

# Acast

**Interim report**

**January – September 2022**

**Acast AB (publ)**



# About Acast

Acast is the world's largest independent podcast company. Founded in 2014, the company has pioneered the open podcast ecosystem ever since – making podcasts available on any listening platform. Acast provides a marketplace and are helping podcasters find the right audience to monetize their content. When our podcasters make money, we make money. Today, Acast hosts nearly 88,000 podcasts, with more than 400 million listens every month.

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

For brilliant podcasters  
For smart advertisers  
For The Stories

## About Acast's reporting

This is Acast's interim report for the period January 1, 2022 – September 30, 2022. The report describes the Group's activities, results and financial position for the period. It concerns the entire group of companies, unless otherwise indicated. Amounts in parentheses are for the corresponding periods in 2021.

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

### CONTACT INFORMATION

Ross Adams, CEO  
Email: [ross@acast.com](mailto:ross@acast.com)

Emily Villatte, CFO  
Email: [emily@acast.com](mailto:emily@acast.com)

[investors.acast.com](http://investors.acast.com)

## Financial calendar

Year-end report for the period January 1 – December 31, 2022	Feb 15, 2023
Annual report for the period January 1 - December 31, 2022	Apr 20, 2023
Interim report for the period January 1 - March 31, 2023	May 9, 2023
Annual general meeting 2023	May 9, 2023
Interim report for the period January 1 - June 30, 2023	Aug 3, 2023
Interim report for the period January 1 - September 30, 2023	Nov 7, 2023

# Q3 2022 Highlights

**21%**

NET SALES GROWTH

**35%**

GROSS MARGIN

**-23%**

ADJ. EBITDA MARGIN

## Q3 2022

- Net sales in the quarter amounted to SEK 322.0 M (265.1), corresponding to net sales growth of 21% (89%)
- Organic net sales growth amounted to 7% (87%). The current macroeconomic environment, which has a direct impact on advertising spend, has affected Acast's lower growth compared to last year
- The gross margin for the quarter was 35% (36%)
- The adjusted EBITDA result amounted to SEK -75.1 M (-42.0) and the adjusted EBITDA margin to -23% (-16%). This represents a SEK 23.1 M improvement to adjusted EBITDA and a margin improvement of 8 percentage points compared to the second quarter this year, when the company reached an inflection point and now moves towards profitability
- Operating profit (EBIT) amounted to SEK -102.0 M (-52.7), including SEK 8 M in restructuring costs related to redundancies and SEK 3 M in costs related to the acquisition of Podchaser
- The loss for the period was positively affected by currency effects and amounted to SEK -68.5 M (-46.1)
- Cash flow from operations amounted to SEK -120.3 M (-70.8)
- Cash flow from investment activities amounted to SEK -217.9 M as a result of the acquisition of Podchaser and the cash and cash equivalents at the end of the quarter was SEK 901.9 M
- The period's earnings per share before and after dilution amounted to SEK -0.38 (-0.26)
- The number of listens amounted to 1,318 million (891) an increase of 48% compared to the same period previous year and Average Revenue Per Listening (ARPL) amounted to SEK 0.24 (0.30)

## Significant events

- Acast has acquired Podchaser, the world's most comprehensive podcast database. The combined companies will offer the industry's best metadata for podcast creators and advertisers
- Acast has communicated the intention to review the organization to reduce the cost base and thereby create profitable growth. The planned cost reductions affect approximately 15 percent of Acast's current workforce and are expected to be finalized by year-end
- Acast has signed an agreement with The New York Times to represent the media company regarding the sale of audio advertising in the UK. The agreement includes, among other things, The New York Times' iconic podcasts "This American Life" and "Serial"
- The successful podcasts "WTF with Marc Maron" and "Sh\*\*ged. Married. Annoyed." have launched WTF+ and SMA+ via Acast+. The launches mean that subscribers get access to bonus material, exclusive benefits and archive material from the respective show
- During the quarter, Acast expanded into Italy through a partnership with the American podcast network Wondery. Initially, the shows "Bunga, Bunga", "Dr Death" and "Business Wars" have been translated and introduced to the Italian market via Acast's platform

# Group financial KPIs and alternative performance measures

SEK thousand	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net Sales	321,950	265,142	936,069	689,211	1.025,702
Net Sales growth (%)	21%	89%	36%	96%	73%
Organic net sales growth (%)	7%	87%	23%	100%	74%
Gross profit	112,551	96,740	312,839	250,665	373,476
Gross margin (%)	35%	36%	33%	36%	36%
EBITDA	-86,117	-42,040	-252,518	-153,489	-181,618
EBITDA margin (%)	-27%	-16%	-27%	-22%	-18%
Adj. EBITDA*	-75,144	-42,009	-241,228	-122,247	-150,480
Adj. EBITDA margin (%)*	-23%	-16%	-26%	-18%	-15%
Operating loss	-101,986	-52,747	-294,008	-182,134	-221,646
Operating margin (%)	-32%	-20%	-31%	-26%	-22%
Adj. operating loss*	-91,013	-52,716	-282,718	-150,892	-190,508
Adj. operating margin (%)*	-28%	-20%	-30%	-22%	-19%
Items affecting comparability*	10,973	31	11,290	31,242	31,138
Loss for the period	-65,793	-46,132	-212,379	-275,105	-300,394
Cash flow from operating activities	-120,300	-70,830	-281,969	-134,191	-121,806**
Basic and diluted earnings per share (SEK)***	-0.38	-0.26	-1.19	-1.83	-1.91
Listens (millions)	1,318	891	3,812	2 645	3,735
Average revenue per listen, ARPL (SEK)	0.24	0.30	0.25	0.26	0.27

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

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

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

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

# Comments from the CEO:

## Moving towards profitability

The third quarter has been marked by an increased concern and uncertainty regarding the macroeconomic development worldwide. History tells us that when a recession is close, the advertising market is generally affected early in the cycle, and indeed we have noted a gradually cooler market year to date. But Acast is one of the largest market-leading businesses creating technology for the distribution and monetization of podcasts and we have strengthened our position in this challenging market, not least through the acquisition of Podchaser. This improves our competitive positioning and ability to create new revenue streams for Acast. As noted, in the quarter we saw sequential improvement in EBITDA illustrating that we are moving towards profitability, in line with our plan laid out earlier this year.

