Acast

2023
Annual Report

Contents

About Acast

Since 2014, Acast has been creating the world's most valuable podcast marketplace, building the technology which connects podcast creators, advertisers and listeners. Its marketplace spans 100,000 podcasts, 2,700 advertisers and 400 million monthly listens. Crucially, those listens are monetized wherever they happen - across any podcasting app or other listening platform.

The company operates worldwide and is headquartered in Stockholm, Sweden. Acast is listed on the Nasdaq First North Premier Growth Market (ACAST.ST). Certified Adviser is FNCA Sweden AB, info@FNCA.se

Acast's Business Strategy is

To create the World's most valuable Podcast Marketplace

Podcast creators

100,000
Shows

1,2 Bn
Listens/QTR

Acast

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

Advertisers & listeners

2,700
Advertisers/year

100 M
Monthly uniques

Significant events in 2023

- At the end of the year Acast reached a milestone in the company's history when a positive adjusted EBITDA was reached for the first time in the fourth quarter.
- Acast signed new agreements strengthening and broadening the range of podcasts on its platform. For example Barack and Michelle Obama's media company Higher Ground, the Bill & Melinda Gates Foundation, Warner Bros Discovery and the Luminary podcast network. The agreements mean that Acast is responsible for these networks' content distribution and advertising sales.
- During the year, Acast worked intensively on launching new capabilities that enable automated sales flows and increased scalability. Acast's self-serve ad platform, which launched at the end of 2022, was further strengthened with the inclusion of host-read sponsorships as well as new tools which enable automated campaign planning and real-time ad production.
- During the year Collections+ – an AI-driven data function that increases advertisers' reach and accuracy in podcasts was also launched. This was done by combining data from our subsidiary Podchaser with Acast's product expertise.

Full year 2023

- Net sales for the full year 2023 amounted to SEK 1,636.4 M (1,390.4), corresponding to net sales growth of 18% (36%).
- Organic net sales growth amounted to 13% (26%).
- The gross margin was 32% (34%). During the year, the podcast industry was affected by Apple's update to iOS17, which had a negative impact on the number of listens. As a result, a non-cash flow-affecting revaluation of podcast contracts of SEK -76 million was made in the period. Excluding this revaluation, the gross margin was 36% for the full year 2023.
- EBITDA for the full year 2023 amounted to SEK -187.3 M (-294.9) and the EBITDA margin was -11% (-21%).
- The adjusted EBITDA result amounted to SEK -111.7 M (-272.3) and the adjusted EBITDA margin to -7% (-20%), this includes the revaluation of podcast contracts.
- Operating loss amounted to SEK -258.6 M (-352.6).
- Result for the full year 2023 was SEK -179.7 M (-286.4) and was negatively affected by fx losses of SEK -5.5 M (71.6).
- Cash flow from operating activities amounted to SEK -28.1 M (-294.3).
- Earnings per share for the year before and after dilution amounted to SEK -0.99 (-1.59).
- The number of listens amounted to 5,019 million (5,139), a decrease of 2% compared to year as a consequence of the iOS17 update. At the same time the average revenue per listen (ARPL) increased 21% to SEK 0.33 (0.27).

Key figures

SEK thousand	2023	2022
Net sales	1,636,371	1,390,366
Net sales growth (%)	18%	36%
Organic net sales growth (%)	13%	26%
Gross profit	520,840	469,856
Gross margin (%)	32%	34%
EBITDA	-187,296	-294,949
EBITDA margin (%)	-11%	-21%
Adj. EBITDA*	-111,725	-272,337
Adj. EBITDA margin (%)*	-7%	-20%
Operating loss	-258,618	-352,643
Operating margin (%)	-16%	-25%
Adj. operating loss*	-183,047	-330,031
Adj. operating margin (%)*	-11%	-24%
Items affecting comparability*	75,571	22,612
Loss for the period	-179,679	-286,375
Cash flow from operating activities	-28,135	-294,284
Basic and diluted earnings per share (SEK)	-0.99	-1.59
Listens (millions)	5,019	5,139
Average revenue per listen, ARPL (SEK)	0.33	0.27

*2023 adjusted for revaluation of podcast contracts, due to Apple's update to iOS17.
2022 adjusted for costs from the acquisition of Podchaser and restructure costs.

1.6
SEKbn, Net sales

18%
Net sales growth

32%
Gross margin

"Towards the end of the year, we reached a significant milestone when we delivered a positive underlying result, for the first time, in the fourth quarter - a clear confirmation of our ability to adapt in a changing market."

Ross Adams, CEO

Driving value for all through podcasting

Throughout 2023, we at Acast successfully navigated the challenges of balancing strict cost control while driving innovation and growth. We continued our mission to create the most valuable and accessible ecosystem in podcasting, where advertisers can reach the most engaged listeners and podcast creators can generate maximum revenue. Towards the end of the year, we reached a significant milestone when we delivered a positive underlying result, for the first time, in the fourth quarter – a confirmation of our ability to adapt in a changing market.

Navigating an uncertain market

As we entered 2023, the world's economies experienced inflation spikes and rising interest rates, which put pressure on consumers across our markets. Advertising markets, including podcasting, have also been affected, resulting in a lower growth rate than in previous years. Acast acted early in 2022 to adjust our cost base and in 2023 we have continued to balance new investments with strict cost control measures.

In North America, which has been our primary growth engine during the year, we increased revenue by 25 percent compared to the previous year. During the year we have seen early indicators of a broader market recovery.

Our growth in Europe amounted to 14 percent and in Other Markets it was 21 percent. Also in these regions, we have performed well given the market conditions. I am proud of how we have successfully managed to grow and outperform the market.

A defined path to profitability

At the end of 2022, we set a clear course towards profitability in 2024, and we have consistently kept in that direction throughout 2023. Continuously working on our internal efficiency has been a top priority, and we have focused on optimizing our cost base to create the best possible conditions to achieve our profitability goal. I am proud that we have managed to reduce our operating cost base by five percent while continuing to grow.

In the last quarter of the year, we achieved a positive adjusted EBITDA for the first time and generated positive operating cash flows, a milestone in our efforts to develop Acast into a market-leading player that grows profitably.

Towards the end of the year, Apple initiated an update to iOS17. This resulted in a change in how podcast episodes are auto-downloaded on mobile devices, affecting our entire industry with podcasters seeing their listening numbers fall. While in the short term it reduces the number of listens, long term, the change will provide a more accurate picture of the listening frequency for each podcast. As a consequence, a revaluation of podcast contracts was made in the fourth quarter, amounting to -76 million SEK. The revaluation did not affect cash flows during the period.

Automation and scalability: the key to the future

Streamlining our processes and increasing scalability in ad sales are key factors in building the future Acast. With more automated sales flows, the foundations for building long-term growth are strengthened. During the year, we further developed our self-service ad platform, adding the ability for advertisers to browse and plan their own host-read sponsorship campaigns, giving even more advertisers the opportunity to reach their relevant audiences via Acast. I am pleased with the very positive reception among our advertisers and the fact that we have seen revenues from the platform exceed our expectations.

We have also launced AdCollab, a tool that enables automated campaign planning and ad production in real-time. AdCollab is available to advertisers, podcast creators and Acast's own sales teams and contributes to increased efficiency and value for Acast and our partners.

Programmatic ad sales have emerged as an important automated revenue-generating channel for both Acast and advertisers. This technology uses real-time data and algorithms to deliver targeted ads to the right listener at the optimal time. In 2023, programmatic sales accounted for 15% of Acast's total revenue. These automated ad campaigns provide increased efficiency for both Acast and advertisers compared to manual processes.

Through its subsidiary Podchaser, Acast has the most comprehensive and detailed podcasting database in the industry. Together, the companies continuously work to create solutions that strengthen and improve podcasting as a media channel. During the year, we launched new features that combine Podchaser's data with Acast's adtech capabilities. A good example is Collections+, an AI-driven capability that increases advertisers' reach and advertisers' selection of podcasts. Through data-driven analysis of the conversation in podcast episodes, advertisers can target entirely new and relevant podcasts and listener groups, which wouldn't have been surfaced before, and thereby increase reach and accuracy in their advertising. Thus, we can increase our ad sales
in smaller and medium-sized podcasts and further scale our revenue without being dependent on a third parties.

Thank you for a successful year

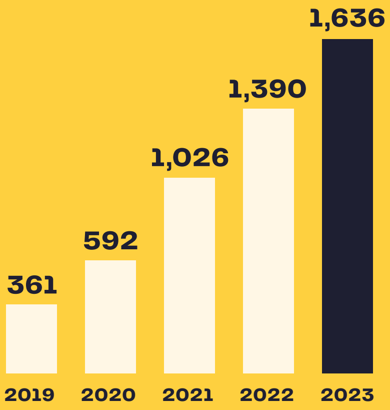
Another year has passed, during which we at Acast have steadfastly continued to develop the platform that allows everyone to create value from podcasts. It is with pride and joy I can conclude that Acast has strengthened its position as the leading independent player in podcasting. In 2023, more and more podcast creators found their audience and made money, and thousands of companies created value through effective ad campaigns through our platform. A warm and heartfelt thank you to all Acasters who contribute daily to making this possible.

ROSS ADAMS, CEO Acast

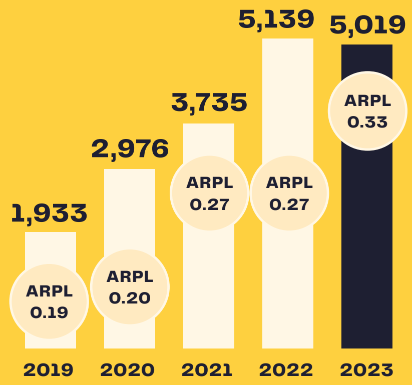
"Working at Acast means being dedicated to the task of creating optimal conditions for brands and people to meet via podcasts."

Acast facts and figures 2023

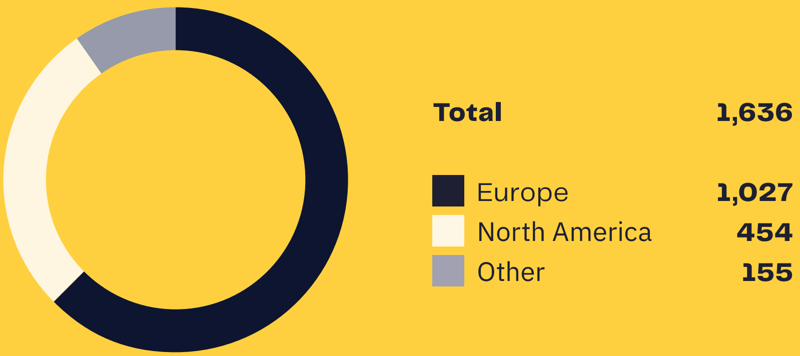
Full year net sales development, SEKm



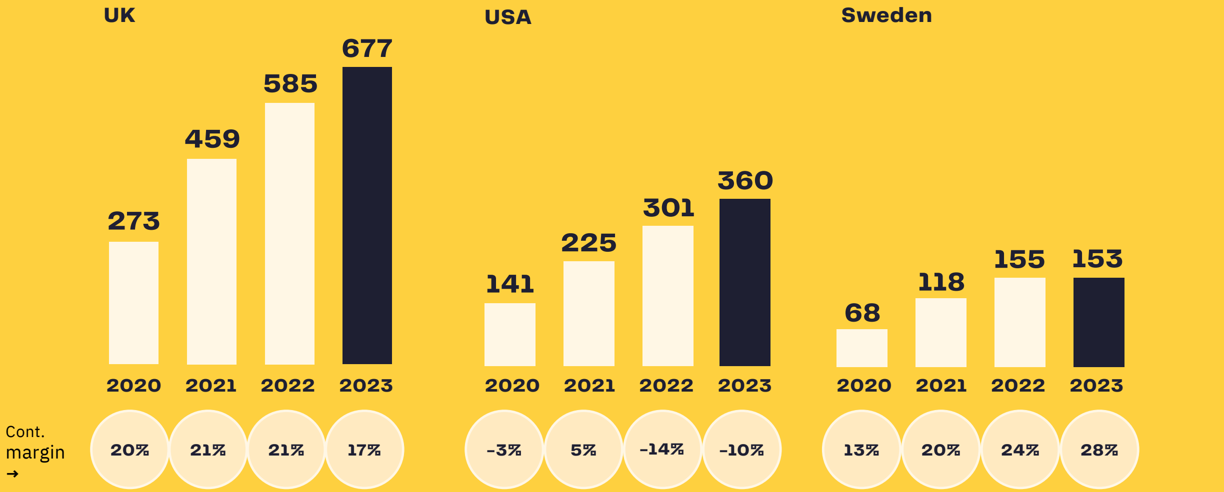
Listens (millions) and average revenue per listen ARPL (SEK)



Net sales per segment, SEKm



Net sales development, three largest markets, SEKm



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

Net sales break down

	2019	2020	2021	2022	2023
Listens Ms (no')	1,950	2,976	3,735	5,139	5,019
Listens growth	47%	53%	26%	38%	-2%
Ad-Slots (#)	5	5	5.2	5.5	6.2
Inventory Ms (no')	9,750	14,880	18,675	28,421	30,969
Sell Through Rate	**21%**	**22%**	**28%**	**29%**	**27%**
CPM/pricing (USD)	18	19	22	16	15
Net Sales from Ads	332	545	994	1,291	1,454
Total Net Sales (MSEK)	361	591	1,026	1,390	1,636
Net Sales growth	90%	64%	74%	36%	18%
ARPL (SEK)	**0.19**	**0.20**	**0.27**	**0.27**	**0.33**

Acast's net revenue is based on the number of listens, that multiplied by the number of advertising slots in each podcast, clarifies the total ad space (inventory) available for ads or sponsored posts. The sell through rate reflects what percentage of the total advertising space that was sold. The price is expressed normally as CPM (Cost per Mille), i.e. the cost of buying 1,000 ad impressions. Net sales from advertising consists of the number of delivered ads multiplied by the CPM.

