Total transactions with owners		**81**	**249,531**	**–**	**10,068**	**259,680**
Closing balance at December 31, 2020		**856**	**840,221**	**483**	**-535,656**	**305,905**
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**

* 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	2021	2020
Operating activities			
Operating profit/ loss		-221,646	-148,538
Adjustments for non-cash items	20	85,949	23,222
Interest received		17,049	45
Interest paid		-5,025	- 164
Income taxes paid		-1,427	-3,515
		-125,100	**-128,950**
Change in working capital			
Accounts receivable (increase - / decrease +)		-44,209	-169,983
Other current receivables (increase - / decrease +)		-14,825	-4,105
Accounts payable (increase + / decrease -)		50,826	21,264
Other current liabilities (increase + / decrease -)		26,730	92,974
Total change in working capital		**18,522**	**-59,850**
Cash flow from operating activities		**-106,578**	**-188,800**

	Note	2021	2020
Investing activities			
Investment of equipment		-407	-1,122
Investment in intangible assets		-34,312	-17,089
Long-term asset (increase - / decrease +)		-895	19
Cash flows from investing activities		**-35,311**	**-18,192**
Financing activities			
Proceeds of borrowings	19	–	100,361
Repayment of borrowings	19	-101,889	–
Lease payments	19	-19,707	-16,729
Long-term incentive programs		86,118	657
Issue of new shares		1,249,135	248,956
Cash flows from financing activities		**1,213,657**	**333,245**
Cash flows for the year		1,071,768	126,253
Cash and cash equivalents at the beginning of the period		288,599	165,927
Effect om movements in exchange rates on cash and cash equivalents		4,384	-3,591
Cash and cash equivalents at the end of the period	17	**1,364,751**	**288,599**

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.

The financial statements were approved by the Board of Circtors and CEO for publication on April 5, 2022. The annual report will be presented for adoption at the AGM on May 17, 2022.

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, 2021, have not hade any effect on the group's financial reports. New standards and interpretations with future application are not expected to have any material impact on the consolidated financial statements.

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 21.

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 podcasters purchase a hosting service from Acast or when delivering specific podcasts without advertising to listeners. Acast has concluded that this contract consists of one single performance obligation that is satisfied over time as the services are rendered.

Segement 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.

Government grants
Government grants are recognized at fair value when there is reasonable assurance that the grant will be received and that Acast will comply with the attached conditions. Grants that have been received before all the criteria have been fulfilled are recognized as a liability until they are met.

Government grants related to the development of an intangible asset are deducted from the carrying value of the asset at completion. Government grants that are related to costs that have not been capitalized are recognized in profit or loss for the period in which the costs to be compensated by the grants are also recognized.

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. To determine the incremental borrowing rate the group uses market rates in terms of swap rates as starting point in order to reflect the term, economic environment and currency for each lease. To reflect the creditworthiness of Acast, spreads over the base rate of which the group would be able to borrow to in each currency are estimated by studying yields and spreads of traded bonds which hold similar characteristics to Acast. In order to reflect 100% leverage when calculating the incremental borrowing rate the yield spread between junior and senior rates is taken into consideration, the yield spread is assessed on a general level at 3,0% based on observable market data.

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 12. 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 and trademarks	5 years
Intangible development asset	3 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, Americas and Other that constitutes rest of the world.

2021

	Europe	Americas	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**

2020

	Europe	Americas	Other	Total
Net sales from external customers	387,890	146,325	57,315	**591,530**
Total net sales per segment	**387,890**	**146,325**	**57,315**	**591,530**
CBIT*	**55,909**	**-8,013**	**1,831**	**49,727**
Global costs**				**-198,265**
Operating profit / loss				**-148,538**
Financial income				**45**
Financial costs				**-18,503**
Profit/ Loss before income tax				**-166,996**

* 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

	2021	2020
Europe	578	714
Americas	83	89
Other	4	3
Unallocated costs	39,363	24,375
Total	**40,028**	**25,181**

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

	2021	2020
Sweden	117,984	67,692
United Kingdom	459,009	272,598
United States of America	225,008	140,993
Other	223,702	110,247
Total	**1,025,702**	**591,530**

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

	2021	2020
Sweden	74,914	68,114
United Kingdom	6,365	2,553
United States of America	30,738	30,358
Other	6,769	1,134
Total	**118,786**	**102,159**

NOTE 4. EXPENSES BY NATURE

	2021	2020
Cost of content	652,226	372,103
Employees benefits expenses	380,489	229,313
Depreciation and amortization	40,028	25,181
Other operating expenses	179,478	114,348
Total	**1,225,221**	**740,945**

NOTE 5. OTHER OPERATING EXPENSES

	2021	2020
Rent and office expenses	4,605	7,395
Computers and software	30,424	22,902
Marketing and reseller expenses	31,226	23,429
External services	83,784	47,906
Other expenses	29,439	12,716
Total	**179,478**	**114,348**

External services refer to costs for consulting services. The increased amount of costs for consulting services is mainly due to the IPO.

NOTE 6. EMPLOYEES

EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

	2021	2020
Salaries and remunerations	291,266	180,570
(whereof bonuses, etc.)	62,132	29,910
Pension expenses	12,931	6,529
Social expenses	58,484	37,802
Other	14,782	3,591
Total	**377,463**	**229,313**

AVERAGE NUMBER OF FULL TIME EMPLOYEES

	2021	2021 % women	2020	2020 % women
Sweden	105	51%	88	40%
United States of America	65	51%	38	49%
United Kingdom	81	62%	60	59%
Australia	20	53%	12	50%
France	15	47%	9	42%
Germany	5	27%	2	0%
Norway	5	33%	4	15%
Ireland	3	60%	2	40%
Canada	7	52%	4	64%
Mexico	7	49%	2	12%
Total	**313**		**221**	

GENDER DISTRIBUTION IN THE GROUP COMPANY'S MANAGEMENT

	2021 % women	2020 % women
Board of directors	40%	50%
Other senior management	14%	17%

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. No other remuneration was paid to the board. 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 2021 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 five members.

SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

2021	**Basic salary board fees**	**Variable remuneration**	**Share-based remuneration**	**Pension costs**	**Other remuneration***	**2021 Total**
Andrea Gisle Joosen (Ordförande)	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**

2020	**Basic salary board fees**	**Variable remuneration**	**Share-based remuneration**	**Pension costs**	**Other remuneration**	**2020 Total**
Andrea Gisle Joosen (Chair)	242	–	–	–	–	242
Jonas von Hedenberg	–	–	–	–	–	–
Björn Jeffery	97	–	–	–	–	97
Eva Lindqvist	97	–	–	–	–	97
Mattias Wedar	147	–	–	–	–	147
Leemon Wu	–	–	–	–	–	–
Total board	**583**	**–**	**–**	**–**	**–**	**583**
Ross Adams (CEO)	3,016	–	3,572	–	–	6,588
Group management (5 individuals)	8,167	828	5,009	496	–	14,500
Total senior executives	**11,183**	**828**	**8,581**	**496**	**–**	**21,088**
Total	**11,766**	**828**	**8,581**	**496**	**–**	**21,671**

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

NOTE 7. 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:

2018/2021
2019/2022
2020/2023
2021/2024

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:

2018/2021
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 32.7m (11.8) including SEK 4.9m (1.1) 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.

Grant date (volume-weighted)	Number of Warrants/ Options	Term (years)	Strike price per share (SEK)	Vesting conditions	Program	Type of warrant
April 6, 2018	7,572	3	0.33	Service condition with reverse vesting over 3 years	2018/2021	ESOP
April 6, 2018	37,814	3	400.00	Service condition with graded vesting until June 1, 2019	2018/2021	ESOP
May 30, 2018	63,513	3	661.50	Service condition with reverse vesting over 3 years	2018/2021	ESOP
July 2, 2018	66,986	3	661.50	Immediate vesting	2018/2021	EW
July 23, 2019	45,496	3	1,125.00	Service condition with graded vesting until May 1, 2022	2019/2022:1	ESOP
July 29, 2019	3,000	3	1,125.00	Immediate vesting	2019/2022:1	EW
August 12, 2019	42,190	3	1,125.00	Service condition with reverse vesting over 3 years	2019/2022:1	EW
January 28, 2020	5,345	3	1,125.00	Service condition with reverse vesting over 3 years	2019/2022:2	EW
January 28, 2020	740	3	1,125.00	Immediate vesting	2019/2022:2	EW
January 28, 2020	12,654	3	1,125.00	Service condition with graded vesting until May 1, 2022	2019/2022:2	ESOP
October 12, 2020	38,752	3	0.32	Service condition with graded vesting until June 30, 2023	2020/2023	ESOP
June 14, 2021	5,867,742	3	0.0065	Service condition with graded vesting until August 1, 2024	2021/2024	ESOP
Total number of options granted	**6,146,418**					

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 2021	Number of options 2021	Weighted average strike price 2020*	Number of options 2020
Outstanding at January 1	14	295,114	16	243,630
Granted	0	5,867,987	7	57,491
Forfeited	12	-20,407	22	-4,118
Repurchased	10	390	17	-1,889
Exercised	12	-148,043	–	–
Outstanding at December 31	9	5,995,040	14	295,114
Exercisable at December 31		**–**		**–**

*Adjustment of strlke price 2020 has been made due to the 50:1 sharesplit undertaken in 2021.

Outstanding options as at December 31, 2021 have a weighted average remaining contractual term of 1.52, years (1.05).

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

	2021	2020
Fair value at grant date	14	448
Share price (expressed as weighted average)	30	967
Strike price (expressed as weighted average)	0	367
Expected volatility (expressed as weighted average in %)	40%	39%
Term (expressed as weighted average term in years)	3	3
Expected dividend	–	–
Risk free rate (based on Swedish Government Bond)	-0,3%	-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 8. 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 6 “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

	2021	2020
Purchases of services		
Related parties	578	833
Total purchases of services	**578**	**833**

NOTE 9. AUDIT FEES AND EXPENSES

	2021	2020
KPMG		
Audit service	5,825	3,580
Audit service in excess of the audit engagement		
Tax consultancy	133	418
IPO	5,891	–
Other services	37	237
Total KPMG	**11,886**	**4,235**
Others		
PWC - other services	1,142	1,652
PWC - IPO	3,621	–
Kreston Reeves	125	161
BDO - other services	1,394	361
Other Services	803	186
Total audit fee	**7,085**	**2,360**
Total	**18,971**	**6,595**

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

NOTE 10. NET FINANCE COST

	2021	2020
Interest income	17,049	–
Other financial income	50,354	45
Finance income	**67,403**	**45**
Interest expenses on lease agreement	-2,458	-2,334
Other interest expenses	-2,567	-164
Costs related to repayment of EIB loan	-98,720	–
Other financial expenses	-37,130	-16,005
Finance costs	**-140,875**	**-18,503**
Net finance costs	**-73,472**	**-18,458**

Interest income of SEK 17,049k is a result from stabilization trading in Acast shares undertaken post IPO.

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

NOTE 11. TAXES

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

	2021	2020
Current tax expense for the year	-2,496	-2,602
Deferred tax related to temporary differences	-2,780	-2,623
Total reported tax expense for the group	**-5,276**	**-5,225**

RECONCILIATION OF EFFECTIVE TAX RATE

	2021		2020	
Profit/ loss before income tax		-300,394		-172,221
Tax according to current tax rate of the parent company	20.6%	61,881	21,4%	36,855
Non-deductible expenses	-4.5%	-13,517	-0,3%	- 447
Effect of tax rate in foreign jurisdictions	8.7%	26,096	8,6%	14,839
Unrecognized loss carried forward	-26.5%	-79,736	-32,8%	-56,472
Reported effective tax	**-1.8%**	**-5,276**	**-3,0%**	**-5,225**

CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES

	Balance January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance December 31
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**
2020				
Lease agreements	209	107	–	316
EU grant	1,286	-1,169	–	117
Net deferred tax liability	**1,495**	**-1,062**	**–**	**433**
Other intangible assets	-5,032	-1,581	–	-6,613
Deferred tax liability	**-5,032**	**-1,581**	**–**	**-6,613**

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 582,919k (460,362) including the loss for 2021. The unused tax losses are attributable to the negative earnings in the parent company, with no expiry date.