### CONTINUED GROWTH AND POSITIVE PROFIT TREND

Turnover during the third quarter amounted to SEK 322 M, corresponding to a growth of 21 percent compared to the same quarter last year. With the outlook clouded by the increasingly uncertain macroeconomic situation worldwide, we are pleased to note that Acast continues to show good growth, thanks to a strong position as a market leader in podcast advertising sales and monetization. In June, PwC published its Global Media and Entertainment Outlook report, noting that the ad market for podcasts is expected to grow by 15 percent annually on average until 2026, while

the media ad market as a whole is forecasted to grow around 7 percent over the same time period.

Net sales in Europe amounted to SEK 211.7 M (173.9), an increase of 22 percent. The slowdown in the advertising market during the year was also noticeable in the third quarter, however we advanced our position in several European markets. Growth in North America amounted to 16 percent and in the rest of the world 36 percent. Towards the end of the quarter, a certain recovery was visible in advertising sales.



The average revenue per listen (ARPL) was 0.24 SEK (0.30), a decrease of 19 percent compared to the same quarter last year. The gross margin amounted to 35 (36) percent which is within our financial target range despite the fact that the current macro-economic climate is putting some pressure on the gross margin. Adjusted EBITDA for the quarter amounted to SEK -75.1 M (-42.0). Sequentially, the EBITDA result is improving, which is in accordance with our plan to reach a positive EBITDA result in 2024, and to gradually improve the result as a consequence of reduced investments and cost savings. The adjusted EBITDA margin was -23 (-16) percent.

#### **MARKET POSITION REMAINS STRONG**

The core of Acast's model is the infrastructure that we have developed that generates commercial value for Acast when pod creators and advertisers meet at our platform. We were first to develop the capability to sell ad space in podcast episodes dynamically providing a premium tool for creators looking to grow their listener base while increasing advertising revenue, and allowing advertisers to reach a relevant audience at a high ROI per ad. At the end of the quarter, the number of podcasts using our platform was 88,000 and the number of listens in the quarter was 1.3 billion an increase of 48 percent.

After the end of the period, Podtrac published its first ranking of ad sales networks for podcasts in the US market, with Acast ranked second in terms of reach and delivery capacity in North America. This is of course very gratifying and fully in line with our strategy to increase presence in this interesting market.

#### **ON THE ROAD TO PROFITABILITY**

Our path towards profitability means we are constantly looking at our internal efficiency and our ability to improve and scale our delivery to advance our position in the market.

During the quarter, we have announced that we are reviewing the organization with the intention of reducing the cost base, and reorganizing for a new phase, going from hyper-growth to profitability. For several years, we have worked hard and invested heavily in building our technology platform to generate new revenue streams. We are now in a position where we can reduce the cost base without compromising on quality vis-à-vis our customers and partners, and thus create profitable growth in line with the company's updated financial goals. The planned cost reductions affect approximately 15 percent of Acast's current workforce and are expected to be completed before the end of the year. During the third quarter, the operating result included costs of approximately SEK 8 million linked to staff reductions. On an annual basis cost savings of c. SEK 77 M will be delivered.

We continue to expand our network of advertising partners and develop our offering to allow those partners to reach as many valuable listeners as possible, at scale. After the end of the third quarter we launched the ability for advertisers to integrate their own first-party data into podcast campaigns. For the first time ever in podcasting, advertisers can harness the power of their own first-party data to create even more effective campaigns.

Programmatic sales, i.e. an automated way of buying and selling media through the use of tech, real time data and algorithms, now represents more than 10 percent of the over-

all revenues delivered in the third quarter for the first time. This is a highly promising trend as automation of the media buying process represents an important piece of the puzzle to further develop the number one powerhouse for podcast revenue generation. Acast is the market leader in programmatic sales of advertising in podcasting after four years of investment in technology, skills and processes.

We have a highly valuable asset of untapped ad inventory in our growing base of 88,000 shows, many of them in the midsize segment. These shows offer outstanding engagement and ROI for smaller advertisers, like SMEs, that want to access the podcast medium but may have fewer resources than the big brands. Conversational targeting and first-party data targeting is a part of our tech to match shows with advertisers in a scalable way, selling across more podcasts that are not yet monetized to their full potential.

#### **PODCHASER ENABLES BETTER MATCH-MAKING BETWEEN PODCAST CREATORS, LISTENERS AND ADVERTISERS**

During the quarter, the acquisition of Podchaser, the world's most comprehensive podcast database, was completed. Together, Acast and Podchaser offer the industry's best metadata for podcast creators and advertisers. With Podchaser, we will, among other things, be able to improve the matching between ad content with relevant podcasts with the help of this data and, in addition, increase the number of ads sold in more shows.

I am incredibly proud of the passion and tenacity our employees show every day in making Acast the world's premier podcast distribution and monetization platform. This

has meant that during the third quarter, we have advanced our positions even further and have been able to take several important steps towards future profitability.

**ROSS ADAMS**  
Chief Executive Officer

# Financial information

## Sales and earnings

### NET SALES

#### Jul-Sep

Net sales increased by SEK 56,808 thousand, or 21%, from SEK 265,142 thousand for Q3-21 to SEK 321,950 thousand for Q3-22. Acquired operations accounted for SEK 3,998 thousands. The organic net sales growth amounted to 7% adjusted for currency effects and acquisitions. Europe's net sales increased by 22%, North Americas by 16% and Other by 36%. All segments had a positive impact from currency during the quarter.

#### Jan-Sep

Net sales increased by SEK 246,858 thousand, or 36%, from SEK 689,211 thousand for the nine-month period 2021 to SEK 936,069 thousand for the nine-month period 2022. Acquired operations accounted for SEK 3,998 thousands. The organic net sales growth amounted to 23% adjusted for currency effects and acquisitions. Europe's net sales increased by 28%, North Americas by 57% and Other by 43%. All segments had a positive impact from currency during the quarter.

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

### GROSS PROFIT

#### Jul-Sep

Gross profit increased by SEK 15,811 thousand, or 16%, from SEK 96,740 thousand for Q3-21 to SEK 112,551 thousand for Q3-22. This resulted in a gross margin of 35% (36%).

#### Jan-Sep

Gross profit increased by SEK 62,174 thousand, or 25%, from SEK 250,665 thousand for the nine-month period 2021 to SEK 312,839 thousand for the nine-month period 2022. This resulted in a gross margin of 33% (36%). The gross margin is lower, as the softening ad-market resulted in one-off costs of SEK 26,401 thousand. Excluding this one-off, the underlying gross margin was 36%.