A global perspective

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

13

offices globally, offering local expertise to podcasters and advertisers

400

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

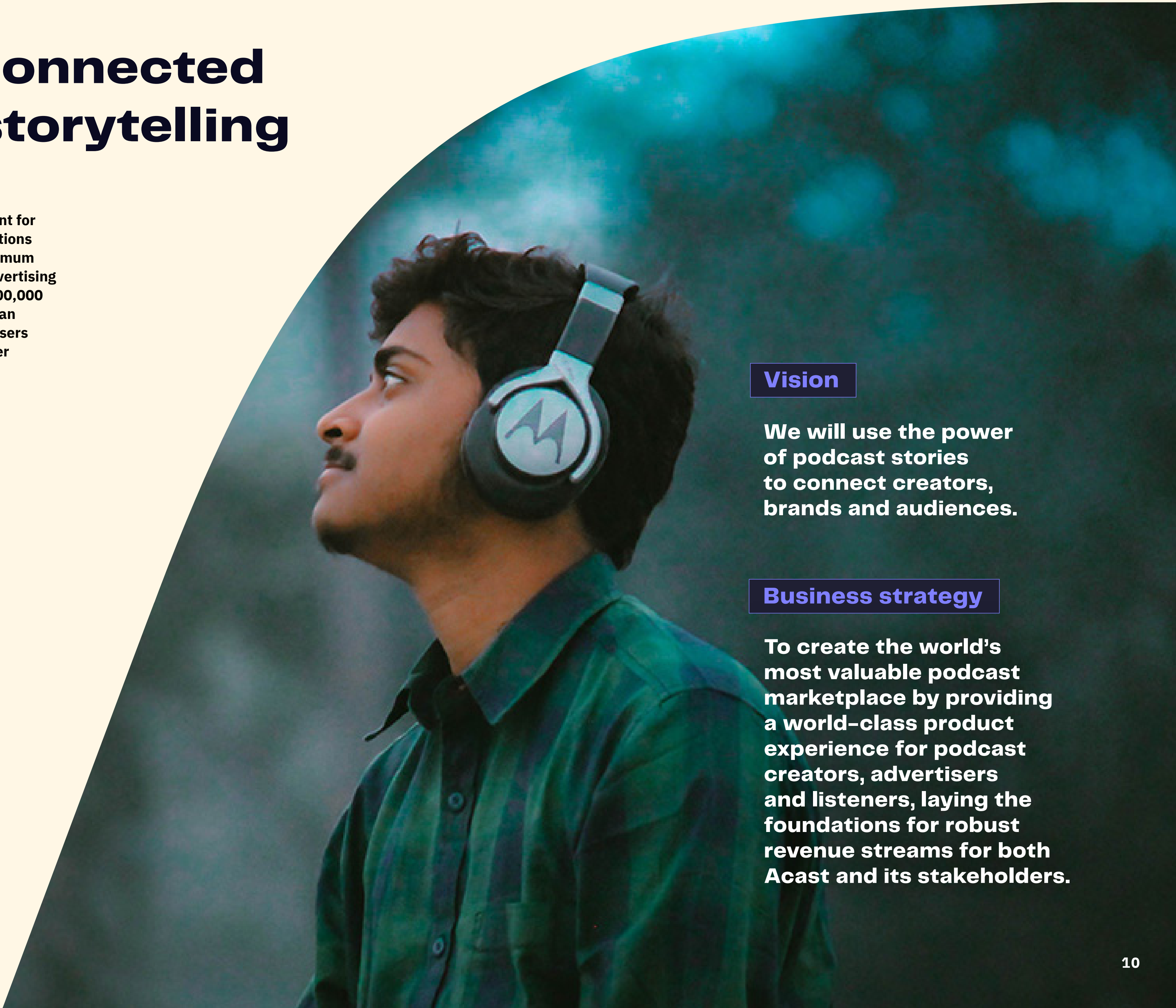
373

co-workers and consultants. Acast's largest represen-tation is in Sweden, UK and the US

A world connected through storytelling

Acast's role is to create the environment for anyone, anywhere to establish connections through podcasting and generate maximum value. As a world leader in podcast advertising technology - with a solid portfolio of 100,000 podcasts, a total of 5 billion listens on an annual basis and around 2,700 advertisers in the form of global brands and smaller companies - we are truly the world's premier marketplace for podcasts.

We provide a world-class advertising experience for podcast creators, advertisers and listeners alike.



Vision

We will use the power of podcast stories to connect creators, brands and audiences.

Business strategy

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

A strategy for global market leadership

Acast is at the center of the value chain, bringing together advertisers seeking an engaged audience with podcast creators looking to monetize their podcasts. Podcast creators reach a large audience through Acast's platform and can generate revenue by participating in our marketplace. Advertisers get access to an engaged audience and targeted digital advertising. Listeners have the freedom to listen in their preferred app.

Acast is at the center of the podcasting ecosystem – where podcasts are delivered and listened to freely across all listening apps via RSS technology, instead of being fenced off behind different paywalls or by individual platforms. This means that a podcast and its advertising messages from Acast reach listeners wherever they choose to listen, to the benefit of Acast's podcast creators, advertisers and listeners.

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

1. Podcast creators
2. Advertisers
3. Listeners

1 Podcast creators

We support podcast creators to grow and monetize their content

Podcast creators of all sizes, from emerging talents to the world's most renowned personalities and publishers, turn to Acast to effectively expand their audience and generate income from their podcasts. This is achieved through advertising and other revenue streams.

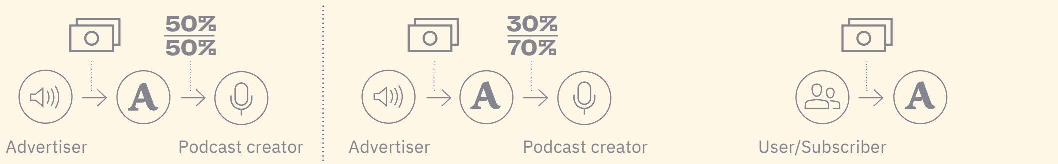
Thanks to our leading technology, the ability to attract advertisers, and extensive distribution capabilities, Acast's platform offers podcast creators unique opportunities to reach and monetize a wide audience across all platforms, from apps and web players to smart speakers.

As a company wholly dedicated to podcasts, our offerings are based on a deep understanding of the podcast industry and the specific needs of creators.

Our business model primarily revolves around revenue sharing, where Acast and the podcast creator split the advertising revenues according to an agreed-upon percentage. This fosters mutual trust and a shared goal of attracting listeners and advertisers to each episode. Since its inception in 2014 until the end of 2023, Acast's model has generated approximately 3.32 billion SEK in revenue for podcast creators.

Ad-driven business model

Ad revenue | **Non-ad revenue***



Brand-Produced Ads

Sponsorship / Host-read Ads

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

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

Tools for podcast creators

Record and publish
→ Podcasts on all platforms

Marketing
→ Find the audience and make it grow

Analyze
→ Revenue and data for faster and smarter decisions

Monetize
→ Increased opportunities to generate revenue through advertising

Cumulative podcast payouts, MSEK

The Acast creator network attracts some of the world's most prominent media publishers and independent creators

2 Advertisers

Opening the door to millions of listeners

Through Acast, advertisers have the opportunity to reach engaged listeners with tailored and effective advertising campaigns. This offers them a unique chance to be part of the daily conversations flowing between podcast creators, their guests, and listeners.

In an era where every investment dollar counts, advertisers are on the lookout for the most profitable channels. It's becoming increasingly important to choose campaigns that not only build the brand but also deliver tangible results.

In 2023, we witnessed a significant increase in the number of advertisers choosing Acast, largely thanks to our user-friendly self-serve platform. This platform has proven particularly appealing, resulting in a 19 percent increase in the number of advertisers with us.

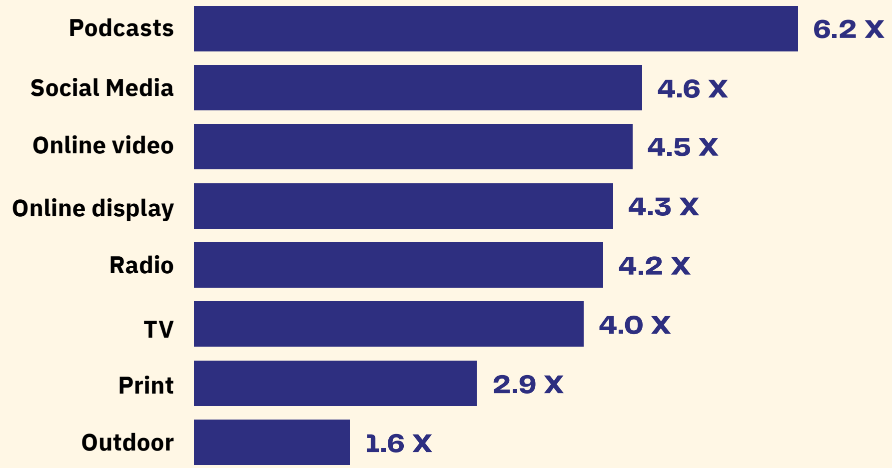
Innovative advertising solutions

Our range of advertising products – ads, sponsorships, and branded content – accounted for about 90 percent of our revenues in 2023, supplemented by services such as distribution and data analysis. Each advertising product is designed to meet different needs, from short, recorded ad messages to deeper engagement through branded content.

Our podcast ads, dynamically tailored to the listener upon playback, offer a direct channel to engaged ears – regardless of the platform or app. Host read sponsorships add a personal touch, with the podcast host using their unique voice to build trust and strengthen the relationship with the listener. This closeness and credibility make host read sponsorships a valuable investment.

Branded content takes advertising to the next level by integrating advertisers' messages directly into the podcast content, creating an even stronger connection to the listener. Our creative team is ready to assist from concept to completed podcast, a service for example Dove and Kia Motors have already benefited from to create truly engaging content.

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



Expanded sales channels to meet all needs

Advertisers can access the Acast Marketplace through various sales channels

→ Directly through our sales teams

→ Through our automated offer, programmatic sales

→ Through Acast's online self-service platform

Direct sales through Acast's expert team

Acast's sales team operates across thirteen markets, possessing deep knowledge of each unique market. Our local presence is a significant advantage, enhancing our understanding of both the podcast landscape and relationships with local advertisers and media agencies. During the year we have launched:

- Utilizing AI to analyze podcast content, enabling us to better match brands with suitable podcasts.
- The industry's first recommendation engine for customized ad recommendations, to efficiently align podcasts with advertisers' campaign objectives.
- Introducing a new method for ad delivery, "Interchangeable Ad Slots," which expands the Acast Marketplace and increases the sellable ad space by over 10 percent.

Focus on scalability

This year, we've emphasized improving and developing our automated sales processes to build a scalable business model. This includes:

- Efficiency-enhancing tools like AdCollab, allowing advertisers and podcast creators to collaborate on campaigns in real-time.
- Further development of our self-serve platform to make podcast advertising more accessible to more brands, including the ability to purchase host read sponsorships and view pricing and availability in real-time.
- Programmatic sales, leveraging technology and real-time data to automatically target and place ads, accounted for 15 percent of Acast's ad revenues in 2023. This method simplifies processes such as negotiation, reporting, optimization, and billing.

Revenue beyond advertising

In addition to ad products, Acast also offers SaaS services and products sold individually or via subscription:

- Podcast creators can use our hosting tools for a monthly fee.
- Podchaser provides access to our database for a recurring monthly fee.
- With Acast+, podcast creators can offer paying members perks like exclusive content or ad-free listening at a price they set.

3 Listeners

Listening Freedom: Acast's contribution to the open podcasting ecosystem

One of the strengths of podcasts is that the technology is built on open standards. This allows listeners to enjoy Acast's shows wherever they prefer to listen to podcasts. We ensure that all our content is accessible through hundreds of different apps, smart speakers, and web players, giving listeners the freedom to choose where and how they listen. This is a crucial part of what we refer to as the open podcasting ecosystem.