NOTE 12. INTANGIBLE ASSETS

	Concessions, patents, trademarks and similar rights	Capitalized development costs	Goodwill	Total
Accumulated acquisition cost				
Opening balance 1.1.2020	1,275	23,441	27,913	52,629
Investments	495	16,594	–	17,089
Exchange differences	–	–	-3,428	-3,428
Closing balance 31.12.2020	**1,770**	**40,035**	**24,485**	**66,291**
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**
Accumulated amortization and impairment				
Opening balance 1.1.2020	-700	-4,687	–	-5,388
Amortization	-193	-8,921	–	-9,114
Closing balance 31.12.2020	**-893**	**-13,609**	**–**	**-14,502**
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**
Carrying amount				
Opening balance 1.1.2020	575	18,753	27,913	47,241
Closing balance 31.12.2020	**877**	**26,426**	**24,485**	**51,788**
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**

Intangible assets

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

The amortization of intangible assets is included in the line-item product development costs 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.

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 one element of goodwill related to SaaS revenues and this business unit is part of the Americas segment. The pre-tax discount rate used for the purposes of impairment testing was 25% (21.7 %). The WACC rate has been increased in 2021 compared to 2020 due to external borrowing taking place in 2020.

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 13. TANGIBLE ASSETS

	Equipment	Leasehold improve-ment	Total
Accumulated acquisition cost			
Opening balance 1.1.2020	3,692	148	3,840
Acquisitions	–	1,122	1,122
Exchange differences	- 160	–	- 160
Closing balance 31.12.2020	**3,532**	**1,270**	**4,802**
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**
Accumulated amortization and impairment			
Opening balance 1.1.2020	-1,446	–	-1,446
Depreciation	-815	-258	-1,073
Exchange differences	113	–	113
Closing balance 31.12.2020	**-2,148**	**-258**	**-2,406**
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**
Carrying amount			
Opening balance 1.1.2020	2,246	148	2,394
Closing balance 31.12.2020	**1,384**	**1,012**	**2,396**
Opening balance 1.1.2021	1,384	1,012	2,396
Closing balance 31.12.2021	**278**	**842**	**1,119**

NOTE 14. FINANCIAL ASSETS

	31.12.2021	31.12.2020
Other shares and participations	452	409
Deposits for lease contracts	2,696	1,638
Total	**3,149**	**2,047**

NOTE 15. TRADE RECEIVABLES

	31.12.2021	31.12.2020
Trade receivables	377,431	293,646
Provision for expected credit loss	-32,242	-14,538
Net trade receivables	**345,190**	**279,108**

			Number of days past due date		
	Carrying amount	Not due	1<29	30<89	90<
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 2020	**345,190**	**133,920**	**84,286**	**66,943**	**60,041**
	100%	39%	24%	19%	17%
2020					
Trade receivables as at 31. Dec 2019	293,646	103,478	78,749	62,084	49,336
Provision for expected credit loss	-14,538	-1,760	-276	-1,176	-11,326
Total 2019	**279,108**	**101,718**	**78,473**	**60,908**	**38,010**
	100%	36%	28%	22%	14%

For more information, please se Note 23.

NOTE 16. PREPAID AND ACCRUALS

PREPAID EXPENSES AND ACCRUED INCOME

	31.12.2021	31.12.2020
Prepaid rent	1,685	998
Other prepaid expenses	10,764	2,289
Accrued income	16,088	8,885
Total	**28,537**	**12,172**

ACCRUED EXPENSES AND PREPAID INCOME

	31.12.2021	31.12.2020
Accrued payroll related expenses	31,944	26,242
Prepaid income	6,209	8,484
Accrued production costs	101,719	88,055
Other accrued expenses	16,199	8,751
Total	**156,070**	**131,532**

Accrued production cost relates to cost for podcasters.

NOTE 17. CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020
Cash and cash equivalent	1,364,751	288,599
Total	**1,364,751**	**288,599**

Cash and cash equivalent refer to bank accounts in Acast AB and all subsidiaries as well as the Swedish tax account and the liquidity fund where SEK 300m 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 18. ADJUSTMENT FOR NON-CASH ITEMS

	2021	2020
Depreciation	40,028	25,181
Long term incentive plan, no cash consideration	33,368	10,068
Unrealized foreign currency losses, no cash consideration	12,553,	-10,953
Other non-cash items	–	-1,074
Total	**85,949**	**23,222**

NOTE 19. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	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**

	1.1.2020	Cash flow	Non-cash flow changes			31.12.2020
			Additions leasing agreements	Foreign currency translation effects	Other changes	
Long-term loans from credit institutions	–	100,361	–	–	–	100,361
Lease liabilities	15,808	-16,729	46,425	1,259	–	46,763
Total of liabilities from financing activities	**15,808**	**83,632**	**46,425**	**1,259**	**–**	**147,124**

NOTE 20. EQUITY

NUMBER OF SHARES ISSUED

	2021	2020
At the beginning of the year	132,072,850	119,572,850
Issued EIB June 17, 2021	4,819,200	–
Issued IPO June 17, 2021	34,210,526	–
Issued during the year*	7,628,550	12,500,000
Shares issued fully paid	**178,731,126**	**132,072,850**

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

Other paid in capital have been reduced with KSEK 50,643 (1,044) for costs for new shares issue. During 2021 Acast undertook a 50:1 sharesplit. The same split has been applied to previous year for comparison.

Share capital

As at 31 December 2021, the total number of shares was 178,731,126 (132,072,850) and share capital was KSEK 1,159 (856). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.33).