### OTHER OPERATING EXPENSES

#### Jul-Sep

Other operating expenses (defined as the total of sales and marketing costs, administration expenses and product development costs) increased by SEK 65,076 thousand, or 44%, from SEK 149,487 thousand for Q3-21 to SEK 214,563 thousand for Q3-22. This increase includes costs for restructuring, was primarily driven by an increased number of employees and consultants. Continued investments in product development have also led to higher costs.

Items affecting comparability amounted to SEK 10,973 thousand for Q3-22 (31), and consisted mainly of restructuring costs, SEK 7,757 thousand. Q4-22 is also expected to load more restructuring costs. Items affecting

comparability for Q3-21 consisted of costs from the IPO.

#### Jan-Sep

Other operating expenses (defined as the total of sales and marketing costs, administration expenses and product development costs) increased by SEK 169,267 thousand, or 39%, from SEK 437,672 thousand for the six-month period 2021 to SEK 606,939 thousand for the nine-month period 2022. This increase was primarily driven by an increased number of employees and consultants. Continued investments in product development, have also led to higher costs.

Items affecting comparability amounted to SEK 11,290 thousand for the nine-month period (31,242), and consisted mainly of restructuring costs, SEK 7,757 thousand, and costs related to the acquisition of Podchaser. Last year's items affecting comparability was affected by costs from the IPO.

Costs for restructuring are expected to affect the last part of 2022 as well. On an annual basis cost savings of c. SEK 77 M will be delivered.

### OPERATING LOSS

#### Jul-Sep

The operating loss increased by SEK 49,239 thousand, or 93%, from SEK -52,747 thousand for Q3-21 to SEK -101,986 thousand for Q3-22. This resulted in an operating margin of -32% (-20%).

#### Jan-Sep

The operating loss increased by SEK 111,874 thousand, or 61%, from SEK -182,134 thousand for the nine-month period 2021 to SEK -294,008 thousand for the nine-month period 2022. This resulted in an operating margin of -31% (-26%).

### ACQUISITIONS DURING THE YEAR

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

The total consideration, including contingent considerations, for the acquisition was SEK 350,028 thousand. The acquisition contributed with SEK 3,998 thousand to Acast's revenue in Q3-22 and SEK -5,522 thousand to operation profit. The acquisition led to a net outflow of cash of SEK 209,004 thousand.

### FINANCIAL NET

#### Jul-Sep

Financial items increased by SEK 26,518 thousand, from SEK 8,972 thousand for Q3-21 to SEK 35,490 thousand for Q3-22. The increase in Q3-22 is primarily driven by unrealized currency exchange gains.

#### Jan-Sep

Financial items increased by SEK 175,814 thousand, from SEK -89,023 thousand for the six-month period 2021 to SEK 86,791 thousand for the same period 2022. The financial net for the nine-month period 2021 was impacted by the repayment of the loan-element of the quasi-equity instrument that Acast had with the European Investment

# Financial information cont.

Bank (EIB), which resulted in a financial cost of SEK 99,729 thousand. The increase in 2022 is primarily driven by unrealized currency exchange gains.

## LOSS FOR THE PERIOD

### Jul-Sep

The loss for the period increased by SEK 22,411 thousand, or 49%, from SEK -46,132 thousand for Q3-21 to SEK -68,543 thousand for Q3-22.

### Jan-Sep

The loss for the period decreased by SEK 62,726 thousand, or 23%, from SEK -275,105 thousand for the nine-month period 2021 to SEK -212,379 thousand for 2022.

## EARNINGS PER SHARE

### Jul-Sep

Earnings per share (basic and diluted) amounted to -0.38 SEK for Q3-22 compared to -0.26 SEK for Q3-21.

### Jan-Sep

Earnings per share (basic and diluted) amounted to -1.19 SEK for the nine-month period 2022 compared to -1.83 SEK for the same period 2021.

## NUMBER OF OUTSTANDING SHARES AND WARRANTS

At the end of the period Acast had 181,336,218 outstanding shares and an additional 11,268,112 unexercised warrants (after applying 50:1 sharesplit). A total of 192,336,218 outstanding shares and unexercised warrants.

## EMPLOYEES

Acast had 393 employees at the end of the period (328) and an additional 44 full time consultants (32). Podchaser contributes with 32 full time employees and 11 full time consultants

## Group financial position, equity and cash flow

### FINANCIAL POSITION AND EQUITY MOVEMENTS

#### Jan-Sep

As at September 30, 2022, equity amounted to SEK 1,372,145 thousand, compared to SEK 1,505,824 thousand per September 30, 2021.

As at September 30, 2022, cash and cash equivalents amounted to SEK 901,870 thousand, compared to SEK 1,360,623 thousand per September 30, 2021.

The interest on the SEK bank account used to be negative, hence SEK 300,000 thousand was placed in a liquidity fund at the end of 2021. These are classified as cash equivalents since they are available to us within a few bank days and the fund is a low risk-fund, category 2.

## CASH FLOW

### Jul-Sep

The Group's cash flow from operating activities amounted to SEK -120,300 thousand during Q3-22 compared to SEK -70,830 thousand for the same period last year. The cash flow was primarily related to the increase in operating loss and changes in working capital.

The Group's cash flow from investing activities amounted to SEK -217,917 thousand during Q3-22. Cash flow for the same period last year amounted to SEK -7,055 thousand. The cash flow for the period was primarily related to the acquisition of Podchaser Inc, which led to an outflow of cash of SEK 209,004 thousand, and investments in intangible assets resulting from own development of the Group's proprietary tech-platform.

The Group's cash flow from financing activities amounted to SEK -7,564 thousand during Q3-22 compared to SEK 31,861 thousand during the same period last year. The cash flow was related to amortization of the lease liability. The cash flow for the same period last year was affected by an inflow from warrant programmes of SEK 36,791 thousand.

Cash and cash equivalents at the beginning of the period were SEK 1,216,410 thousand. Cash flow for the period was SEK -345,781 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK 31,241 thousand resulting in cash and cash equivalents at the end of the period of SEK 901,870 thousand.

### Jan-Sep

The Group's cash flow from operating activities amounted to SEK -281,969 thousand during the nine-month period 2022 compared to SEK -134,191 thousand for the same period last year. The cash flow was primarily related to the increase in operating loss and changes in working capital, from large prepayments as well as larger payments to podcast creators.

The Group's cash flow from investing activities amounted to SEK -239,804 thousand during the nine-month period 2022. Cash flow for the same period last year amounted to SEK -22,886 thousand. The cash flow for the period was primarily related to the acquisition of Podchaser Inc, which led to an outflow of SEK 209,004 thousand and investments in intangible assets resulting from own development of the Group's proprietary tech-platform.