In 2023, Acast podcasts were listened to an incredible 5 billion times, and by the end of the year, we reached approximately 100 million unique listeners per month.

Helping advertisers find the right audience through technology and data

The podcast world, like other creator-led media, thrives on reach and scale. The big hit podcasts, often helmed by well-known personalities or influencers, attract advertisers and media agencies with their large audiences. Alongside these are many lesser-known podcasts with equally loyal and engaged followings, appealing to advertisers seeking their audience.

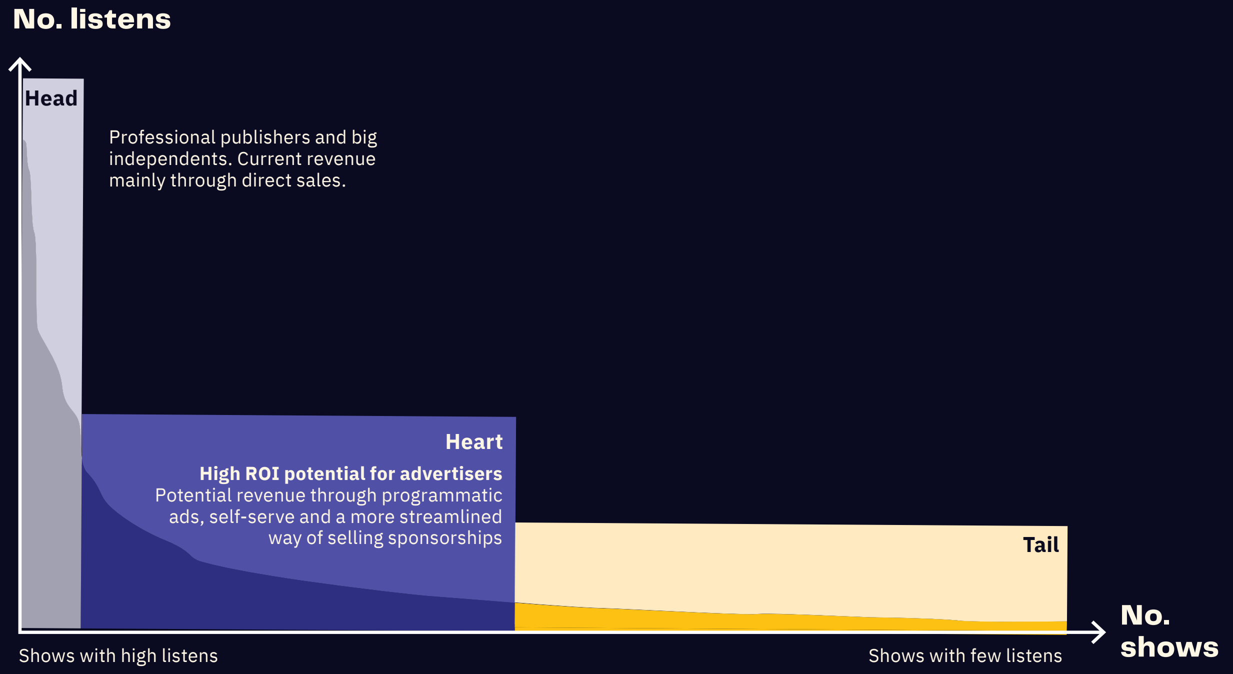
Acast's strategy is centered on providing creative solutions that benefit both podcast creators and advertisers, regardless of size. The larger creators require more hands-on sales effort, but they account for a significant portion of revenues and enhance visibility in our local markets, attracting more creators to Acast.

At the same time, the vast number of smaller podcasts presents a significant opportunity to scale up ad sales through increased automation and technological innovation. This focus has been a priority, and in 2023, several new tools were introduced for advertisers on Acast's self-serve platform.

By enhancing our offerings for both large and small podcasts, Acast can boost sales by more efficiently selling existing ad space.

Podcast Portfolio

Illustrative example



On the right track to reach financial targets in 2024

Since 2022, Acast has had four financial targets which together ensure that the company is steered towards long-term profitable growth.

1. Organic net sales growth

Acast targets an average annual organic net sales growth rate of 40–45% between 2020–2025.

Acast achieved an average growth for the years 2020–2023 of 46 percent. To reach the range of 40–45 percent on average for 2020–2025, a minimum of 28 percent average annual growth is required in the years 2024–2025.

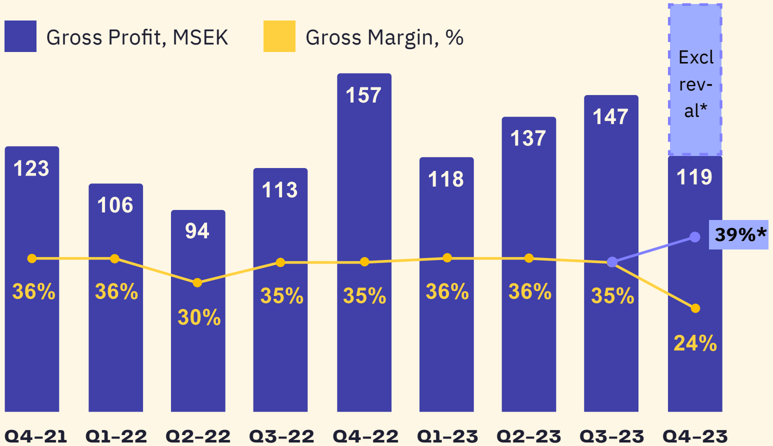
	Outcome				Scenarios, examples		
Organic Growth	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Average**
Outcome 2020-2023	69%	74%	26%	13%			46%
Average - 45%	69%	74%	26%	13%	44%	44%	45%
Average - 43%	69%	74%	26%	13%	38%	38%	43%
Average - 40%	69%	74%	26%	13%	28%	28%	40%
						Target	**40–45%**

2. Gross margin

The annual gross margin should amount to 35–38%.

In 2023, the gross margin amounted to 32%. Adjusted for a non-cash flow-affecting revaluation of podcast contracts of approximately SEK 76 million, which was made as a result of Apple's update to iOS17, the gross margin was 36% for the full year 2023.

Quarterly Gross Profit



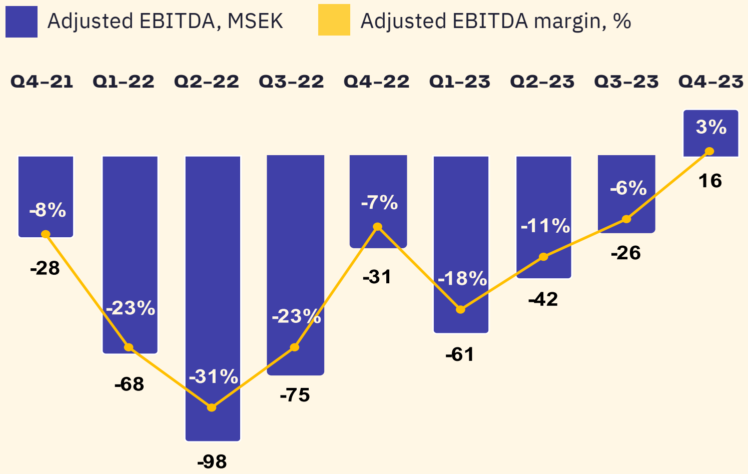
*Excluding the revaluation of podcast contracts made in Q4 2023, due to Apple's update to iOS17.

3. EBITDA

Acast's goal is to reach a positive EBITDA in 2024.

In 2023, adjusted EBITDA amounted to -111.7 MSEK and during the fourth quarter, Acast achieved a milestone in the company's history when adjusted EBITDA was positive for the first time. Acast has good operational leverage through continuous development of technology that enables increasingly automated sales, which drives revenue to lower cost of sales.

Quarterly Adjusted EBITDA



4. Dividend Policy

Acast intends to retain available funds and future earnings to support its operations and to finance the growth and development of the Company. As such Acast does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will depend upon, among other factors, the financial results of operations, financial position, any applicable laws and regulations, cash flows and working capital needs.

Podcast advertising: continued structural growth

The podcast advertising market has shown impressive growth in recent years, and everything indicates that this positive trend will continue. According to Market.us, the global market for podcast advertising is expected to grow at an average annual growth rate of 14.5% from 2023 to 2032. From a value of $12.7 billion in 2023, the market is predicted to increase to $43.0 billion by 2032.

Podcast listening – a continuously expanding trend

The growing interest in podcasts is a strong driver for increased advertising revenue. eMarketer confirms that listener growth is global, with expected increases of 16% in North America, 15% in Western Europe, and 32% in Latin America between 2023 and 2027. Smartphones have become increasingly accessible, which, along with an ever-richer selection on digital audio platforms, gives consumers more choices. More and more people are choosing podcasts over traditional media. According to Nielsen, viewing of traditional TV among 18-49-year-olds has decreased by 59% from 2018 to 2023. Radio is also losing listeners, with a 7% decrease among those who listen for an hour or more each weekday (2018 to 2022), according to Jacobs Media. This development provides a solid foundation for the continued growth of the podcast market.

Podcasts – a media with significant untapped potential

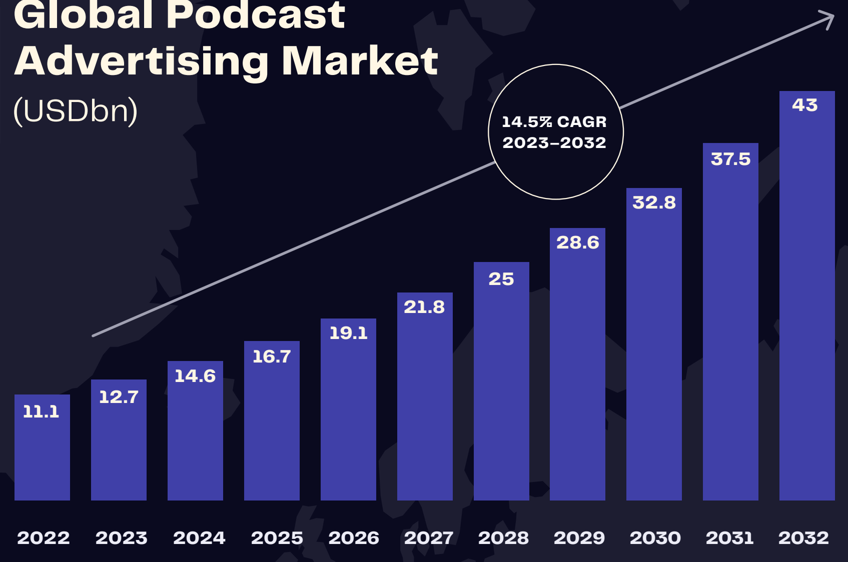
Revenue from podcast advertising continues to grow, outperforming other channels, including the broader landscape of digital audio. Guideline Insights, which tracks advertising agencies' podcast investments in the US, shows that podcasts increased their share to 25% of digital audio investments in 2023, up from 19% the previous year.

Yet, despite the increase in podcast advertising revenue and its strong appeal, there is still a significant gap between how much podcasts are consumed and the investments made in podcast advertising. This indicates that podcasting is still an undervalued area, with the potential for further growth. According to research from the media analysis firm WARC, advertisers only spend a fraction of their budget on audio media despite consumers spending a significant portion of their media time there. While consumers spend 31 percent of their media time with audio media, advertisers only invest 8.8 percent of their budget in this area. This discrepancy offers advertisers a unique chance to engage their audience with fewer competitors compared to oversaturated channels like social media and linear TV.

However, the industry is starting to recognize this mismatch. According to The 2024 Industry Pulse Report, 81% of media experts believe that investments in digital audio ads will increase to better match consumers' growing interest in

Global Podcast Advertising Market

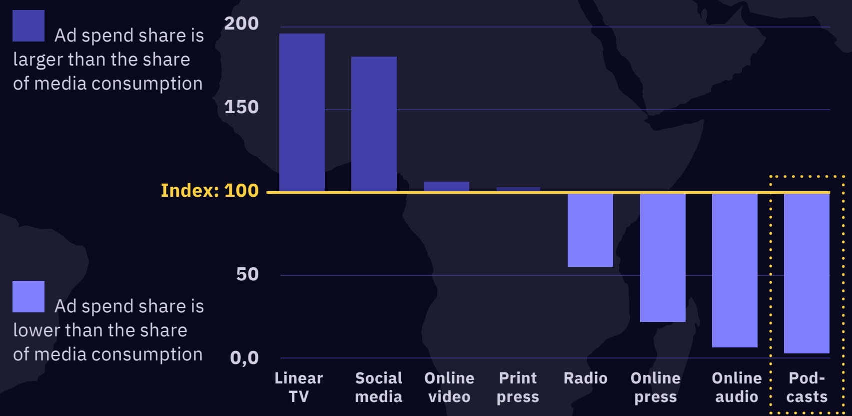
(USDbn)



Source: Market.us

The global gap in ad spending

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



Source: WARC Data, 2021

audio-based content. Furthermore, a survey from Cumulus and Signal Hill shows that listeners' tolerance for the number of ads in podcasts is increasing, further highlighting the untapped potential of podcasting. Despite an increase in advertising in the medium, listeners are open to more ads, indicating a strong foundation for continued growth and development within podcast advertising.