According to the Articles of Association, share capital shall amount to not less than KSEK 500 and not more than KSEK 2,000. The company has issued warrants, which may increase the number of shares. For more information, see Note 7 "Long term incentive program".

NOTE 21. SUBSIDIARIES

GROUP COMPANIES

Name, registered office	Place of Business	Ownership 31.12.2021	Ownership 31.12.2020	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
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.

NOTE 22. OTHER PAYABLES

	31.12.2021	31.12.2020
Taxes and social charges	44,045	35,197
Allocation of EU grant	–	563
Paycheck Protection Program (PPP) - Federal Covid-19 support in the US	–	4,943
Other external liabilities	9,519	4,876
Total	**53,564**	**45,579**

NOTE 23. 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.

In 2021 the group decided to invest SEK 300m in a Short-term Fixed Income Fund to avoid the recently introduced interest fee on all of the group's SEK accounts. 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:

	31.12.2021	31.12.2020
Trade receivables	17,704	8,309
Accrued income	–	–
Other receivables	–	–
Cash and cash equivalents	–	–
Total	**17,704**	**8,309**

Credit risk in trade receivables and accrued income

Overall Acast did not have any material confirmed credit losses in 2021, 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:

	2021		2020	
	Gross carrying amounts	**% of gross total carrying amount**	**Gross carrying amounts**	**% of gross total carrying amount**
Not due	134,592	35.7%	103,478	35.3%
1 - 30 days past due	84,709	22.4%	78,749	26.8%
31 - 90 days past due	68,617	18.2%	62,084	21.1%
More than 90 days past due	89,513	23.7%	49,336	16.8%
Total gross	**377,431**	**100.0%**	**293,647**	**100.0%**
Loss allowance	-32,242	-8.5%	-14,538	-5.0%
Total net	**345,190**	**91.5%**	**279,108**	**95.0%**

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:

	2021	2020
Balance 1.1.	14,538	6,229
Net remeasurement of loss allowance	17,704	8,309
Balance 31.12.2021	**32,242**	**14,538**

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, 2021 the group's cash and cash equivalents amounted to SEK 1,364,751k 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	**31.12.2021**	**31.12.2020**	**Short term**	**Long term**
P1 / A1	1,771	–	P-1	A1
P-1 / Aa1	11,263	–	P-1	Aa1
P-1 / Aa2	1,010,431	276,345	P-1	Aa2
P-1 / Aa3	28,015	–	P-1	Aa3
P-2 / A3	301,650	1,390	P-2	A3
P-2 / Baa1	117	–	P-2	Baa1
Other	11,504	10,863	–	–
Total	**1,364,751**	**288,599**		

Liquidity risk

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

The group's liquidity risk has decreased due to the conclusion of the IPO in June 2021. As is stated above, the group's cash and cash equivalents consisted almost entirely of bank deposits as at December 31, 2021.

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

2021

	Carrying amount	2022	2023	2024	2025	After 2025
Long term loans from credit institutions (inc. value of put option on issued warrants)	–	–	–	–	–	–
Lease liabilities	47,231	25,750	13,721	9,396	–	–
Accounts payables	101,101	101,101	–	–	–	–
Other liabilities	56,458	56,458	–	–	–	–
Accrued expenses	156,070	156,070	–	–	–	–
Total	**360,860**	**339,379**	**13,721**	**9,396**	**–**	**–**

2020

	Carrying amount	2021	2022	2023	2024	After 2024
Long term loans from credit institutions (inc. value of put option on issued warrants)	100,361	5,018	5,018	5,018	5,018	201,732
Lease liabilities	46,763	15,921	13,949	10,837	10,154	–
Accounts payables	50,012	50,012	–	–	–	–
Other liabilities	46,453	46,453	–	–	–	–
Accrued expenses	131,532	131,532	–	–	–	–
Total	**376,121**	**248,936**	**18,967**	**15,855**	**15,172**	**201,732**

Interest rate risk

Since the EIB loan has been paid off during 2021 the group no longer pays any interest fee, and therefore has 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 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			
Tradereceivables	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			
Long term loans from credit institutions	–	–	–
Trade payables	–	101,101	101,101
Accrued production cost	–	101,719	101,719
Other liabilities	–	9,440	9,440
Total 2021	**–**	**212,259**	**212,259**
Financial assets			
Trade receivables	279,108	–	279,108
Other receivables	350	–	350
Accrued income	8,885	–	8,885
Cash and cash equivalents	288,599	–	288,599
Total 2020	**576,942**	**–**	**576,942**
Financial liabilities			
Long term loans from credit institutions*	–	4,008	4,008
Trade payables	–	50,012	50,012
Accrued production cost	–	88,055	88,055
Other liabilities	–	5,691	5,691
Total 2020	**–**	**147,766**	**147,766**

*In addition, the group has an option debt within the scope of IFRS 2 Share based payments that in accordance with the principals of cash settled payments is measured at fair value through profit and loss, and amounts to SEK 96,4m.

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 50m, 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, 2021 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 31.12.2021	
	GBP	**USD**
Acast AB		
Bank accounts foreign currency	18,376	24,237
Intercompany carrying amount	22,048	17,895
Total	**40,424**	**42,132**

	GBP	**USD**
Impact on Profit & Loss		
SEK 10% gain	47,838	36,308
SEK 10% loss	-47,838	-36,308
Impact on Equity		
SEK 10% gain	49,232	38,103
SEK 10% loss	-49,232	-38,103

Capital management

The group has defined "Total equity" as managed capital. Total equity for the group amounted to SEK 1,494,808k as per December 31, 2021. 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 24. LEASES

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

	31.12.2021	**31.12.2020**
Right of use assets		
Buildings	47,255	47,975
Total carrying amount	**47,255**	**47,975**
Lease liabilities		
Current	24,054	13,994
Non-Current	23,177	32,769
Total lease liability	**47,231**	**46,763**

Amount recognized in the statement of profit or loss:

	2021	**2020**
Depreciation of right of use assets, Buildings	20,894	14,994
Interest expenses (incl in financial costs)	2,458	2,333
Total	**23,352**	**17,327**

Additions to the right-of-use asset during 2021 financial year, were SEK 20,174k (46,425).