The Group's cash flow from financing activities amounted to SEK -20,323 thousand during the nine-month period 2022 compared to SEK 1,220,252 thousand during the same period last year. The cash flow was related to amortization of the lease liability. The cash flow for 2021 was affected by the new share issue undertaken in conclusion with the IPO, which affected the cash flow positive by SEK 1,249,135 thousand and inflow from warrant programmes of SEK 86,173 thousand.

Cash and cash equivalents at the beginning of the period were SEK 1,364,751 thousand. Cash flow for the period was SEK -542,096 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK 79,215 thousand resulting in cash and cash equivalents at the end of the period of SEK 901,870 thousand.

## Parent company

Acast AB is the Parent company of the Group.

# Financial information cont.

## Jul-Sep

Net sales of the Parent company were SEK 80,458 thousand for Q3-22 (165,448).

Total operating expenses were SEK 153,524 thousand (130,039) including cost of content, sales and marketing costs, administration expenses, product development costs and other income.

Financial net amounted to SEK 34,148 thousand for Q3-22 (9,381). The increase in Q3-22 is driven by movements in foreign exchange rates.

The loss for Q3-22 for the parent company was SEK -38,917 thousand (44,790), mainly affected by the movements in financial items.

## Jan-Sep

Net sales of the Parent company were SEK 253,592 thousand for the period (319,805).

Total operating expenses were SEK 431,082 thousand (336,598) including cost of content, sales and marketing costs, administration expenses, product development costs and other income.

Financial net amounted to SEK 83,566 thousand for the period (-87,333). The financial net for 2021 was affected by the repayment of the loan-element of the quasi-equity instrument that Acast had with the European Investment Bank (EIB), incurring a financial cost of SEK 99,729 thousand. The increase in 2022 is driven by movements in

foreign exchange rates.

The loss for the period for the parent company was SEK -93,924 thousand (-104,242), mainly affected by the movements in financial items.

## Significant events after the end of the reporting period

Acast has signed an agreement with Amazon, opening up even more monetization options for podcasters. Amazon has effectively bought up all ad space in Acast's podcasts on Amazon Music, to be able to offer listeners using the app an ad-free experience.

# Declaration by the Board and CEO

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

The interim report includes insider information that Acast is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication at 08:00 a.m. CET on November 8, 2022.

**Stockholm, November 8, 2022**

Board and CEO

**John Harrobin**  
Chairman

**Leemon Wu**  
Board member

**Björn Jeffery**  
Board member

**Hjalmar Didrikson**  
Board member

**Jonas von Hedenberg**  
Board member

**Samantha Skey**  
Board member

**Ross Adams**  
CEO

# Financial statements

# Group financial statement

## Condensed consolidated statement of profit or loss

SEK thousand	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	4	321,950	265,142	936,069	689,211	1,025,702
Cost of content		-209,399	-168,402	-623,230	-438,546	-652,226
<b>Gross profit</b>		<b>112,551</b>	<b>96,740</b>	<b>312,839</b>	<b>250,665</b>	<b>373,476</b>
Sales and marketing costs		-104,189	-73,772	-293,020	-195,663	-270,103
Administration expenses		-54,092	-44,230	-162,044	-157,077	-208,731
Product development costs		-56,282	-31,485	-151,874	-84,932	-121,161
Other income		26	-	92	4,873	4,873
<b>Operating loss</b>		<b>-101,986</b>	<b>-52,747</b>	<b>-294,008</b>	<b>-182,134</b>	<b>-221,646</b>
Financial items		35,490	8,972	86,791	-89,023	-73,472
<b>Loss before income tax</b>		<b>-66,496</b>	<b>-43,775</b>	<b>-207,217</b>	<b>-271,157</b>	<b>-295,118</b>
Income tax expense		-2,047	-2,357	-5,162	-3,948	-5,276
<b>Loss for the period</b>		<b>-68,543</b>	<b>-46,132</b>	<b>-212,379</b>	<b>-275,105</b>	<b>-300,394</b>
<b>Earnings per share, based on loss for the period attributable to Parent Company shareholders:</b>						
Basic earnings per share, SEK		-0.38	-0.26	-1.19	-1.83	-1.91
Diluted earnings per share, SEK		-0.38	-0.26	-1.19	-1.83	-1.91
Average number of shares, thousands		180,195	176,664	179,219	150,019	157,256

## Condensed consolidated statement of other comprehensive income

SEK thousand	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
<b>Loss for the period</b>		<b>-68,543</b>	<b>-46,132</b>	<b>-212,379</b>	<b>-275,105</b>	<b>-300,394</b>
<b>Other comprehensive income</b>						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences		4,034	-2,047	14,283	-5,740	-4,818
<b>Total comprehensive income for the period</b>		<b>-64,509</b>	<b>-48,206</b>	<b>-198,096</b>	<b>-280,845</b>	<b>-305,212</b>

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

## Group financial statement

# Condensed consolidated statement of financial position

SEK thousand	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	6, 7	373,618	26,337	27,094
Intangible assets		92,389	36,827	43,318
Tangible assets		934	1,649	1,119
Right-of-use assets		35,347	45,976	47,255
Financial assets		2,326	2,822	3,149
Deferred tax assets		360	331	368
<b>Total non-current assets</b>		<b>504,974</b>	<b>113,943</b>	<b>122,303</b>
<b>Current assets</b>				
Accounts receivable		367,884	318,967	345,190
Other receivables		9,319	6,159	4,200
Prepaid expenses and accrued income		71,940	22,092	28,537
Cash and cash equivalents		901,870	1,360,623	1,364,751
<b>Total current assets</b>		<b>1,351,013</b>	<b>1,707,841</b>	<b>1,742,678</b>
<b>TOTAL ASSETS</b>		<b>1,855,987</b>	<b>1,821,784</b>	<b>1,864,981</b>

SEK thousand	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		1,174	1,159	1,159
Other paid in capital		2,337,807	2,300,675	2,300,666
Translation reserves		9,948	-5,257	-4,335
Retained earnings (including loss for the period)		-976,784	-790,752	-802,682
<b>Total equity attributable to Parent company shareholders</b>		<b>1,372,145</b>	<b>1,505,824</b>	<b>1,494,808</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities		13,952	26,412	23,177
Other long-term liabilities	7	21,918	-	-
Deferred tax liabilities		19,871	8,332	9,313
<b>Total non-current liabilities</b>		<b>55,741</b>	<b>34,744</b>	<b>32,490</b>
<b>Current liabilities</b>				
Accounts payable		87,393	55,771	101,101
Other payables	7	125,012	49,169	53,564
Current tax liabilities		1,155	3,706	2,894
Lease liabilities		20,162	20,153	24,054
Accrued expenses and prepaid income		194,379	152,417	156,070
<b>Total current liabilities</b>		<b>428,101</b>	<b>281,216</b>	<b>337,683</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,855,987</b>	<b>1,821,784</b>	<b>1,864,981</b>