The cyclical nature of the advertising market supports recovery

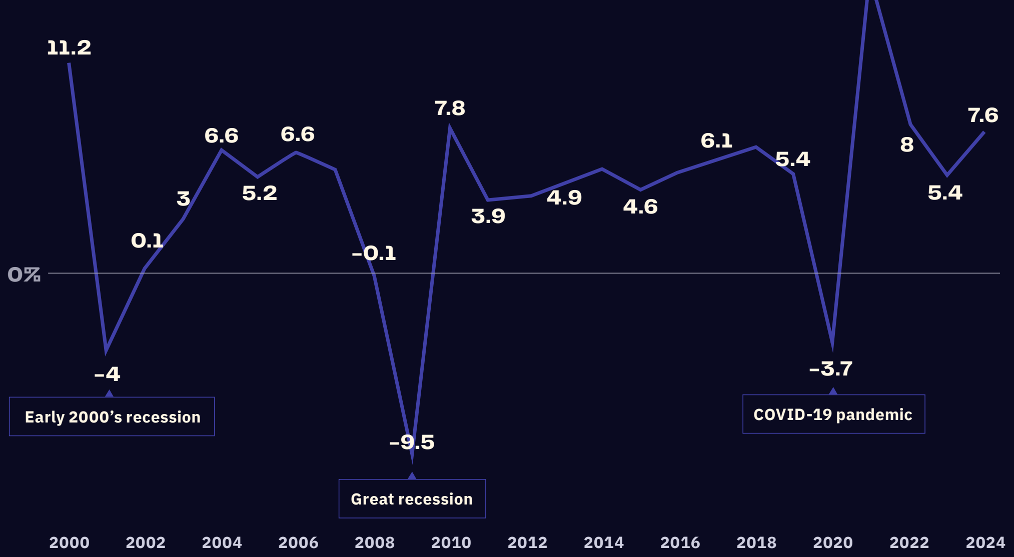
The past twenty years have shown a clear pattern: advertising revenues tend to drop at the onset of economic downturns and crises. However, the encouraging aspect is that the advertising industry often recovers quickly, not only returning to previous levels but in some cases even surpassing them within one to two years after a recession. This has been particularly evident in the US, which is the world's largest advertising market, where the industry has repeatedly demonstrated impressive resilience during tough times.

2024 has started on a positive note; in the US, total advertising revenues increased by 4.3% in January compared to the same month the previous year, according to data from Guideline's U.S. Ad Market Tracker. January marked the tenth consecutive month of growth, indicating that the American advertising market has emerged from the slump caused by recent years' instability.

Tech advances makes podcast advertising a winner in the future (cookie-free) world

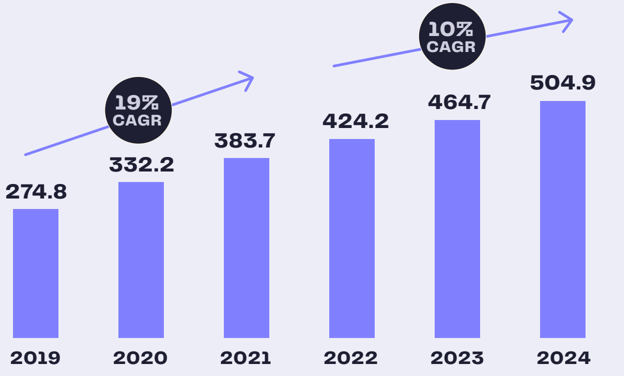
Advancements in technology, including AI, make it easier and more cost-effective for

Growth of advertising spending worldwide from 2000 to 2024 (year-on-year growth (%))



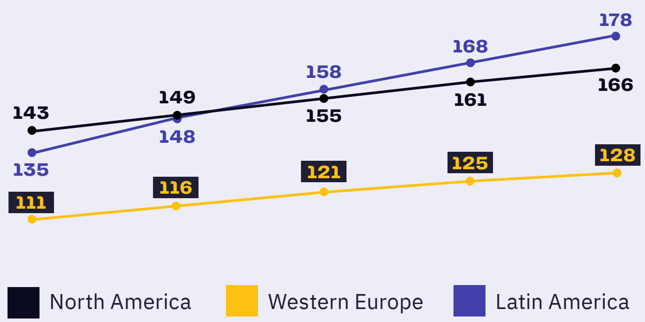
Source: Statista 2024

Number of podcast listeners worldwide (in millions)



Source: Statista

Podcast listeners by region, % of internet users



Note: internet users of any age who listen to a podcast via digital stream or direct download on any device at least once per month.

Source: Insider Intelligence | eMarketer Forecast, Aug 2023 producers to create quality content and for advertisers to reach the right audience. The move towards increased programmatic sales, which automates the buying and placement of ads, simultaneously increases the number of possible advertisers. Advanced technologies such as speech-to-text transcription, AI, and natural language processing play a crucial role in achieving more accurate and value-creating ads for both advertisers and listeners.

Contextually-targeted ads allow advertisers to reach their audience in a relevant and secure manner, without collecting personal data. By targeting specific conversations, content, keywords, or a certain sentiment, advertisers can position themselves in a way that aligns with the listener's interests and needs.

In a cookie-free world, podcasting stands strong, as the medium already utilizes methods to reach consumers that will define the next era of digital advertising – from behaviorally-targeted ads to contextually-targeted ones. The future of podcast advertising looks bright, with technological advancements paving the way for a more efficient and engaging advertising experience.

Acast has a dominant position in established markets and growth potential in the US

After years of growth in podcasts, listeners, and advertisers, we have achieved a market-leading presence in our established markets. According to figures from IAB UK (Interactive Advertising Bureau), we top the list as the leading player in podcast advertising in the UK, with a market share of 62%. In Sweden, we maintain a strong share of 46% of the podcast advertising market, based on data from IRM (Institute for Advertising and Media Statistics) and IAB Sweden. In the US, Acast is advancing faster than many of our competitors. With an annual revenue growth of about 20%, we are stronger than most in the industry, and we aim to continue our growth journey.

Words from podcast advertisers

”By increasing our investment in podcasts, we have achieved outstanding ROI and impressive reach. Our commitment a year ago has proven to be very successful, with podcasts topping the list of cost-effective channels for us. With a fixed CPM strategy, we have ensured consistent reach, which is a challenge on other platforms. We have also successfully matched our target audiences with suitable profiles, including those that appear more niche but still generate engaged listeners. Thanks to good communication and a wide selection of profiles, we have been able to maximize our positive results.”

Mathilda Kock
Influencer Manager Nordics Air-Up

”We have increased our media investment in podcasting over the years and will continue that trend since we see positive results. Our reports consistently give host reads very high ROI and in combination with reach focused spot ads, podcasting as a media channel generates both reach and attention. On top of that, the positive association with popular personalities, our brand equity improves as a result of that.”

Simon Post
Media Manager TRE

"It is our ambition to use the power of podcasts for good – to connect creators with brands and with audiences."

John Harrobin Chair, Board of Directors

Comment from the Chairman of the Board:

Dear Stakeholders,

Thank you for taking the time to read Acast's Environmental, Social and Governance report. A report – established in 2023 – to highlight Acast's ongoing commitment to sustainable, social and ethical development, and how we continuously work to ensure what we do is beneficial for the world and the societies we exist in.

Through podcasts, we hear about events in the world. We hear underrepresented voices, we hear experiences from marginalized groups and we help to keep societies connected. This is fundamentally why we – as Acast – choose to exist, and lead the way to how we can help to make the world a better place, now and in the future.

2023 was a year of two realities. In some ways positive; with the rise and influence of AI at the forefront, thus pioneering advancement into productivity for many industries, whilst simultaneously raising questions concerned with morality, and the ethical practice of its usage. We also witnessed the conflict in the Middle East, the continued invasion of Ukraine and the negative implications of the climate change crisis, with an abundance of catastrophic natural disasters.

Allowing people to hear about these stories – both positive and negative – is how the world stays together and we believe the podcasting medium continues to provide a safe, private and personal space for this to happen. At Acast, we believe in the power of a world connected through storytelling. We understand how important these stories are to tell, and the impact theyese will have on our listeners, podcast creators, partners and the world more generally. It is our ambition to use the power of podcasts for good – to connect creators with brands and with audiences, and to help amplify these stories and ensure they are heard by as many people as possible.

In this year's ESG report, we will share the strategies and initiatives we have established and are continuing to prioritize to address sustainable, social and ethical challenges. These include the first ever financial materiality assessment we have conducted, significantly reducing emissions coming from our internal systems, continuing to attract diverse creators and promote underrepresented voices in podcasting and the ongoing work we are doing to ensure our working practices are safe, ethical and responsible.

As a business, we remain committed to creating a sustainable business that continues to deliver value. Thank you for your ongoing support and belief in who we are, as we strive to make the world a better place, connected through storytelling.

Sincerely,

John Harrobin
Chair, Board of Directors

Podcasting for good

At Acast, we want to use the power of podcast stories to connect creators, brands and audiences. We want to keep the world connected through storytelling, and we want to continue to use podcasting for good – in a way that is accessible for anyone, anywhere around the world.

As a medium, podcasting offers a private escape. It is often consumed personally and thoughtfully, in a way that is educational, informative, insightful or entertaining. It is a medium that promotes slowing down and switching off – time away from the fast paced nature of the world we exist in, which is now more prevalent than ever, with on screen entertainment, social media and remote working continuing to dominate the way in which we function.

It is also a medium of diversity; a medium where differing opinion and contrasting experience is encouraged, empowering society to learn and understand about the communities in which we live and the world more generally. It is also a medium that brings communities together; shining a light on underrepresented and marginalized groups, where shared experience is found and society is united.

At Acast we therefore understand the role and responsibility we play in making sure the medium is used for good. As a fast growing tech organization with a global presence, we know the importance of focusing on sustainability and operating in a sustainable way too, that is fair to our podcasters, advertisers, partners and internal teams too.

In 2023, we created a cross functional working group whose focus is on ensuring our sustainability efforts are front and center of what we do as a business. The working group met at the beginning of the year to establish the core initiatives we want to focus on as a business, that will drive maximum value and make the biggest impact. In 2023 the group met regularly to keep a track on the initiatives' progress, ensuring we are satisfying the objectives set. The presence of this group is also helping to embed sustainability more organically across the business, in a way that is open, transparent and visible.

In 2023 our sustainability policy was updated and renamed as Environmental, Social and Governance (ESG) Policy to outline the framework for how we as a company and our employees should act regarding environmental, social and governance matters. Our sustainability work remains a work in progress, and it is still our ambition in the coming years to expand our reporting of sustainability KPIs in order to comply with the new requirements set out in the EU's Corporate Sustainability Reporting Directive (CSRD) by 2025. For 2024, we aim to develop and implement our sustainability strategy and goals that can be followed up annuallyyear on year. We will continue to be as transparent about our work as possible, so that our stakeholders can continue on the journey with us too, and be a part of the progress we make and the challenges we face.

We will continue to conduct our business in line with the principles of the UN Global Compact, ensuring respect for human rights and the ILO's core conventions, countering corruption and bribery through training our employees, and reducing our footprint on the climate and environment throughout our value chain.

Financial Materiality Assessment

During 2023, we conducted a financial materiality assessment based on the European Sustainability Reporting Standards (ESRS). The results from the assessment have outlined the sustainability risks and opportunities that Acast is linked to, both in our own operations, as well as upstream and downstream within our value chain.

The financial materiality assessment is one of two parts of the double materiality assessment, with the other part being an impact materiality assessment that will become mandatory under the upcoming ESRS reporting standard. We intend to conduct the full double materiality assessment for 2024.

The financial materiality assessment was conducted with the purpose of identifying sustainability topics that trigger, or could trigger, material financial effects on Acast. This was carried out by mapping our value chain, identifying sustainability risks and opportunities along that value chain and evaluating whether the risk/opportunity had or could have a material impact. There were also stakeholder dialogues held to further identify the potential risks associated with our value chain. These were held with both internal and external stakeholders. The assessment was made in line with the ESRS framework of 10 standard topics divided into three different sections (Environment, Social and Governance) that are outlined in the tables.

Main financial risks and opportunities for Acast

The financial materiality assessment concluded that the following topics are financially material to us:

ENVIRONMENTAL Climate Change

Not engaging/actively engaging in measuring and reducing climate impact related to our own operations and upstream and downstream value chain can cause negative/positive ESG scoring.

Increased energy prices may have a negative impact on costs for us and measuring and monitoring energy use is a key aspect in managing and monitoring GHG-emissions.