Total cash outflow for leases in 2021 was SEK 23,608 k(16,729). 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 April 19, 2021.

More information about leasing in note 23.

NOTE 25. LONG TERM LOANS

	31.12.2021	31.12.2020
European Investment Bank	–	100,361
(of which warrants constitutes)	–	96,353
(of which loan consitutes)	–	4,008
Total	**–**	**100,361**

In December 2020 Acast drew down EUR 10m or SEK 100,4m of a total EUR 25m hybrid-facility provided by the European Investment Bank. The funds were made available for Acast to partially fund a defined growth project in Europe, including the development of its proprietary technology platform from the tech-hub in Stockholm.

In the case of an IPO, the EIB had the right to exercise the warrants and convert them to shares pre-listing.

In June 2021 the IPO was concluded, and in connection with this the loan-element of the quasi-equity instrument Acast had with the European Investment Bank (EIB) was repaid.

NOTE 26. EARNINGS PER SHARE

EARNINGS PER SHARE

	2021	2020
Basic and diluted earnings per share, SEK	-1.91	-1.36

Measurements used in calculating earnings per share:		
Profit/loss attributable to the parent company's shareholders, SEKk	-300,394	-172,222
Total	**-300,394**	**-172,222**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	157,255,961	126,369,298

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 5,995,040 (391,295) options outstanding per December 31, 2021 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 27. EVENTS AFTER THE REPORTING PERIOD

- In January Acast announced that its subscription product Acast+ was made availlable to any podcaster. Acast will earn c. 15% in net sales revenue from each subscriber contribution.
- Acast announced a partnership with the digital media company BuzzFeed, Inc. Acast will develop and launch six podcasts from BuzzFeed Studios, as well as monetize them through ads, sponsorships, and paid subscriptions.
- During 2022 the company will discontinue its podcast app. The decision is basded on the fact that the user data historically generated by the app has been replaced by better data sources and that the app does not support the company's vision of a completely open podcast ecosystem.
- Acast has partnered with That Peter Crouch Podcast, the UK's largest sports podcast. The collaboration agreement means that Acast will be responsible for distribution the podc ast to all listening platforms as well as all advedrtising, through Acast Marketplace
- Based on the industry in which Acast operates, the conflict in Ukraine has not affected our business operationally to any great extent. The ongoing conflict has led to a negative impact on the international financial markets and it cannot be ruled out that a long-lasting conflict may have indirect consequenses on the advertising market, mainly in Europe
- The conflict in Ukraine has not had any material effect on Acast's business. However, since the ongoing conflict has led to a negative impact on the international financial markets, it cannot be ruled out that a long-lasting conflict may have indirect consequenses on the advertising market, mainly in Europe

Acast Parent company financial information

Income statement Parent company

	Note	2021	2020
Net sales	2	381,775	210,498
Cost of content		-71,474	-51,328
Gross profit		**310,301**	**159,170**
Sales and marketing costs	3, 4, 5	-57,514	-49,395
Administration expenses	3, 4, 5, 6	-208,855	-74,247
Product development costs		-97,556	-75,644
Other income		563	5,825
Operating profit/loss		**-53,061**	**-34,291**
Financial income	7	68,336	694
Financial costs	7	-139,064	-16,145
Profit/ Loss before income tax		**-123,789**	**-49,741**
Tax	8	-116	-1,169
Profit/Loss for the year		**-123,905**	**-50,910**

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	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible assets	9	7,706	876
Tangible assets	10	833	1,219
Financial assets			
Participations in group companies	22, 24	355,227	24,279
Receivables from group companies	223	–	24,519
Deferred tax assets	8	–	116
Total non-current assets		**363,766**	**51,008**
Current assets			
Trade receivables	11	46,219	44,280
Receivables from group companies	23	712,653	429,685
Other receivables	13	8,631	3,829
Prepaid expenses and accrued income	12	25,902	13,551
Other current investment	15	300,053	–
Cash and bank	14	769,099	241,826
Total current assets		**1,862,557**	**733,171**
TOTAL ASSETS		**2,226,323**	**784,179**

	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	16	1,159	856
Non-restricted equity			
Other paid in capital		2,304,582	840,221
Retained earnings		-397,547	-377,131
Profit/ Loss for the year		-123,905	-50,910
Total equity		**1,784,289**	**413,036**
Long-term liabilities			
Long-term loans from credit institutions	17	–	100,361
Total long-term liabilities		**–**	**100,361**
Current liabilities			
Trade payables		96,953	48,651
Liabilities to group companies	23	195,877	106,783
Other payables	18	17,946	10,506
Current tax liability		–	–
Accrued expenses and deferred income	12	131,258	104,841
Total current liabilities		**442,034**	**270,782**
TOTAL EQUITY AND LIABILITIES		**2,226,323**	**784,179**

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, 2020		**755**	**590,690**	**-387,199**	**204,266**
Profit/ Loss for the year/Total comprehensive income for the year		–	–	-50,910	**-50,910**
Total comprehensive income for the year		**–**	**–**	**-50,910**	**-50,910**
Transactions with owners					
Issued warrants		–	797	–	**797**
Repurchased warrants		–	-140	–	**-140**
Net issue of ordinary shares		81	248,875	–	**248,956**
Employee share schemes - value of employee services		–	–	10,068	**10,068**
Total transactions with owners		**81**	**249,532**	**10,068**	**259,681**
Closing balance at December 31, 2020		**856**	**840,222**	**-428,041**	**413,037**

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**

Statement of cash flow, Parent company

	Note	2021	2020
Operating activities			
Operating profit/ loss		-53,061	-34,291
Adjustments for non-cash items	20	11,586	2,346
Interest received	7	17,485	694
Interest paid	7	-2,552	1,070
Income taxes paid		–	-732
		-26,542	**-30,913**
Change in working capital			
Accounts receivable (increase - / decrease +)		-1,940	65,549
Other current receivables (increase - / decrease +)		-299,856	-429,792
Accounts payable (increase + / decrease -)		48,302	21,522
Other current liabilities (increase + / decrease -)		160,883	121,610
Total change in working capital		**-92,610**	**-221,111**
Cash flow from operating activities		**-119,152**	**-252,024**