## Condensed consolidated statement of changes in equity

	Equity attributable to the equity holders of the parent company					
Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	Total equity	
<b>Opening balance at 1 January 2021</b>	<b>856</b>	<b>840,221</b>	<b>483</b>	<b>-535,656</b>	<b>305,905</b>	
Loss for the period	-	-	-	-275,105	-275,105	
Other comprehensive income	-	-	-5,740	-	-5,740	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-5,740</b>	<b>-275,105</b>	<b>-280,845</b>	
<b>Transactions with owners</b>						
Issued warrants	-	26	-	-	26	
Utilized warrants	48	86,125	-	-	86,173	
Repurchased warrants	-	-72	-	-	-72	
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	-	-	-	20,009	20,009	
<b>Total transactions with owners</b>	<b>303</b>	<b>1,460,454</b>	<b>-</b>	<b>20,009</b>	<b>1,480,765</b>	
<b>Closing balance at 30 September 2021</b>	<b>1,159</b>	<b>2,300,675</b>	<b>-5,257</b>	<b>-790,752</b>	<b>1,505,824</b>	
<b>Opening balance at 1 October 2021</b>	<b>1,159</b>	<b>2,300,675</b>	<b>-5,257</b>	<b>-790,752</b>	<b>1,505,824</b>	
Loss for the period	-	-	-	-25,288	-25,288	
Other comprehensive income	-	-	922	-	922	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>922</b>	<b>-25,288</b>	<b>-24,367</b>	
<b>Transactions with owners</b>						
Repurchased warrants	-	-9	-	-	-9	
Employee share schemes - value of employee services	-	-	-	13,359	13,359	
<b>Total transactions with owners</b>	<b>-</b>	<b>-9</b>	<b>-</b>	<b>13,359</b>	<b>13,350</b>	
<b>Closing balance at 31 December 2021</b>	<b>1,159</b>	<b>2,300,666</b>	<b>-4,335</b>	<b>-802,682</b>	<b>1,494,808</b>	

Group financial statement

## Condensed consolidated statement of changes in equity, cont.

Equity attributable to the equity holders of the parent company						
	Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	Total equity
<b>Opening balance at 1 January 2022</b>		<b>1,159</b>	<b>2,300,666</b>	<b>-4,335</b>	<b>-802,682</b>	<b>1,494,808</b>
Loss for the period		-	-	-	-212,379	-212,379
Other comprehensive income		-	-	14,283	-	14,283
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>14,283</b>	<b>-212,379</b>	<b>-198 096</b>
<b>Transactions with owners</b>						
Consideration through issued shares	7	15	37,141			37,156
Employee share schemes - value of employee services		-	-	-	38,277	38,277
<b>Total transactions with owners</b>		<b>15</b>	<b>37,141</b>	<b>-</b>	<b>38,277</b>	<b>75,433</b>
<b>Closing balance at 30 September 2022</b>		<b>1,174</b>	<b>2,337,807</b>	<b>9,948</b>	<b>-974,033</b>	<b>1,372,145</b>

## Group financial statement

# Condensed consolidated statement of cash flows

SEK thousand	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec*
<b>Operating activities</b>						
Operating loss		-101,986	-52,747	-294,008	-182,134	-221,646
Adjustments for non-cash items		-283	22,303	48,568	64,330	70,721
Interest received		1,016	-	1,608	-	17,049
Interest paid		-378	-997	-1,620	-4,370	-5,025
Income taxes paid		-	-	-	-	-1,427
		<b>-101,631</b>	<b>-31,441</b>	<b>-245,452</b>	<b>-122,174</b>	<b>-140,328</b>
<b>Changes in working capital</b>						
Accounts receivable (increase - / decrease +)		-10,454	-55,255	6,513	-26,534	-44,209
Other current receivables (increase - / decrease +)		-4,374	14,083	-45,002	-11,461	-14,825
Accounts payable (increase + / decrease -)		-10,533	-7,902	-14,534	5,652	50,826
Other current liabilities (increase + / decrease -)		6,692	9,686	16,506	20,328	26,730
<b>Total change in working capital</b>		<b>-18,669</b>	<b>-39,389</b>	<b>-36,517</b>	<b>-12,017</b>	<b>18,522</b>
<b>Cash flows from operating activities</b>		<b>-120,300</b>	<b>-70,830</b>	<b>-281,969</b>	<b>-134,191</b>	<b>-121,806</b>

SEK thousand	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec*
<b>Investing activities</b>						
Investment in equipment		-61	-	-61	-104	-104
Investment in intangible assets		-11,301	-6,906	-33,345	-22,164	-34,312
Acquisition of subsidiaries	7	-209,004	-	-209,004	-	-
Long-term asset (increase - / decrease +)		2,449	-149	2,606	-618	-895
<b>Cash flows from investing activities</b>		<b>-218,237</b>	<b>-7,055</b>	<b>-239,804</b>	<b>-22,886</b>	<b>-35,311</b>
<b>Financing activities</b>						
Repayment of loans		-	-	-	-101,889	-101,889
Principal elements of lease payments		-7,564	-4,930	-20,323	-13,167	-19,707
Long-term incentive programs		-	36,791	-	86,173	86,118
Issue of new shares		-	-	-	1,249,135	1,249,135
<b>Cash flows from financing activities</b>		<b>-7,564</b>	<b>31,861</b>	<b>-20,323</b>	<b>1,220,252</b>	<b>1,213,657</b>
Cash flows for the period		-345,781	-46,024	-542,096	1,063,176	1,056,540
Cash and cash equivalents at the beginning of the period		1,216,410	1,402,608	1,364,751	288,599	288,599
Effect from movements in exchange rates on cash and cash equivalents		31,241	4,039	79,215	8,847	19,612
<b>Cash and cash equivalents at the end of the period</b>		<b>901,870</b>	<b>1,360,623</b>	<b>901,870</b>	<b>1,360,623</b>	<b>1,364,751</b>