SOCIAL Own Workforce

We are dependent on our skilled workforce, hence this is a critical risk/opportunity for us. Good working conditions attract and retain talent, whereas poor working conditions increase employee turnover and sick leave.

In addition to this, as a global company, equality and diversity is very important to us. Not ensuring DEI (Diversity, Equity and inclusion) could constitute a financial risk to us since DEI is important when it comes to attracting and retaining a skilled workforce. See sections below on how we work with DEI across all our markets.

SOCIAL Consumers & End-Users

We process personal information about our podcast creators and listeners. Processing of personal data in conflict with applicable privacy laws could lead to fines and harm company reputation.

SOCIAL Consumers & End-Users cont.

We have a unique position as a business where we have the possibility and opportunity to promote freedom of expression and freedom of information through enabling free content for listeners from a broad range of podcast creators, which has a positive impact on public debate and social inclusion.

There is however also a risk in content distribution in the sense that illegal, unethical and/or inappropriate content may be spread, which in turn could have a negative impact on the number of listens, advertisers and Acast's reputation.

We are working to promote diversity in podcasting through promoting podcasts created by underrepresented groups.This brings financial opportunities - it boosts company reputation and helps with attracting more podcasts to our platform as well as listeners to the podcast content we distribute.

Supporting the open podcasting ecosystem and giving audiences the possibility to access our content everywhere, creates financial opportunities.

Responsible advertising. If we would not engage in responsible advertising, it could constitute a financial risk to the company in terms of brand reputation and advertisers/podcasters withdrawing from our platform. Please read more overleaf on how we work with responsible advertising.

GOVERNANCE Business Conduct

Corporate culture and preventing unethical behavior in our own operations and within our value chain is important to Acast.

Management of relationships with suppliers (such as podcast creators), including payment practices, is important to us since the revenue and payouts we generate to our creators is one of the main reasons for them to be partnering with us.

Corruption and bribery is a financial risk as it could lead to fines and reputational harm to the company if not managed appropriately. Read more on this in the sections below.

	Topic	Financial materiality
ENVIRONMENTAL	Climate change	✓
	Pollution	×
	Water & marine resources	×
	Biodiversity & ecosystems	×
	Resource use & circular economy	×
SOCIAL	Own workforce	✓
	Workers in the value chain	×
	Affected communities	×
	Consumers & end-users	✓
GOV	Business conduct	✓

Reduced environmental impact

At Acast, we aim to reduce our impact on the environment and to limit the effects of climate change through our operations. We take a precautionary approach to preventing a negative business impact in line with the Global Compact principles. Furthermore, our Code of Conduct and ESG Policy set the framework for how we as a company and our employees should act regarding environmental and climate issues.

As a business, the largest part of our total emissions derives from Scope 3 emissions, meaning emissions as the result of activities from assets not owned by Acast, but that we indirectly affect in our value chain. At Acast, the two largest categories contributing to our Scope 3 emissions are indirect cloud based emissions from streaming of podcasts and business travel by our employees. We have implemented measures to reduce our Scope 3 emissions, as reflected in the comparison of our emission data from 2022 to 2023. Our scope 2 emissions are made up of energy consumption for our offices around the world and have increased compared to 2022. This is not driven by a higher energy consumption per office but by that we implemented better data collection methods which allowed more offices to be included in the scope 2 calculation for 2023. Similar to 2022, we do not have any scope 1 emissions for 2023.

Reduction of emissions from third party service providers

As mentioned, one of the largest contributors of our Scope 3 emissions is made up of indirect emissions from podcast streaming through AWS. They provide us with audio delivery servers where we run the majority of our content and ad campaign distribution. In previous years, we have used servers all around the world in order to have fast and effective audio delivery where possible. In 2023, we took the decision to change the physical presence of the servers. Instead of using servers all around the world, we now only use servers that are physically located in either the EU or the US. This comes with the small downside of an increased, but realistically not noticeable, audio delivery latency to non-EU/US listeners. The upside, however, is that there is more renewable energy in the EU/US energy grids, which reduces our estimated emissions drastically. This decision had a profound effect on our estimated CO2 emissions from cloud-based services for 2023, which now amount to only one fifth of our emissions in 2022. Even though we are satisfied and proud of the improvements made, emissions from third party service providers is still one of the largest contributors to our total emissions and we will continue to work with our partners going forward with the aim to reduce the emissions further.

Reduction of emissions from business traveling

Additionally, the other significant contributor to our Scope 3 emissions consists of emissions associated with employee business travel. The 2023 estimated emissions for this category, similar to the cloud-based emissions, is also roughly one fifth of the 2022 emissions. The reduction of estimated emissions from business traveling is driven by two factors. The first of these is our continued work in trying to keep business traveling to a minimum and only travel when it is really needed, which is also stated in our internal policies. The other driving factor is that in 2022, Acast hosted a large company off-site where we gathered all our employees across the world in one place, driving increased emissions. In 2023 a similar event did not take place, leading to a naturally positive impact on the estimated CO2 emissions.

E 1-6 Gross Scope 1, 2, 3 and total GHG emissions

	2022	2023	% N/ N-1
Scope 1 (direct emissions)	0	0	+/-0
Scope 2 (indirect emissions, location-based)	9	41	343%
Scope 3 (Other indirect emissions)	1,119	280	-75%
Total	1,129	321	-72%

Energy consumption Acast's own offices (MWh) 2023

	2022	2023	% N/ N-1
Total energy consumption (MWh)	296	445	50%

*The data for 2022 includes only the energy consumption for our Stockholm headquarters. For 2023, we expanded the scope to include offices in Oslo, London and Sydney as well.

ACAST ANNUAL REPORT 2023

We are passionate about stories and the people behind them

We strive to make Acast a great workplace, and that's made possible by our colleagues with whom we engage with every single day.

By following our core values; Fueled by Passion, Curious and Brave, and Open and Caring we encourage accountability, transparency, and ethics in our decision-making and employee behavior at Acast. Embracing equality and diversity is essential to us because we recognize that our ability to deliver exceptional products and services is strengthened when our workforce authentically reflects the diversity of our users. To develop a more diverse and inclusive organization, we align our talent acquisition and people processes to these core values. We do this by ensuring safe, equal and fair working conditions across the company. When joining Acast, all employees and consultants are required to sign our Code of Conduct which outlines topics related to workplace ethics and human rights, whistleblowing and social responsibility and diversity and inclusion.

We store our policies regarding anti-racism, anti-discrimination and anti-harassment on Acast's employee intranet, Atlas. In these policies, we make it clear that all employees, regardless of ethnicity and background, should be treated on the same terms with respect. Violations of these policies are to be investigated immediately, and the necessary measures and reporting processes are taken. The first reporting option shall always be to report to a manager or to the People team within Acast, however if this is not the appropriate course of action, we have other reporting options set out in Acast's Whistleblowing Policy. We believe that those who suspect any irregularities that conflict with Acast values, business ethics or the law should be able to express them without fear of retaliation, and as such, the Whistleblowing Policy and subsequent reporting function exists for the protection of the whistleblower.

We work for diversity, equity and inclusion

As the global company we are, we need to promote diversity, equity, and inclusion (DEI). Our DEI Council progresses with a smaller entity of individuals including regional leads, a member of the People team and an international communications representative to further work towards creating a safe working environment where everyone feels respected, valued and included. In 2024, the DEI Council aims to have regular input and feedback from our regions to capture a range of perspectives and ideas of where we can strengthen our DEI initiative. An example of this is a future initiative where we implement a DEI section in every company wide monthly meeting to notify employees about ongoing initiatives, meanwhile continuing to organically embed it across our markets and functions. Additionally, a communication channel via slack has been set up to encourage ad hoc knowledge and update sharing. Regional leads will also be responsible for sharing DEI updates that are nuanced to their location with the idea of contributing to embedding DEI more organically across the company.

Our values:

Fuelled by Passion

Curious and Brave

Open and Caring

The Employee Resource Groups (ERGs) we have today are QueerCast for LGBTQIA+ employees, Global Majority for BIPOC employees (Black, Indigenous, People of Color), Parenting for parents, Mental Health for addressing mental illness and wellbeing, and Asisterhood for people who identify as female. The ERGs landed successfully in our US, UK and Ireland markets. The ERGs were set up to promote diversity and create a supportive and positive work environment for our teams, providing an open forum for employees. Globally in 2023, we successfully launched three global internal panel events for International Women's Day, International Day of Transgender Visibility and Hispanic Heritage Month. Additionally, our Parenting for parents ERG created a resource guide for children's book recommendations about pride. A mentorship scheme for Women in Tech and members of our BIPOC ERG were also set up. To encourage all employees to be aware of key religious and cultural dates, celebrate diversity and to help us work better together across markets, an Acast Global Calendar was implemented towards the end of 2023. This forms part of our ongoing global commitment to DEI, we want to work collectively together to embed DEI more organically across the business

In the UK and Ireland, we trained 10 employees in the UK and Ireland teams to be Mental Health First Aiders, acting as ambassadors and resource and learning providers for mental health support at Acast. During 2024, we plan to provide similar mental health support and training to employees across all our markets.

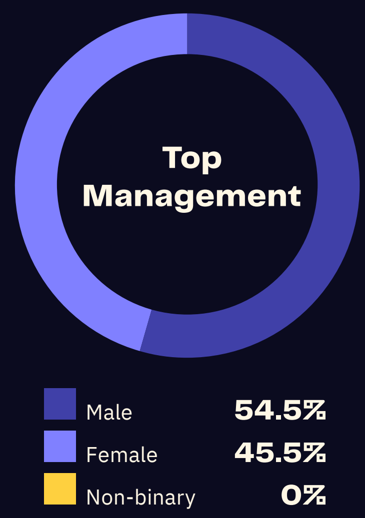
In 2022, through an external partner, we conducted an Inclusive Manager Training for our North America region, with the goal of providing our current and future managers with tools for effective and inclusive leadership. Topics covered were psychological security, communication, organizational health, coaching and different types of leadership. The success of the training in 2022 led us to open up a virtual training for all managers across Acast in 2023, which focused on similar themes and topics that were covered in 2022. While we had it in mind to implement the training across all employees of the business, we decided to focus on covering all in the management team before opening up more widely across the business. Using the feedback and learning from the manager training, we plan on rolling out Inclusive Training to all employees in 2024.

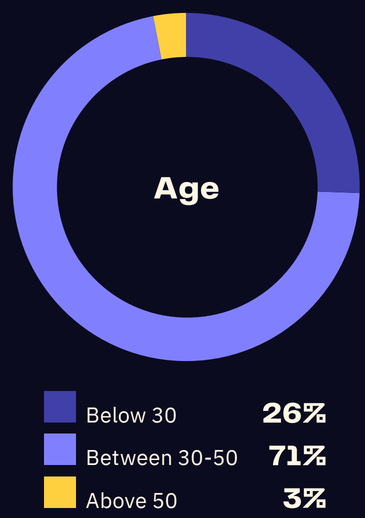
Employee diversity data

We launched a DEI Hub on Acast's intranet to create an accessible space for our employees to look into our current efforts, at their own leisure. Our aim with this is to improve transparency and visibility about where and who we are as a business when it comes to our DEI efforts, gender and ethnicity data.

Within Acast, the goal is to achieve a gender balance of 50/50 between men and women on all levels in the organization. By the end of 2023, we had a gender split of 58.5 percent of Acast employees identifying as female and 41.4 percent identifying as male and 0 percent as non-binary or other. This change is marginal when comparing our 2022 data, whereby we had a gender split of 57.6 percent female, 42.1 percent male and 0.3 percent non-binary. Among top management, we had a gender split of 45.5 percent female and 54.5 percent male. Consistent with our 2022 data, our Board of Directors has maintained a gender split of 66.6 percent male and 33.3 percent female. For more details about our employee diversity data, please refer to Employee statistics on the next page.

Employee diversity %





We promote health, safety and wellbeing in our workplace

All our employees should feel safe at Acast, and we work to reduce and prevent work-related mental health issues and illness. We work actively on topics such as working hours, managing workload, equal treatment and prevention of harassment and discrimination. Our Work Environment Policy covers physical, organizational and social environments for our employees, and highlights our commitment to providing a safe and secure working environment. In support of flexible work, we have a Global Remote Policy in place that provides guidance to both employees and managers working remotely and safely managing their work environment and mitigating psychosocial risks that may be associated with remote work. 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.

Acast offers mental health care across all of our markets for employees to access at any time. We aim to provide safe spaces that encourage open conversations surrounding mental and physical health, without discrimination or judgment. Acast has continued using the platform Spill, to provide mental health support in the employee's preferred language. By referring to Spill, our managers can more easily escalate employees who are at risk of stress and mental illness. During 2023, Spill was implemented across eight of our markets, UK, Ireland, USA, Mexico, Canada, Australia, Germany and France with an overall engagement rate of 49 percent. In Sweden and Norway, our employees have access to care for mental illness through our insurance for private healthcare. By providing mental health support to our employees, our goal is to enable a safe and sustainable environment, maintain employee wellbeing and decrease the number of sick or stress leave taken over the year. We will continue to boost awareness of the service and sign-post to employees that mental health support is available for them to access.