	Note	2021	2020
Investing activities			
Investment of equipment		–	-1,031
Investment in intangible assets		-3,756	-495
Long-term assets (increase - / decrease +)		-286,333	–
Cash flows from investing activities		**-290,089**	**-1,526**
Financing activities			
Long-term incentive programs		86,118	657
Issues of new shares		1,249,135	248,956
Proceeds for borrowing	17, 21	–	100,361
Repayment of borrowing	21	-101,889	–
Cash flows from financing activities		**1,233,364**	**349,974**
Cash flows for the year		824,123	96,423
Cash and bank at the beginning of the period		241,826	147,654
Effect of movements in foreign exchange rates on cash and cash equivalents		3,203	-2,251
Cash and cash equivalents at the end of the period	**14, 15**	**1,069,152**	**241,826**

Parent company notes

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The parent company has prepared its annual report in line with theSwedish 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 23.

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 23 is therefore essentially applicable to the parent company as well.

NOTE 2. NET SALES

NET SALES BY REGION

	2021	2020
Europe	170,420	130,071
Americas	38,722	33,798
Other	172,633	46,629
Total	**381,775**	**210,498**

NOTE 3. BREAKDOWN OF EXPENSES BY NATURE

	2021	2020
Cost of content	71,475	51,328
Employees benefits expenses	139,840	90,224
Depreciation	1,647	715
Other operating expenses	222,437	108,347
Total	**435,399**	**250,614**

NOTE 4. OTHER OPERATING EXPENSES

	2021	2020
Rent and office expenses	13,241	13,186
Computers and software	24,483	21,197
Marketing and reseller expenses	18,139	16,056
Transfer pricing charges	92,143	18,653
External services	65,914	36,291
Other expenses	8,517	2,962
Total	**222,437**	**108,347**

NOTE 5. EMPLOYEES

EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

	2020	2020
Salaries and remunerations	84,511	58,816
(whereof bonuses, etc.)	15,729	3,419
Pension expenses	7,859	3,258
Social expenses	29,968	19,195
Other employee cost	9,703	8,955
Total	**132,042**	**90,224**

AVERAGE NUMBER OF FULL TIME EMPLOYEES

	2021	2021 % women	2020	2020 % women
Sweden	105	51%	88	40%

GENDER DISTRIBUTION IN THE PARENT COMPANY MANAGEMENT

	2021 % women	2020 % women
Board of directors	40%	50%
Senior management	14%	17%

SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

2021	Basic salary board fees	Variable remuneration	Share-based remuneration	Pension costs	Other remuneration	2021 Total
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**
2020						
Group management (3 individuals)	3,958	–	1,857	392	–	6,207
Total	**3,958**	**–**	**1,857**	**392**	**–**	**6,207**

For information on the board of directors and all senior management, see Group Note 6 and 7.

NOTE 6. AUDIT FEES AND EXPENSES

	2021	2020
KPMG		
Audit service	5,825	3,223
Audit services in excess of the audit engagement		
Tax consultancy	133	418
IPO	5,891	
Other services	37	237
Others		
PWC - other services	1,652	1,652
PWC - IPO	3,621	–
BDO - other services	1,394	361
Deloitte - other services	215	190
	18,257	**6,082**

NOTE 7. FINANCIAL INCOME AND EXPENSES

	2021	2020
Interest income	17,485	44
Interest income from group companies	436	650
Other financial income	50,415	–
Financial income	**68,336**	**694**
Interest expense	-2,552	-158
Financial costs related to repayment of EIB loan	-98,720	–
Other financial expenses	-37,130	-15,987
Financial costs	**-139,064**	**-16,145**
Net financial item	**-70,728**	**-15,451**

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

NOTE 8. INCOME TAX AND DEFERRED TAX

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

	2021	2020
Current tax expense for the year	–	–
Deferred tax related to temporary differences, EU-grant	-116	-1,169
Total reported tax expense	**-116**	**-1,169**

RECONCILIATION OF EFFECTIVE TAX RATE

	2021		2020	
Profit before income tax		-123,789		-50,910
Theoretical tax income according to current tax rate	20.6%	25,501	21.4%	10,895
Non-deductible expenses	-1.1%	-1,348	-0.9%	-457
Unrecognized loss carried forward	-19.6%	-24,269	-22.8%	-11,607
Reported effective tax	**-0.09%**	**-116**	**-2,3%**	**-1,169**

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 582,919k (460,362) including the loss for 2021.

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
2021			
Deferred tax asset	116	-1,526	116
Deferred tax liability	–	357	–
Net deferred tax asset 2021	**116**	**-1,169**	**116**
2020			
Deferred tax asset	1,642	-1,526	116
Deferred tax liability	-357	357	–
Net deferred tax asset 2020	**1,285**	**-1,169**	**116**

NOTE 9. INTANGIBLE ASSETS

SEK thousands	Accu-mulated cost	Accumu-lated amor-tization and impairment	Carrying amount
Opening balance 1.1.2020	1,275	-700	575
Other investments	495	–	495
Amortization	–	-194	-194
Closing balance 31.12.2020	**1,770**	**-894**	**876**
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**

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

NOTE 10. TANGIBLE ASSETS

	Equipment	Improve-ment on Leasehold	Total
Accumulated cost			
Opening balance 1.1.2020	1,345	148	1,493
Acquisitions	49	982	1,031
Reclassifications	–	–	–
Closing balance 31.12.2020	**1,394**	**1,130**	**2,524**
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**
Accumulated depreciation and impairment			
Opening balance 1.1.2020	-784	–	-784
Depreciation	-266	-255	-521
Closing balance 31.12.2020	**-1,050**	**-255**	**-1 305,**
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**
Carrying amount			
Opening balance 1.1.2020	562	148	709
Closing balance 31.12.2020	**344**	**875**	**1,219**
Opening balance 1.1.2021	344	875	1,219
Closing balance 31.12.2021	**131**	**702**	**833**