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

# Parent company financial statement

## Condensed parent company income statement

SEK thousand	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales		80,458	165,448	253,592	319,805	381,775
Cost of content		-26,335	-21,047	-66,083	-50,971	-71,474
<b>Gross profit</b>		<b>54,123</b>	<b>144,401</b>	<b>187,509</b>	<b>268,834</b>	<b>310,301</b>
Sales and marketing costs		-17,426	-11,251	-58,454	-42,968	-57,514
Administration expenses		-73,168	-73,099	-193,763	-175,756	-208,855
Product development costs		-36,594	-24,642	-112,781	-67,466	-97,556
Other income		-	-	-	563	563
<b>Operating profit / loss</b>		<b>-73,065</b>	<b>35,409</b>	<b>-177,490</b>	<b>-16,793</b>	<b>-53,061</b>
Financial net		34,148	9,381	83,566	-87,333	-70,728
<b>Profit / loss before income tax</b>		<b>-36,167</b>	<b>44,790</b>	<b>-91,174</b>	<b>-104,126</b>	<b>-123,789</b>
Income tax expense		-	-	-	-116	-116
<b>Profit / loss for the period</b>		<b>-38,917</b>	<b>44,790</b>	<b>-93,924</b>	<b>-104,242</b>	<b>-123,905</b>

# Condensed parent company statement of financial position

SEK thousand	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		5,840	6,013	7,706
Tangible assets		620	836	833
<b>Financial assets</b>				
Participations in group companies		382,451	345,880	355,227
Receivables from group companies		-	-	-
Deferred tax assets		-	-	-
<b>Total non-current assets</b>		<b>388,911</b>	<b>352,729</b>	<b>363,766</b>
<b>Current assets</b>				
Accounts receivable		60,544	50,592	46,219
Receivables from group companies		1,358,063	506,814	712,653
Other receivables		212,721	3,746	8,631
Prepaid expenses and accrued income		68,142	19,558	25,902
Other short-term investments		298,673	-	300,053
Cash and bank		277,082	1,214,408	769,099
<b>Total current assets</b>		<b>2,275,225</b>	<b>1,795,119</b>	<b>1,862,557</b>
<b>TOTAL ASSETS</b>		<b>2,664,136</b>	<b>2,147,848</b>	<b>2,226,323</b>

SEK thousand	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Restricted equity</b>				
Share capital		1,174	1,159	1,159
<b>Non-restricted equity</b>				
Other paid in capital		2,337,807	2,304,591	2,304,582
Retained earnings		-479,977	-410,520	-397,547
Profit / loss for the period		-93,924	-104,242	-123,905
<b>Total equity</b>		<b>1,765,080</b>	<b>1,790,988</b>	<b>1,784,289</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other long-term liabilities		4,388	-	-
<b>Total non-current liabilities</b>		<b>4,388</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Accounts payable		83,136	52,582	96,953
Liabilities to group companies		632,248	158,179	195,877
Other payables		29,388	18,424	17,946
Accrued expenses and prepaid income		149,896	127,675	131,258
<b>Total current liabilities</b>		<b>894,668</b>	<b>356,860</b>	<b>442,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,664,136</b>	<b>2,147,848</b>	<b>2,226,323</b>

# Notes

## NOTE 1. GENERAL INFORMATION

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

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

This interim report was authorized for issue by the board of directors on November 8, 2022.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

## NOTE 3. RISKS AND UNCERTAINTIES

Acast is exposed to numerous risks and opportunities arising from both its' own operations and the changing operating environment. The main operational risks for the group and the parent company are:

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

The group and parent company's primary financial risks are:

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

Since the previous quarter there has been a continued market downturn due to the invasion of Ukraine, inflation and the macroeconomic conditions have continued to impact advertiser sentiment globally. In Q2 Acast announced its revised financial targets including reaching positive EBITDA in 2024. As part of enabling this accelerated path to profitability Acast announced in Q3 that it would be reducing its workforce by 15%.

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

## NOTE 4. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUES

The CEO is the chief operating decision maker of the Group. The CEO evaluates the financial performance and makes strategic decisions. The CEO makes decisions on the allocation of resources and examines the Group's performance from a geographical perspective and the Group has identified three operating segments, Europe, Americas and Other that constitutes "rest of the world".

### SEGMENT INFORMATION, SEK THOUSAND

2022 Jul-Sep	Europe	North America	Other	Total
Net sales from external customers	211,689	79,207	31,054	321,950
<b>Total segment net sales</b>	<b>211,689</b>	<b>79,207</b>	<b>31,054</b>	<b>321,950</b>
<b>CBIT*</b>	<b>34,346</b>	<b>-20,956</b>	<b>-1,042</b>	<b>12,349</b>
Global costs*				-114,335
<b>Operating loss</b>				<b>-101,986</b>
Financial net				35,490
<b>Loss before income tax</b>				<b>66,496</b>
2021 Jul-Sep	Europe	North America	Other	Total
Net sales from external customers	173,861	68,527	22,753	265,142
<b>Total segment net sales</b>	<b>173,861</b>	<b>68,527</b>	<b>22,753</b>	<b>265,142</b>
<b>CBIT*</b>	<b>25,951</b>	<b>646</b>	<b>1,323</b>	<b>27,920</b>
Global costs*				-82,667
<b>Operating loss</b>				<b>-52,747</b>
Financial net				8,972
<b>Loss before income tax</b>				<b>-43,775</b>

## Notes

### SEGMENT INFORMATION, SEK THOUSAND

2022 Jan-Sep	Europe	North America	Other	Total
Net sales from external customers	602,402	247,282	86,384	936,069
<b>Total segment net sales</b>	<b>602,402</b>	<b>247,282</b>	<b>86,384</b>	<b>936,069</b>
<b>CBIT*</b>	<b>101,164</b>	<b>-55,879</b>	<b>-1,177</b>	<b>44,109</b>
Global costs*				-338,116
<b>Operating loss</b>				<b>-294,008</b>
Financial net				86,791
<b>Loss before income tax</b>				<b>-207,217</b>

2021 Jan-Sep	Europe	North America	Other	Total
Net sales from external customers	471,048	157,958	60,204	689,211
<b>Total segment net sales</b>	<b>471,048</b>	<b>157,958</b>	<b>60,204</b>	<b>689,211</b>
<b>CBIT*</b>	<b>73,752</b>	<b>3,322</b>	<b>1,745</b>	<b>78,819</b>
Global costs*				-260,953
<b>Operating loss</b>				<b>-182,134</b>
Financial net				-89,023
<b>Loss before income tax</b>				<b>-271,157</b>

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

See note 8 for definitions.