In 2023, Acast launched a global employee engagement survey to all Acast employees. The aim of the survey was to collect feedback and insights from our employees across our markets and teams to further develop as an organization. The survey asked questions around wellbeing, relationships with managers, diversity and opportunities at Acast. From this survey we calculated an eNPS (Employee Net Promoter Score) to measure how likely our employees would recommend Acast to friends or family. With 219 of 365 employees answering the survey – 60 percent response rate – we obtained an eNPS score of 17. A score between 10 - 30 is considered a 'good' score. Our key takeaways from this engagement survey were that employees highly value their sense of freedom of opinion and manager support, however feel that improvements are needed when mapping growth and career development and rewards and compensation. This feedback is valuable when assessing perceptions and expectations of the opportunities, rewards and remuneration at Acast. For 2024, we will continue collecting feedback from employees to assess employee satisfaction and well-being to determine where and how we can further improve in areas relating to wellbeing, relationships, personal motivators and company motivators.

Social responsibility

In 2022, we launched Acast Cares, an initiative to help our employees give back to the community. Employees are offered a total of eight working hours a year to support a local nonprofit organization of their choice, with an emphasis on social responsibility and helping their local community or other parts of the world. Examples of initiatives from Acast employees have included providing refugees and residents of Ukraine with clothes and other necessities, volunteering for Pride in Stockholm to support LGBTQIA+ rights, and volunteering to clean up a beach on the Long Island Sound in New York. In February 2024, we plan to relaunch the initiative to increase engagement, requesting the support of our regional leads, ERGs and managers to coordinate group volunteer opportunities within their markets and teams. To do this, we are going to be highlighting our employees' Acast Cares stories via our key channel of internal communication, Slack and during our monthly all-company meeting, All-Hands on Deck. Throughout the year, we will encourage our employees to tell their stories continuously by posting in our People channel on Slack, #acastofcharacters, to help keep the initiative front-of-mind and ensure it is organically embedded across the business. We believe this initiative will lead to valuable experiences for our team, allowing them to invest time in a community or social cause that they care about, while simultaneously increasing the understanding of our business within these communities too.

Employee statistics

Employees by gender

	Male	Female	Non-binary	Total
Number of permanent employees	150	198	0	348
Number of temporary employees	8	10	0	18
Number of non-guaranteed hours employees	0	0	0	0
Number of full-time employees*	153	199	0	352
Number of part-time employees	5	9	0	14
Number of employees	156	210	0	366

*Headcounts, not FTEs

Employees by region

	Europe	North America	Other
Number of permanent employees	219	106	23
Number of temporary employees	18	0	0
Number of non-guaranteed hours employees	0	0	0
Number of full-time employees*	225	105	22
Number of part-time employees	12	1	1
Number of employees	237	106	23

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

Responsible and inclusive content

We support our podcast creators

Acast empowers all podcast creators to independently create, distribute and grow their podcast. We believe in an open and independent ecosystem — one that allows anyone, anywhere to connect through and create value from podcasting. To develop a more diverse and inclusive network we run initiatives for diversity and inclusion as well as advocating for equality within the podcast industry as a whole.

Promote diversity and support under-recognized groups in podcasting

Acast believes in the power of a world connected through storytelling. And it's our mission to identify and support underrepresented storytellers and give their stories the audience they deserve. We believe we have an important role in ensuring that the podcast industry reflects the world around us.

When it comes to sales, we work to ensure that underrepresented voices are not only heard, but also earn money from their podcast. We proactively seek out podcast creators currently under-recognized in the podcasting industry and help them to grow their listens and earn more revenue. This strategy is based on two pillars: Attracting new podcast creators and partnerships and growth.

1. **Attract new podcast creators**

   Acast is always looking for new and established podcast creators who are traditionally underserved by the wider podcast industry, with the aim of bringing them into our network and supporting them to grow. In the US this year we have focused those efforts in particular on the business and finance vertical — an area that tends to feature less diverse voices. This year we also signed a deal with Higher Ground — The President Barack and Mrs Michelle Obama's company. This partnership brings the Higher Ground podcasts to more communities than ever before, for free. Those podcasts include Michelle Obama: The Light Podcast, The Sum Of Us, from Heather McGhee and Your Mama's Kitchen.

2. **Partnership and growth**

   Acast promotes underrepresented voices in podcasting by pitching to the major podcast platforms for promotion, making use of our large network for cross promotion, pitching to the press and investing in shows that amplify underrepresented voices. One such example was for the launch of the English language version of Black History Unveiled: From the continent to the diaspora. We created a globally targeted campaign to ensure this important podcast, originally

Acast promotes underrepresented voices

Throughout 2023, Acast actively supported underrepresented voices through cross promotion and new press opportunities for creators:

- Launch of the English language version of Black History Unveiled: From the continent to the diaspora to reach a broader international audience
- Promotion of our female-fronted shows through the creation of dedicated feeds and campaigns
- Collaborating with several charities on promotion such as UK Comic Relief, The Menopause Charity and several LGBTQ+ charities.
- Supporting industry events and initiatives which seek to provide underrepresented creators opportunities in podcasting

a Swedish show, reached an international audience.

In some markets we have also focused on promoting our female-fronted podcasts. We launched and promoted 'Podlist - She Speaks', a feed that pulled together shows with only female hosts. We also created The Funny Side — a selection of female-fronted comedy podcasts who were supported by Acast to increase their listenership and revenue. Lastly, we also devised an Out Of Home campaign featuring only female-hosted shows.

In addition to this, we have worked with several charities on promotion and in-person events including UK charity Comic Relief, The Menopause Charity and several LGBTQ+ charities.

And finally, our marketing teams actively support industry events and initiatives which seek to give underrepresented creators and professionals opportunities in podcasting — such as being a partner of the LTSB social mobility charity's apprenticeship scheme, and amplifying events such as Content Is Queen's Women's Podcasting Festival.

We democratize podcasting

Acast has been democratizing podcast monetization for years, distributing podcasts on the open ecosystem so that podcasters can find their listeners wherever they are. We invented dynamic ad insertion (TDAI) tool for podcasting, where advertisers can reach listeners anywhere in the world and tailor the ads playing in the podcast to their targeted audience.

We continue to democratize podcasting by opening up monetization opportunities for more creators with increased targeting capabilities such as Collections+ and Podcasher Predictive Demographics.

Our self-serve platform — a platform that allows advertisers to independently buy podcast advertising no matter what their budget — has also opened up monetization to more podcasters than ever. Nearly 40% of podcasters requested for sponsorship campaigns via our self-serve ad platform had never worked with an advertiser before.

Our integration with Podcast Index has also supported podcasters to distribute their shows to even more apps, accessing more listeners.

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

Responsible advertising

Acast primarily earns its revenue through audio advertising on podcasts for which it has the right to monetize. This means that Acast has a responsibility for the ad content in relation to the podcasters and listeners, as well as for providing a brand-safe environment for the brands and advertisers who choose to collaborate with Acast. Podcasters can control the type of ad content inserted in their podcasts by using a block-list in Acast's platform. In addition, Acast's community guidelines and content removal process also apply to advertisers, brands and ad content. The regulatory framework for ad content is extensive and the advertisers and brands remain responsible for their ads complying with applicable laws and regulations.

In 2023 we were a member of the Unstereotype Alliance convened by UN Women, collaborating on a research piece into stereotypes in audio advertising. Acast will also continue to work with independent ad technology providers to enable brand safety and transparency in podcasting.

Furthermore, Acast is a member of IAB's Podcast Technical Working Group and Audio Committee, whose mission is to enhance clarity and transparency in the audio advertising marketplace. Our involvement includes contributing to the development of a common language for podcast measurement, facilitating scale podcast inventory across various platforms and establishing industry guidelines. The Audio Committee's broader goal is to educate the market on the value of digital audio as a powerful and efficient channel for consumer engagement.

In October 2023, Acast was one of the first companies to publicly comment on the changes to the Apple Podcasts download numbers as a result of updates made with the release of iOS17. The changes to how automatic downloads work, resulted in a more consistent understanding of downloads from Apple Podcasts users, more accurate measurement overall, a more efficient depiction of a podcast's total listens and these adjustments from Apple actually prove that podcasting advertising is even more effective than we expected.

Governance for a sustainable podcast business

The group management team and the Board of Directors reviews Acast's sustainability work, in collaboration with support functions such as Finance, People and legal. In 2022, Acast established an ESG policy which is reviewed and updated by the Board of Directors every year. It is important for Acast and the world that surrounds it, that this policy is complied with and continues to develop as the company and the outside world changes.

In addition to the ESG Policy, Acast has a number of steering documents that in various ways concern the area of sustainability. The Acast Code of Conduct clarifies the company's ethical standards and outlines the values and behaviors that define how we conduct business and interact with our partners and customers. The policy also stipulates the framework for anti-bribery and corruption and how to prevent, detect and address improper behavior. Acast also has a whistleblowing policy and reporting tool that enables employees to anonymously report suspected irregularities or violations of the law and deviations from Acast's Code of Conduct, in a secure way without fear of repercussions.

In Acast's Delegation of Authority Policy, we define the limits of authority for different roles and teams in the organization, i.e the right to approve commitments and enter into agreements on behalf of the Company. In this way, we aim to prevent embezzlement and fraud, as well as potential bribery and corruption. The policy is reviewed annually and approved by the Board of Directors.

Acast's instruction for the remuneration committee ensures that there are principles and a structure regarding decisions on salaries and other benefits. We use different internal control functions such as hiring committee and promotion committee to comply with our principles and structures and to ensure we are offering remuneration according to market levels. This structure aims to promote equal pay and opportunity within the company.

We use our employee intranet to store information about Acast's Code of Conduct, initiatives and instructions alongside other employee resources. All employees and consultants have access to these documents which were updated in 2023 to include Acast's policies and steering documents.

Building a financially sustainable business model

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

Information security and data privacy are crucial to our business

Acast's IT Policy describes Acast commitments with respect to protecting company information and IT systems. The Policy states Acast's IT and Information Security governance practices that supports Acast's business needs and objectives and ensures that company information and IT systems are protected in accordance with industry best practice, identified risks, legal requirements and customer expectations. The Policy also describes the roles and responsibilities of SVP of Engineering and Information Security Officer in implementing strong IT and Information Security governance practices and monitoring compliance with the Policy.

Protecting the privacy of our listeners, podcast creators, advertisers, employees, and other individuals who have a relationship with Acast is paramount to us. We are committed to maintaining a high level of protection of personal data and complying with data protection laws when we collect, use, and share personal data within and outside of the Company. This includes implementing Privacy policies, guidelines and procedures that aim to safeguard individual's privacy and ensuring the Company's continuous compliance with data privacy requirements. Violations of privacy laws can lead to significant consequences, including fines, penalties, reputational damages and loss of trust among our customers and end users. Therefore, it is our responsibility to incorporate data privacy in every aspect of our business. In 2023, Acast appointed a Data Protection Officer (DPO) whose main task and responsibilities involve overseeing the organization's compliance with data protection regulations and ensuring that policies and procedures are in place to safeguard personal data.

Acast also has an Information Security function dedicated to organize, plan, lead and control the activities related to protecting confidentiality, integrity and availability of Acast's information assets. This involves protecting Acast information resources, coordinating security incident management, monitoring compliance with procedures and policies regarding acceptable and proper use of information resourcing and raising awareness among Acast employees about existing and potential risks to Acast's information resources. Information about Acast's information security procedures, guidelines and policies is always available in our employee intranet. In 2023, with the aim of enhancing transparency with our customers and end-users, we launched Acast's Security Portal, which is now publicly available under the 'Security' tab on our website and linked within our Privacy Policies. This portal offers a comprehensive overview of Acast's security controls and processes.

We have published an internal "Data Privacy at Acast" document available in our internal employee portal for all our employees and consultants. This document aims to formalize our approach to safeguarding personal data and describe how we handle data privacy at Acast. Acast's DPO is tasked with conducting annual reviews of our Data Privacy at Acast document to verify its accuracy and completeness. In 2023, Acast finalized the updates to its Privacy Policy and opt-out procedure to ensure compliance with the latest privacy regulations in various U.S. States, including those of California (amended CCPA), Colorado, Connecticut, Utah and Virginia.

Scalable internal processes to facilitate privacy and security issues

It is important for Acast to collaborate with third-party vendors that safeguard the protection of company personal data and information assets. To ensure this, we have implemented a Vendor Security and Privacy Questionnaire to thoroughly assess our vendor's data security and privacy practices before engaging them. In 2023, we conducted quarterly phishing simulations and posted frequent security awareness messages in our internal communication tools. Acast's DPO and Information Security function continue to implement a strict Data Breach Management procedure in the event of unlawful or accidental access, disclosure, alteration or loss of company information, including personal data. In 2023, Acast experienced zero data breach incidents.