NOTE 11. TRADE RECEIVABLES

	31.12.2021	31.12.2020
Trade receivables	51,523	50,592
Provision for expected credit losses	-5,304	-6,313
Net trade receivables	**46,219**	**44,280**

			Number of days past due date		
	Carrying amount	**Not due**	**1<29**	**30<89**	**90<**
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%
2020					
Trade receivables as of Dec 31, 2020	50,592	210344	11,141	6,181	11,926
Provision for expected credit losses	-6,313	-107	-89	-500	-5,617
Total 2020	**44,280**	**21,238**	**11,052**	**5,681**	**6,310**
	100%	46%	24%	12%	14%

NOTE 12. PREPAID AND ACCRUALS

PREPAID EXPENSES AND ACCRUED INCOME

	31.12.2021	31.12.2020
Prepaid rent	2,970	2,896
Other prepaid expenses	7,100	1,864
Accrued interest group companies	–	967
Accrued income	15,832	8,791
Total	**25,902**	**14,518**

ACCRUED EXPENSES AND PREPAID INCOME

	31.12.2021	31.12.2020
Accrued payroll related expenses	16,313	7,096
Accrued production costs	101,719	88,055
Other accrued expenses	11,964	6,880
Deferred revenue	1,263	2,810
Total	**131,258**	**104,841**

NOTE 13. OTHER RECEIVABLES

	31.12.2021	31.12.2020
VAT receivables	2,261	2,564
Other receivables	1,565	257
Total other receivables	**3,826**	**2,821**

NOTE 14. CASH AND BANK

	31.12.2021	31.12.2020
Bank balances	769,099	241,826
Total cash and bank	**769,099**	**241,826**

A large part of the bank balance is placed with Swedish commercial banks, c. 40% of the balance is in SEK.

NOTE 15. OTHER CURRENT INVESTEMENT

	31.12.2021	31.12.2020
Balance liquidity fund	300,053	–
Total other current investments	**300,053**	**–**

SEK 300m have been placed in a liquidity fund during 2021. 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

	31.12.2020	31.12.2020
Shares issued fully paid		
At the beginning of the year	132,072,850	119,572,850
Issued EIB June 17, 2021	4,819,200	–
Issued listing June 17, 2021	34,210,526	–
Issued during the year*	7,628,550	12,500,000
Shares issued fully paid	**178,731,126**	**132,072,850**

* 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. The same split has been applied to previous year for comparison.
As at December 31, 2021, the total number of shares was 178,731,126 (132,072,850) and share capital was SEK 1,159k (856). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.33).

NOTE 17. LONG TERM LOANS

	31.12.2021	31.12.2020
European Investment Bank	–	100,361
(of which warrants constitutes)	–	96,353
(of which loan consitutes)	–	4,008
Total	**–**	**100,361**

For further information regarding long term loans see Note 25 for the group.

NOTE 18. OTHER PAYABLES

	31.12.2021	31.12.2020
Taxes and social charges	9,425	5,062
Allocation of EU Grant	–	563
Other short term liabilities	8,521	4,882
Total	**17,946**	**10,506**

NOTE 19. LEASES

	2021	2020
Maturity date within 1 year	10,892	11,585
Maturity date between 1-3 years	21,816	14,481
Maturity date later than 3 years	1,818	0
Total	**34,526**	**26,065**

The leasing costs for the year pertaining to operational leasing fee totaled SEK 11,589k (12,057).

NOTE 20. ADJUSTMENT FOR NON-CASH ITEMS

	2021	2020
Depreciation	1,647	715
Long term incentive plan, no cash consideration	9,939	1,631
Total	**11,586**	**2,346**

NOTE 21. RECONCILIATION 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**	**–**	**–**	**–**	**–**

	1.1.2020	Cash flow	Non-cash flow changes			31.12.2020
			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 1.1.2020	15,832
Investments	10
Shareholder's contribution*	8,437
Closing balance 31.12.2020	**24,279**

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

* During 2021 Shareholder's contribution of USD 15m and GBP 15m has been given from Acast AB to Acast Stories Inc and Acast Stories Ltd, a total of SEK 308,739k. Other Shareholder's contribution relates to employee LTI programs.

For further information regarding employee long term incentive programs see Group Note 7 for the group above.

NOTE 23. RELATED PARTY

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

2020	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	34,574	89,651	6,461	2,431	920	451	19	3,331	10	137,848
Transfer pricing charges	-1,564	- 233	29	-9,308	-1,189	-5,231	-1,381	- 41	- 527	-19,445
Intercompany loasn	24,519	–	–	–	–	–	–	–	–	24,519
Current intercompany receivables	141,205	208,860	30,262	24,846	6,054	6,390	1,402	10,050	616	429,685
Current intercompany liabilities	-18,796	-31,601	-24,208	-19,957	-2,967	-4,965	-1,495	-2,188	- 607	-106,783

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.

	2021	2020
Receivables which fall due later than one year	–	24,519

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

	2021	2020
Purchases of services		
Related parties	578	833
Total purchases of services	**578**	**833**

NOTE 24. SUBSIDIARIES

Name, registered office	Corporate reg. no	Place of Business	Ownership 31.12.2021	Ownership 31.12.2020	31.12.2021 carrying amount
Acast Stories AS	922 061 084	Norway	100.00%	100.00%	99
Acast Stories Gmbh	HRB 205265B	Germany	100.00%	100.00%	475
Acast Stories Inc	36-4813086	USA	100.00%	100.00%	147,462
Acast Stories Ltd	9040006	Great Britain	100.00%	100.00%	206,133
Acast Stories Pty	ABN 30 619 624 823	Australia	100.00%	100.00%	464
Acast Stories SAS	848 766 663	France	100.00%	100.00%	245
Acast Stories Ireland Ltd	661 047	Ireland	100.00%	100.00%	36
Acast Stories Canada Inc	715 141	Canada	100.00%	100.00%	159
Acast Stories Mexico, S. de R.L. de C.V.	N-2020014294	Mexico	99.99%	99.99%	155
Total					**355,227**

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 2022 AGM decide that Acast AB will balance available funds in a new account for the 2021 financial year.