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

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

### NOTE 5. TRANSACTIONS WITH RELATED PARTIES

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

SEK thousand	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
<b>Purchases of services</b>					
IT-services	-	-	1,068	-	578
<b>Total purchases of services</b>	<b>-</b>	<b>-</b>	<b>1,068</b>	<b>-</b>	<b>578</b>

### NOTE 6. GOODWILL

SEK thousand	2022	2021
<b>Opening balance, January 1</b>	<b>27,094</b>	<b>24,485</b>
Acquisitions	311,023	-
Exchange difference	35,502	2,609
<b>Closing balance, September 30</b>	<b>373,618</b>	<b>27,094</b>

### NOTE 7. AQUISITION OF OPERATIONS

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

#### Goodwill

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

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

#### Contingent earn-out

The contingent earn-out can reach a maximum of USD 6.8 M. It is contingent on three parts, one commercial target and two financial targets. The assessment has been made that the contingent earn-out will be paid in full. At the time of the acquisition, this amounted to SEK 69.1 M, converted to the current acquisition rate. This is booked at fair value and is reported as Other payables on the balance sheet, as payment will be done during 2023.

### Acquisition related costs

Acquisition related costs of SEK 3.5M refer to consulting and legal fees, mainly for financial and legal due diligence in connection with the acquisition. These are recognized as Administration expenses in the income statement, and are included in items affecting comparability.

### NET ASSETS IN ACQUIRED COMPANIES AT DATE OF ACQUISITION\*

Group SEK thousand	
Non-current assets	34,951
Current assets	3,286
Cash and cash equivalents	18,421
Non-current liabilities	-7,200
Current liabilities	-10,453
<b>Net identifiable assets and liabilities</b>	<b>39,005</b>
Goodwill	311,023
<b>Total consideration</b>	<b>350,028</b>
Contingent earn-out payments**	-66,541
Payment through issued shares	-37,157
Holdback of payment of consideration***	-18,905
Cash and cash equivalents in acquired companies	-18,421
<b>Impact on cash and cash equivalents</b>	<b>209,004</b>

\* The purchase price allocation is preliminary, as a short time has passed since the acquisition was completed and the final settlement has not yet been determined

\*\*Contingent earn-out payments are reported as Other payables on the balance sheet

\*\*\* Holdback of payment of consideration is reported as Other long-term liabilities on the balance sheet

The acquisition increased the Group's revenue by SEK 4.0 million and had an effect of SEK -5.5 M on net profit. If the acquisition had occurred as at January 1, 2022, consolidated revenue would be affected by SEK 10.7 M and net profit by SEK -15.2 M. Podchaser has 32 fulltime employees and 11 fulltime consultants.

### NOTE 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

September 30, 2022

SEK thousand	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
<b>Finansiella skulder</b>						
Contingent earn-out payment	76,927	76,927	76,927			76,927

#### Fair value measurement

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

Level 1: according to prices quoted in an active market for the same instruments

Level 2: based on directly or indirectly observable market data that is not included in level 1

Level 3: based on input data that is not observable in the market

Contingent earn-out in connection with the acquisition of Podchaser is a financial liability and is valued at fair value and belongs to level 3 in the fair value hierarchy. For more information see note 7.

### CONTINGENT EARNOUT

SEK thousand	2022	2021
<b>Opening balance, January 1</b>	-	-
Cost of acquisition	69,1285	-
Interest cost (discounting)	-2,161	-
Currency exchange effect	9,959	-
<b>Closing balance, September 30</b>	<b>76,926</b>	-

### NOTE 9. ADJUSTMENT OF CASH FLOW FOR PREVIOUS PERIODS

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

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

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

## Notes

### NOTE 10. DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES AND OPERATIONAL MEASURES

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

Alternative performance measurements not defined under IFRS	Definition	Purpose
<b>Net sales growth (%)</b>	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.
<b>Organic net sales growth (%)</b>	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.
<b>Gross profit</b>	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.
<b>Gross margin (%)</b>	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.
<b>Other operating expenses</b>	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.
<b>EBITDA</b>	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.
<b>EBITDA margin (%)</b>	EBITDA in relation to net sales.	EBITDA in relation to net sales is used to measure the profitability of operations and shows cost effectiveness.
<b>Adjusted EBITDA</b>	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA is a measure of operating loss before depreciation and amortization and is used to monitor the operating activities. The purpose is to show adjusted EBITDA excluding items that affect comparability with other periods

Alternative performance measurements not defined under IFRS	Definition	Purpose
<b>Adjusted EBITDA margin (%)</b>	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.
<b>Operating loss</b>	Loss for the period adding back income tax expense, financial costs and financial income.	Operating loss is used to evaluate the Group's profitability.
<b>Operating margin (%)</b>	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.
<b>Adjusted operating loss</b>	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.
<b>Adjusted operating margin (%)</b>	Adjusted operating loss in relation to net sales.	Adjusted operating loss in relation to net sales is an indicator of the Group's profitability.
<b>Items affecting comparability</b>	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.
<b>Cash flows from operating activities</b>	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.
<b>CBIT</b>	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.
<b>CBIT margin (%)</b>	CBIT in relation to net sales.	CBIT in relation to net sales of a segment is an indicator of the segment's profitability.

## Notes

Alternative performance measurements not defined under IFRS	Definition	Purpose
<b>Global costs</b>	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
<b>Listens*</b>	Number of listens per year based on Acast's IAB 2.0 certified measurement**	Used to identify number of listens during a specified period.
<b>Average net sales per listen (ARPL)</b>	Net sales divided by number of listens for the same period.	Used to measure average net sales per listens as defined above.