At the beginning of 2024, we will launch a new Vendor Acquisition Process for third-party software and hardware vendors. This process helps us review, track and monitor new vendors to ensure they uphold adequate security measures to safeguard company data and IT systems, as well as comply with privacy legislations. Going forward, we will continue to refine our internal processes and enhance awareness of privacy and security matters across the entire Acast Group through employee training initiatives.

Compliance with laws and regulations

Acast is committed to conducting its business with the highest ethical standards and works systematically to prevent any kind of corruption and bribery. We do not initiate, or retain, any collaborations through the giving or taking of bribes.

We ensure awareness of bribery and corruption through internal training and implementation of our anti-bribery and corruption policy included in our Code of Conduct. The policy together with the laws and regulations applicable to the business set a framework for how we shall act in various situations related to corruption and bribery, for example how employees should identify when a benefit offered, or received, should be seen as inappropriate. Employees and company representatives should seek guidance and approval from their manager before offering or receiving any type of benefit that may be considered inappropriate. Risks of corruption and bribery are currently identified and managed by the Acast Legal function. The whistleblowing reporting function is handled by an external and independent party to guarantee confidentiality and anonymity. Instructions and information about how and what to report is described in the whistleblowing policy.

Those who suspect wrongdoing that conflicts with the law, Acast's values, or business ethics should be able to express these without fear of repercussions. Zero (0) confirmed or suspected cases of bribery, corruption or whistleblower incidents were reported in 2023. In the end of 2023 a mandatory online anti-bribery training was rolled out globally for all employees and consultants across the Acast group. Dedicated and tailored anti-bribery training will be provided to certain functions during 2024. Going forward, Acast will continue to develop its policies, processes and training in anti-bribery, anti-corruption, and whistleblowing.

In response to the EU's Digital Services Act (DSA), our company has undergone significant internal assessments to ensure compliance with the new regulations on content moderation and reporting. We have reinforced our commitment to user safety and digital transparency by enhancing our content moderation and takedown process.

Acast's share

Acast's share is listed on Nasdaq First North Premier Growth Market, with the name ACAST. Market capitalization at year-end was 1,809 MSEK.

The share capital in Acast amounts to 1,174 kSEK. The number of shares amounts to 181,068,106 shares. Each share entitles 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 represented by them, without restrictions on the voting rights.

Share price development and trading volume

At the start of 2023, the price for Acast's share was SEK 6.56 per share. At the end of 2023,the price was SEK 9.99. For the current price, please refer to Nasdaq Stockholm's website. Acast's share was traded, in 2023, as high as SEK 10.68 and as low as SEK 6.03. A total of 37.9 million shares were traded in 2023 at a value of 283 MSEK.

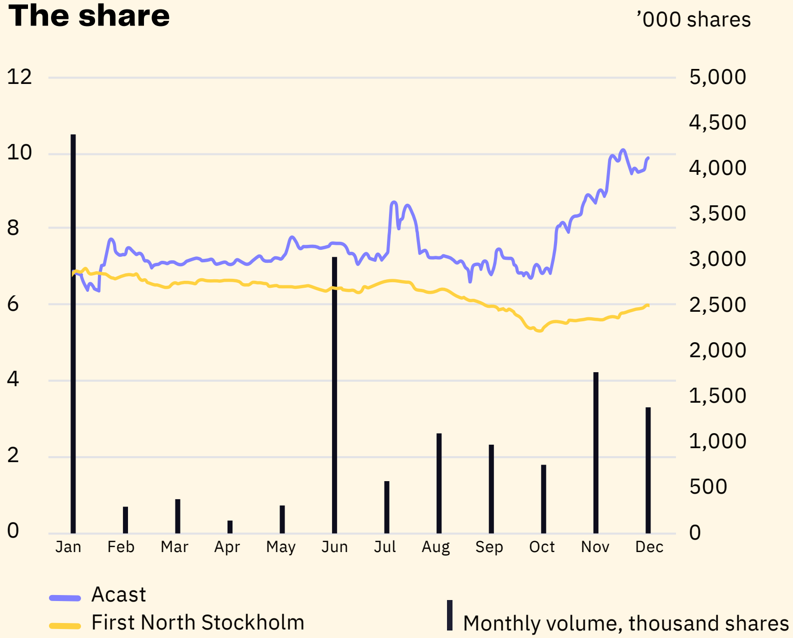
Dividend

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

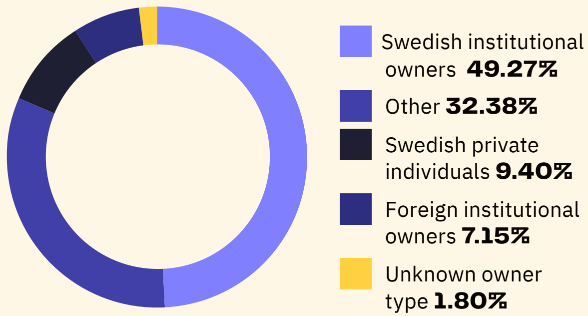
Shareholders

The schedule of shareholders and ownership structure of Acast is based on data from Modular Finance, Monitor as of 31 December 2023. The ten largest shareholders represent 80.4 (76.9) percent of the equity. In all, Acast had approximately 2,900 shareholders as of the date above.

The share



Types of shareholders



Shareholders

	Number of shares	Capital & votes
Bonnier Capital	31,296,930	17.28%
Alfvén & Didrikson AB	24,243,613	13.39%
Moor&Moor AB	20,399,052	11.27%
Första AP-fonden	16,800,00	9.28%
Altocumulus	15,935,368	8.80%
Alecta Tjänstepension	14,842,105	8.20%
Janus Henderson Investors	8,679,677	4.79%
Handelsbanken Fonder	7,120,661	3.93%
Swedbank Robur Fonder	3,285,521	1.81%
Movestic Livförsakring AB	2,969,095	1.64%

Shareholder info

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

Board of Directors

John Harrobin

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

Born: 1968

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

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

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

Holding in Acast: 105,150 shares

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

Hjalmar Didrikson

Member of the board of directors since 2021.

Born: 1974

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

Other ongoing assignments: Chairman of the board, board member and deputy board member in companies within the Alfvén & Didrikson group, Chariman of the board in Arthro Therapeutics AB, board member of PE Accounting AB, Hemcheck Holding AB and HJKK Didrikson AB

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

Holding in Acast: -

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

Jonas von Hedenberg

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

Born: 1963

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

Other ongoing assignments: Investment Director of Bonnier Capital AB, chairman of the board of Storykit AB, board member of Zymphonica AB and TheTriangleLab Ltd as well as deputy board member of Heja Sports AB, Murenas Tapetseria AB and von Hedenberg Consulting AB

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

Holding in Acast: 2,658 shares

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

Board of Directors

Björn Jeffery

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

Born: 1981

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

Other ongoing assignments: Chair of the Board of Directors and owner in Björn Jeffery AB and Paperwork HQ AB, Director of the Board of Directors and owner in Outer Sunset AB, Director of the Board of Directors of Kinzoo Technologies Inc and Athanase Innovation AB, as well as deputy Board Director of Dolores Bay AB.

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

Holding in Acast: 25,670 shares

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

Samantha Skey

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

Born: 1972

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

Other ongoing assignments: CEO of SHE Media

Previous assignments (completed during the past five years): Advisor RewardOps, Advisory Board Member SmartyPants Vitamins, Advisory Board Member of Urban Assemply Bronx Acedemy of Letters, Board Member of World Surf Leauge

Holding in Acast: 6,600 shares

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

Leemon Wu

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

Born: 1975

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

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

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

Holding in Acast: 140,500 shares

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

Group Management

Ross Adams

Chief Executive Officer since 2017.

Born: 1977

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

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

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

Holding in Acast: 770,750 shares and 3,651,400 stock options

Emily Villatte

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

Born: 1981

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

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

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

Holding in Acast: 76,800 shares and 1,662,950 stock options

Daniel Adrian

General Counsel since 2018.

Born: 1976

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

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

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

Holding in Acast: 5,410 shares and 760,433 stock options

Group Management

Marianne Boström

Chief People Officer since 2022.

Born: 1978

Education and professional experience: Marianne Boström has worked as VP of People at Acast since September 2019. Before that, she has held positions within the People/HR field at Tre, EQT, Klarna and Electronic Arts since 2006. Marianne has been educated at Stockholm University in the PAO program with a major in Psychology, and is certified in Master test tools. She has also completed various coaching, leadership, and facilitation training programs.

Other ongoing assignments: Board member at Vitanima AB

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

Holding in Acast: 1,425 shares and 601,200 stock options

Greg Glenday

Chief Business Officer since 2023.

Born: 1974

Education and professional experience: BA, University of Notre Dame; iHeartMedia, Undertone, Shazam, Lightbox Video OOH

Other ongoing assignments: Board member Ad Council, Advisor iGenius, Advisor Tunespotter

Previous assignments (completed during the past five years): Board Member Music Audience Exchange; Board Member Outcome Health, CEO of Lightbox OOH Video Network, Board Member Music Audio Exchange, Board Member Global Marketing Association, Board Member Outcome health, Advisor CrowdFlik Inc.

Holding in Acast: 750,000 stock options

Matt MacDonald

Chief Product Officer since 2021.

Born: 1975

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

Other ongoing assignments: -

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

Holding in Acast: 765,417 stock options

Lizzy Pollott

Chief Communications & Brand Officer since 2023.

Born: 1982

Education and professional experience: BA French and Spanish, University of Nottingham. Lizzy Pollott was previously SVP Marketing Communications and Brand at Acast since 2021 and VP before that. Prior to Acast, she was Creative Director and Board Member at Cake, part of the Havas Group in London

Other ongoing assignments: -

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

Holding in Acast: 70,650 shares and 472,211 stock options

Board of Directors' Report

Acast's 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, 2023.

GENERAL INFORMATION
Since 2014, Acast has been creating the world's most valuable podcast marketplace, building the technology which connects podcast creators, advertisers and listeners. Acast's marketplace spans 100,000 podcasts, 2,700 advertisers and c. 400 million monthly listens. Crucially, those listens are monetized wherever they happen - across any podcasting app or other listening platform.

Acast operates worldwide and is headquartered in Stockholm, Sweden.

IMPORTANT EVENTS DURING THE YEAR

- At the end of the year Acast reached a milestone in the company's history when a positive adjusted EBITDA was reached for the first time in the fourth quarter.
- During the year Collections+ – an AI-driven data function that increases advertisers' reach and accuracy in podcasts was launched. This was done by combining data from our subsidiary Podchaser with Acast's product expertis
- Acast signed new agreements strengthening and broadening the range of podcasts on its platform. For example Barack and Michelle Obama's media company Higher Ground, the Bill & Melinda Gates Foundation, Warner Bros Discovery and the Luminary podcast network. The agreements mean that Acast is responsible for these networks' content distribution and advertising sales.
- During the year, Acast worked intensively on launching new capabilities that enable automated sales flows and increased scalability. Acast's selfserve platform, which launched at the end of 2022, was further strengthened with the inclusion of host-read sponsorships as well as new tools which enable automated campaign planning and real-time ad production.

OPERATIONS/CONSOLIDATED NET SALES AND PROFIT/LOSS FOR THE YEAR
Consolidated net sales in 2023 reached SEK 1,636.4 M (1,390.4), representing an increase of 18% compared to 2022. This following growth across all markets, Europe 14%, Americas 25% and Other Markets 21%. Currency affected the revenue positively, by 4% and acquired companies affected net sales by 1%. The organic net sales growth amounted to 13%.

The gross margin for the full year amounted to 32%, compared to 34% in 2022. Gross profit grew by 11% to SEK 520.8 M (469.9). As a consequence of Apple's update to iOS17, the number of counted listens were lowered during Q4, which affected the whole industry. As a result, a revaluation of podcast contracts was made and the gross profit was negatively affected in 2023 by SEK 75.6 M in costs affecting comparability. Excluding this cost, the underlying gross margin was 36%.

Operating expenditure amounted to SEK 780.7 M (824.2), a decrease of 5% compared to previous year. The previous year included costs attributable to restructuring of SEK 18.4 M. Excluding these, the decrease compared to previous year was 3%, where we see a decrease in product development costs in particular.

The net loss for the year amounted to SEK 179.7 M (-286.4) which, in addition to an increased gross profit and decreased operating expenses, was also affected positively by the dissolution of the contingent consideration attributable to the acquisition of Podchaser last year, since the targets were not reached. The dissolution amounted to USD 6.8 M and was at the time valued at SEK 73.6 M, this is recognized as financial income. The net loss was also positively affected by increased interest income as we now receive interest on our bank deposits and the interest rate has increased during the year. Interest income amounted to SEK 24.7 M in 2023 compared with SEK 4.1 million in the previous year.