ALLOCATION OF PROFIT OR LOSS

Share premium reserve	2,304,582,026
Retained earnings	-397,547,109
Profit for the year	-123,904,600
Total	**1,783,130,317**

Profit or loss brought forward	1,783,130,317
Total	**1,783,130,317**

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.
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.

Alternative performance measurements not defined under IFRS	Definition	Purpose
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.
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 27. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS AND OTHER OPERATIONAL MEASURES

SEK thousand (unless stated otherwise)	2021	2020
Alternative performance measures not defined under IFRS		
Net sales	1,025,702	591,530
Net sales growth (%)	**73%**	**64%**
Net sales	1,025,702	591,530
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)	1,395	19,805
Impact from acquisitions	–	-1,670
Organic net sales	1,027,097	609,665
Net sales growth (%)	**73%**	**64%**
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)	0,2%	5,5%
Impact from acquisitions on Net sales growth (%)	–	-0,5%
Organic net sales growth (%)	**74%**	**69%**

SEK thousand (unless stated otherwise)	2021	2020
Net sales	1,025,702	591,530
Cost of content	-652,226	-372,103
Gross profit	**373,476**	**219,427**
Net sales	1,025,702	591,530
Gross margin (%)	**36%**	**37%**
Loss for the period	-300,394	-172,222
Income tax expense	-5,276	-5,225
Financial costs	-140,875	-18,503
Financial income	67,403	45
Operating loss	**-221,646**	**-148,538**
Net sales	1,025,702	591,530
Operating margin (%)	**-22%**	**-25%**
Operating loss	-221,646	-148,538
Items affecting comparability*	31,138	–
Adj. Operating loss	**-190,508**	**-148,538**
Net sales	1,025,702	591,530
Adj. Operating margin (%)	**-19%**	**-25%**

SEK thousand (unless stated otherwise)	2021	2020
Operating loss	-221,646	-148,538
Depreciation and amortization	40,028	25,181
EBITDA	**-181,618**	**-123,357**
Net sales	1,025,702	591,530
EBITDA margin (%)	**-18%**	**-21%**
EBITDA	-181,618	-123,357
Items affecting comparability*	31,138	–
Adj. EBITDA	**-150,480**	**-123,357**
Net sales	1,025,702	591,530
Adj. EBITDA margin (%)	**-15%**	**-21%**
Operational measures		
Listens (millions)	**3,735**	**2,976**
Net sales	1,025,702	591,530
Average revenue per listen, ARPL (SEK)	**0.27**	**0.20**

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* Items affecting comparability relate to costs to prepare for the IPO SEK 35m and PPP loan forgiveness of SEK -4m.

Group financial KPI's and alternative performance measures

SEK thousand	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2021 Jan–Dec	2020 Jan–Dec
Net Sales	336,491	265,142	226,635	197,434	239,868	139,975	98,454	113,233	1.025,702	591,530
Net Sales growth (%)	40%	89%	130%	74%	95%	66%	22%	55%	73%	64%
Organic net sales growth (%)	35%	87%	134%	86%	117%	73%	24%	48%	74%	69%
Gross profit	122,811	96,740	82,815	71,110	92,718	50,206	36,560	39,943	373,476	219,427
Gross margin (%)	36%	36%	37%	36%	39%	36%	37%	35%	36%	37%
EBITDA	-28,123	-42,040	-75,246	-36,210	-6,624	-30,756	-44,301	-41,677	-181,618	-123,357
EBITDA margin (%)	-8%	-16%	-33%	-18%	-3%	-22%	-45%	-37%	-18%	-21%
Adj. EBITDA	-28,227	-42,009	-46,638	-33,606	-6,624	-30,756	-44,301	-41,677	-150,480	-123,357
Adj. EBITDA margin (%)	-8%	-16%	-21%	-17%	-3%	-22%	-45%	-37%	-15%	-21%
Operating loss	-39,512	-52,747	-84,951	-44,437	-13,040	-37,417	-51,439	-46,643	-221,646	-148,538
Operating margin (%)	-12%	-20%	-37%	-23%	-5%	-27%	-52%	-41%	-22%	-25%
Adj. operating loss	-39,616	-52,716	-56,343	-41,834	-13,040	-37,417	-51,439	-46,643	-190,508	-148,538
Adj. operating margin (%)	-12%	-20%	-25%	-21%	-5%	-27%	-52%	-41%	-19%	-25%
Items affecting comparability	-104	31	28,608	2,603	–	–	–	–	31,138	–
Loss for the period	-25,289	-46,132	-179,743	-49,231	-28,059	-40,200	-58,858	-45,105	-300,394	-172,222
Cash flow from operating activities	27,611	-70,830	-64 452	1,091	-54,728	-38,540	-25 653	-69,646	-106,578	-188,800
Basic and diluted earnings per share (SEK)*	-0.14	-0.26	-1.28	-18.62	-0.21	-0.30	-0.38	-18.86	-1.91	-1.36
Listens (millions)**	1,091	891	880	872	863	809	701	603	3,735	2,976
Average revenue per listen, ARPL (SEK)**	0.31	0.30	0.26	0.23	0.28	0.17	0.14	0.19	0.27	0.20

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

For definitions and purpose see page 67-68 , and for reconciliations see page 68-69.

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 2021, except for the corporate governance statement on pages 24-28. The annual accounts and consolidated accounts of the company are included on pages 22-65 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 2021 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 2021 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 24-28. 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 2-21 and 66-69. 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 2021 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 24-28 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.

Stockholm 5 April 2022

KPMG AB

Mattias Lötborn
Authorized Public Accountant

Acast

For The Stories.