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

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

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

SEK thousand (unless stated otherwise)	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
<b>Alternative performance measures not defined under IFRS</b>					
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Net sales growth (%)*</b>	<b>21%</b>	<b>89%</b>	<b>36%</b>	<b>96%</b>	<b>73%</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
Translational currency effects on Net sales (a positive amount represents a negative effect on net sales in current period, a negative amount represents the opposite)	-33,490	-3,093	-81,198	13,985	1,395
Impact from acquisitions	-3 999		-3 999		
Organic net sales	284,462	262,049	850,872	703,196	1,027,097
<b>Net sales growth (%)</b>	<b>21%</b>	<b>89%</b>	<b>36%</b>	<b>96%</b>	<b>73%</b>
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)	-13%	-2%	-12%	4%	0%
Impact from acquisitions Net sales growth (%)	-2%		-1%		
<b>Organic net sales growth (%)</b>	<b>7%</b>	<b>87%</b>	<b>23%</b>	<b>100%</b>	<b>74%</b>

SEK thousand (unless stated otherwise)	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	321,950	265,142	936,069	689,211	1,025,702
Cost of content	-209,399	-168,402	-623,230	-438,546	-652,226
<b>Gross profit</b>	<b>112,551</b>	<b>96,740</b>	<b>312,839</b>	<b>250,665</b>	<b>373,476</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Gross margin (%)</b>	<b>35%</b>	<b>36%</b>	<b>33%</b>	<b>36%</b>	<b>36%</b>
Loss for the period	-68,543	-46,132	-212,379	-275,105	-300,394
Income tax expense	-2,047	-2,357	-5,162	-3,948	-5,276
Financial net	35,490	8,972	86,791	-89,023	-73,472
<b>Operating loss</b>	<b>-101,986</b>	<b>-52,747</b>	<b>-294,008</b>	<b>-182,134</b>	<b>-221,646</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Operating margin (%)</b>	<b>-32%</b>	<b>-20%</b>	<b>-31%</b>	<b>-26%</b>	<b>-22%</b>
Operating loss	-101,986	-52,747	-294,008	-182,134	-221,646
Items affecting comparability**	10,973	31	11,290	31,242	31,138
<b>Adj. Operating loss</b>	<b>-91,013</b>	<b>-52,716</b>	<b>-282,718</b>	<b>-150,892</b>	<b>-190,508</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Adj. Operating margin (%)</b>	<b>-28%</b>	<b>-20%</b>	<b>-30%</b>	<b>-22%</b>	<b>-19%</b>

## Notes

SEK thousand (unless stated otherwise)	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating loss	-101,986	-52,747	-294,008	-182,134	-221,646
Depreciation and amortization	15,869	10,707	41,490	28,646	40,028
<b>EBITDA</b>	<b>-86,117</b>	<b>-42,040</b>	<b>-252,518</b>	<b>-153,489</b>	<b>-181,618</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>EBITDA margin (%)</b>	<b>-27%</b>	<b>-16%</b>	<b>-27%</b>	<b>-22%</b>	<b>-18%</b>
EBITDA	-86,117	-42,040	-252,518	-153,489	-181,618
Items affecting comparability**	8,223	31	11,290	31,242	31,138
<b>Adj. EBITDA</b>	<b>-77,894</b>	<b>-42,009</b>	<b>-241,228</b>	<b>-122,247</b>	<b>-150,480</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Adj. EBITDA margin (%)</b>	<b>-24%</b>	<b>-16%</b>	<b>-26%</b>	<b>-18%</b>	<b>-15%</b>
<b>Operational measures</b>					
<b>Listens (millions)</b>	<b>1,318</b>	<b>891</b>	<b>3,812</b>	<b>2,645</b>	<b>3,735</b>
Net sales	321,950	265,142	936,069	689,211	1,025,702
<b>Average revenue per listen, ARPL (SEK)</b>	<b>0.24</b>	<b>0.30</b>	<b>0.25</b>	<b>0.26</b>	<b>0.27</b>

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

\*\* Items affecting comparability for Q2-22 are costs from the acquisition of Podchaser and restructuring costs. Items affecting comparability for Q3-21 and the full year are costs from the IPO.

# Group financial KPIs and alternative performance measures

SEK thousand	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2021 Jan-Dec	2020 Jan-Dec
Net Sales	321,950	315,826	298,293	336,491	265,142	226,635	197,434	239,868	139,975	1,025,702	591,530
Net Sales growth (%)	21%	39%	51%	40%	89%	130%	74%	95%	66%	73%	64%
Organic net sales growth (%)	7%	28%	40%	35%	87%	134%	86%	117%	73%	74%	69%
Gross profit	112,551	94,003	106,285	122,811	96,740	82,815	71,110	92,718	50,206	373,476	219,427
Gross margin (%)	35%	30%	36%	36%	36%	37%	36%	39%	36%	36%	37%
EBITDA	-86,117	-98,570	-67,832	-28,123	-42,040	-75,246	-36,210	-6,624	-30,756	-181,618	-123,357
EBITDA margin (%)	-27%	-31%	-23%	-8%	-16%	-33%	-18%	-3%	-22%	-18%	-21%
Adj. EBITDA*	-75,144	-98,253	-67,832	-28,227	-42,009	-46,638	-33,606	-6,624	-30,756	-150,480	-123,357
Adj. EBITDA margin (%)*	-23%	-31%	-23%	-8%	-16%	-21%	-17%	-3%	-22%	-15%	-21%
Operating loss	-101,986	-111,959	-80,063	-39,512	-52,747	-84,951	-44,437	-13,040	-37,417	-221,646	-148,538
Operating margin (%)	-32%	-35%	-27%	-12%	-20%	-37%	-23%	-5%	-27%	-22%	-25%
Adj. operating loss*	-91,013	-111,642	-80,063	-39,616	-52,716	-56,343	-41,834	-13,040	-37,417	-190,508	-148,538
Adj. operating margin (%)*	-28%	-35%	-27%	-12%	-20%	-25%	-21%	-5%	-27%	-19%	-25%
Items affecting comparability*	10,973	317	-	-104	31	28,608	2,603	-	-	31,138	-
Loss for the period	-68,543	-70,635	-73,201	-25,289	-46,132	-179,743	-49,231	-28,059	-40,200	-300,394	-172,222
Cash flow from operating activities	-120,300	-97,629	-87,633**	12,383**	-70,830	-64,452	1,091	-54,728	-38,540	-121,806**	-188,800
Basic and diluted earnings per share (SEK)***	-0.38	-0.40	-0.41	-0.14	-0.26	-1.28	-0.37	-0.21	-0.30	-1.91	-1.36
Listens (millions)	1,318	1,238	1,256	1,091	891	880	872	863	809	3,735	2,976
Average revenue per listen, ARPL (SEK)	0.24	0.26	0.24	0.31	0.30	0.26	0.23	0.28	0.17	0.27	0.20

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

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

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

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

# Auditor's report

To the Board of Directors of Acast AB (publ)  
Corp. id. 556946-8498

## Introduction

We have reviewed the condensed interim financial information (interim report) of Acast AB (publ) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 8 November 2022

## KPMG AB

**Mattias Lötborn**  
Authorized Public Accountant

**Acast**

For The Stories.