FINANCIAL POSITION
On December 31, 2023, the group's total assets amounted to SEK 1,724.3 M (1,862.7). The equity ratio was 66% (70%). Intangible assets of SEK 95.9 M (89.7) relate to the development of the groups technology platform, assets from the acquisition of Podchaser and assets from the asset acquisition of RadioPublic. Right-of-use assets of SEK 23.4 M (30.3) consists of lease agreements for premises.

Cash and cash equivalents totaled SEK 759.5 M (867.8). During the year, accounts receivable decreased to SEK 442.8 M (444.5), which is a notable decrease as the revenue increased 18% at the same time. Ongoing efforts to collect accounts receivable have resulted in the improvement. In 2023, other liabilities were reduced by the reversal of the contingent consideration, which arose in connection with the acquisition of Podchaser. At the time of reversal, the liability was valued at SEK 73.6 M. Accrued expenses are affected by the revaluation of podcast contracts made as a consequence of Apple's update to iOS17.

CASH FLOW
Cash flow from operating activities amounted to SEK -28.1 M (-294.3). The improvement compared to 2022, is due to better profit generation and changes in working capital, as a result of paid accounts receivables.

The cash flow from investing activities amounted to SEK -53.3 M (-251.3). The cash flow is mainly related to investments in building Acast's proprietary technology platform. In 2022 the cash flow was affected by the acquisition of Podchaser with led to an outflow of cash of SEK 209.5 M.

The cash flow from financing activities amounted to SEK -25.0 M (-27.0), which consisted of amortization of lease liabilities.

Cash flow for the year amounted to SEK -106.5 M (-572.6).

EMPLOYEES

The average number of full-time employees during 2023 amounted to 368 (406) persons. 58% of the total amount of employees were women (56%).

As at December 31, 2023 Acast had 343 employees (361) and an additional 30 full-time consultants (34), totalling a combined 373 full-time employees and consultants (395).

RISKS AND UNCERTAINTIES RELATED TO ACAST'S BUSINESS

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

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

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

The primary financial risks are:

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

For more information about the group's financial risks, see group note 27.

PARENT COMPANY

Acast AB is the parent company of the group. Net sales of the parent company were SEK 339.6 M in 2023 (366.7).

Operating expenses in 2023 amounted to SEK 360.6 M (528.2). Operating loss for the parent company amounted to SEK -131.7 M (-261.2) The improvement is a result of lower transfer pricing costs, due to the reduction of staff in 2022. As the group's results improve, this also means that transfer pricing income and costs will be lower for the parent company. The parent company's loss for 2023 was SEK -112.0 M (-187.1).

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 the board, audit committee and remuneration committee is described in the Corporate governance report on pages 42-47.

Remuneration for executive management were adopted by the 2023 AGM. These apply until new guidelines are adopted or at the latest until the 2024 AGM and are described in group note 8.

Information about sustainability is presented on pages 23-34 and information about Acast's share can be found on page 35.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There are no significant events after the reporting period.

OUTLOOK

Acast is cautiously optimistic about the development in the coming year. After ending 2023 with a positive adjusted EBITDA, there are good conditions for reaching EBITDA profitability for the full year 2024. Acast has started the year with growth momentum and sees good conditions for continued growth, with a focus on North America.

ALLOCATION OF THE RESULT FOR THE YEAR

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

Share premium	2,337,806,699
Retained earnings	-628,721,797
Profit/loss for the year	-112,018,739
Total	**1,597,066,163**

The board proposes that available funds be carried forward into the 2024 accounts.

Corporate Governance Report 2023

INTRODUCTION

Acast AB (publ) is a Swedish limited liability company that as from June 17, 2021 is publicly traded on Nasdaq First North Premier Growth Market. Acast's corporate governance is based on Swedish law and generally accepted good practice in the Swedish securities market including the Swedish Corporate Governance Code (the "Code"). The Code is built on the principle of "Comply or Explain". This means that a company does not have to follow every rule of the Code in every instance, but can choose to deviate from certain rules if it is found not suitable considering the particular circumstances. All such deviations must be explained and accounted for. Acast applied the Code without any deviations during 2023. 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 9, 2023, authorized the board to, on one or more occasions for the period until the next AGM, by applying or disapplying shareholders' preferential rights, to decide to issue new shares and/or warrants for the purpose of being able to carry out corporate acquisitions that are important for the company's business and thereby use the company's share as a means of payment, but not more than ten percent of the total number of outstanding shares in the company at the time of the annual general meeting. The authorization has included a right to decide on an issue with payment in kind or payment by set-off, provided that a set-off issue that takes place with deviation from the shareholders' preferential rights shall be made on market terms.

The AGM 2024 will take place on May 21 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 36 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 9, 2023, adopted revised 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 three members appointed by the three largest shareholders in Acast in terms of voting rights as per July 31. In addition, the nomination committee shall, if deemed desirable, have the opportunity to offer a place on the nomination committee to a representative of any of the institutional owners in the company. The chair of the board shall not be a member of the nomination committee but may be co-opted to the nomination comittee's meetings. 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 AGM 2023. The board comprises two women and four men.

Acast's Nomination Committee ahead of the 2024 AGM comprises:

Sofia Hasselberg (chair), appointed by Bonnier Capital AB
Cecilia Tunberger, appointed by Alfvén & Didrikson AB
Anders Lindeberg, appointed by Moor & Moor
Martin Nilsson, Första AP-fonden, appointed by the three largest owners' representatives in the nomination committee

BOARD OF DIRECTORS

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

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

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

According to Acast's Articles of Association, the board shall comprise three to ten directors with no deputy members. As of the date of this Annual Report, the board consists of six ordinary members elected by the general meeting of which two are women and four are men. The articles of association contain no specific clauses governing the appointment or dismissal of board members or regarding amendment of the articles of association, except that board members are elected yearly at the AGM until the next AGM has been held. More information on the members of the board and their commitments is set out in page 36-37 in the Annual report.

The work of the board

In addition to the statutory board meeting, held immediately after the AGM, the board meets at least six times per year. 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 of Directors held 13 meetings during 2023, one of which was a statutory board meeting. The attendance of each member at board and committee meetings is shown in the table below. The secretary at the board meetings is the General Counsel of Acast. Prior to each meeting, the board members receive an agenda and written material for the items to be discussed at the meeting. The agenda ahead of each scheduled board meeting includes a number of standing items: The CEO report, finance report, product and tech report, M&A and reports from the committees. In 2023, besides regular board matters, the board dealt with compliance with laws and regulations, strategy, competition, organization, risk management, information security and sustainability.

Board member	Independent from the company	Independent from major shareholders	Board meetings	Audit committee	Remuneration committee
John Harrobin (chair)	Yes	Yes	13/13	–	7/7
Björn Jeffery	Yes	Yes	13/13	–	7/7
Samantha Skey	Yes	Yes	12/13	–	6/7
Jonas von Hedenberg	Yes	No	13/13	5/5	–
Leemon Wu	Yes	Yes	13/13	5/5	–
Hjalmar Didrikson	Yes	No	13/13	–	–

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.

Audit committee

The audit committee consists of two members: Jonas von Hedenberg (chair) and Leemon Wu. In addition, the audit committee work has up until December 2023 been supported by an advisor, Eva Lindqvist, who has provided advice in matters related to the audit committee work. The main tasks of the audit committee are, without otherwise affecting the board's responsibilities and duties, to ensure that a satisfactory level of control over risk management, internal control, accounting and financial reporting exists and ensure that the company's financial reporting is prepared in accordance with laws, other relevant regulations and applicable accounting standards. The committee shall ensure a maintained on-going contact with the external auditor, review the performance of and evaluate the work of the external auditors and make recommendations to the nomination committee for the appointment, reappointment or termination of the appointment of the external auditors. The committee also reviews and assesses the external auditors' independence and objectivity towards the company, once per year. Furthermore, the committee shall inform the board of the results of the external audit, and in what way the audit contributed to the reliability of the financial reports and what function the committee has had.

The audit committee operates according to an annual work plan and has held five meetings during 2023, in which the following main topics have been discussed: the transition from hypergrowth to profitability, financial procedures and key processes, contract administration, cyber security, certain specific risks and risk management as well as other internal control matters.

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

The remuneration committee operates according to an annual work plan and has held seven meetings during 2023, 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.

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 2023 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 9, 2023, it was resolved that fee to John Harrobin (chair of the board) shall be paid with SEK 700,000 and SEK 350,000 to each of the other board members. The chair of the audit committee shall receive a fee of SEK 100,000, each of the other members of the audit committee shall receive a fee of SEK 50,000, the chair of the remuneration committee shall receive a fee of SEK 50,000 and each of the other members of the remuneration committee shall receive a fee of SEK 25,000. All fees were the same as the previous year. 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 2023.

Guidelines for remuneration to the CEO and executive management
At the AGM on May 9, 2023, it was resolved to adopt guidelines for remuneration to the executive management. Remuneration to the executive management shall consist of fixed base salary, possible variable cash remuneration, the possibility to participate in long-term share-based incentive plans, pension, as well as other customary benefits. The basic principle is that the remuneration and other employment conditions should be in line with market conditions and be competitive.

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

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

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

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. Payout is based on growth and profitability-related targets determined based on Acast's financial targets. Moreover, the payment may be based on the achievement of key strategic goals, e.g. increasing the number or size of specific revenue streams.

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 60-61 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. In order to facilitate the work of members of the executive management who are located in other countries than their home countries of employment, additional benefits and allowances may include (but is not limited to) commuting- or relocation costs, cost of living adjustment, housing, travel- or education allowance, tax- and social security equalization assistance. Such additional benefits may amount to a maximum of 90 percent of base pay.

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

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

Remuneration paid by the Company to the CEO and other members of the executive management team
Information about the remuneration to the CEO and other members of the executive management team for the financial year of 2023 is set out in page 59 of the Annual Report.

Current employment agreements for the CEO and other members of the executive management team
The employment agreement for the CEO stipulates a notice period of twelve months when notice is given by the company or if notice is given by the CEO. Payment can also be made in lieu to the CEO. For the other members of the executive management team the agreements stipulate either a notice period of between six and twelve months, regardless of the notice being given by the company or by the member of the executive management team, or twelve months' severance pay. Each of the agreements are equipped with non-compete clauses. Three of the agreements for the executive management are governed by US law. The amounts accrued and provisions for salary, pensions and similar benefits after members have resigned from the management team amounts to SEK 7.9 M.

AUDIT
The auditor will audit the company's annual report and accounts as well as the administration of the board and the CEO and submits an audit report to the AGM. According to Acast's Articles of Association, an auditor or a registered public accounting firm shall be elected as auditor of the company, with or without a deputy auditor. At the AGM on May 9, 2023, KPMG was appointed as auditor for the period until the 2024 AGM. The auditor in charge is Mattias Lötborn who has been the auditor in charge since 2015 in an non-listed environment and since 2021 in a listed environment. The auditor has participated in board meetings and reported to the board on two occasions during 2023, one occasion during which the executive management was not present. The auditor receive remuneration for the work in accordance with the resolution of the AGM. For the 2023 financial year, total remuneration to Acast's auditor amounted to SEK 4.9 M.

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

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

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

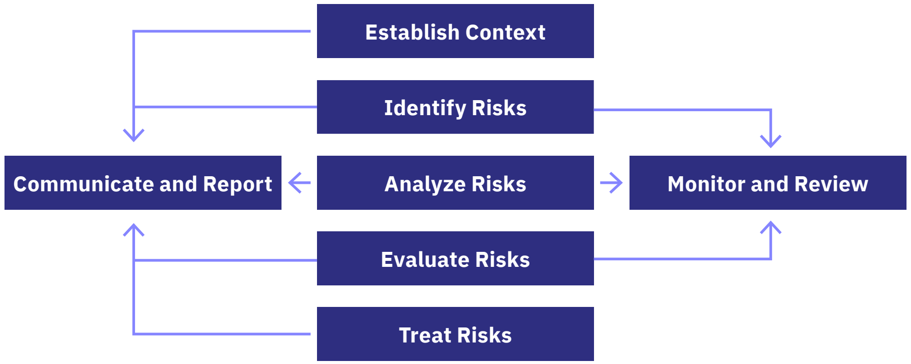
Acast runs an operative, decentralised, and transparent organisation in which the financial department is centralised as a support function. This means that the company has resources in place, in the form of employees and systems, to establish standardised and efficient administrative procedures and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

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

CONTROL ENVIRONMENT
Acast's control environment consists of guidelines and policies, established decision-making routes, powers and areas of responsibility and an organization that is adapted to the needs of the operations. The board has established governing documents and instructions for communicating a clearly defined internal control environment, which also aims to define the roles and division of responsibilities between the CEO and the board. These governing documents and instructions include the board's rules of procedure, CEO instruction and instruction to the CEO regarding financial reporting and delegation of 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 for 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 together 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 above, where each step is clearly described in Acast's policy to allow for a clear and adequate process. Acast has appointed so called "Risk Leads" among its senior executives who are responsible for identification, analysis and documentation of certain risks (threats or opportunities) on a regular basis. The identification includes the sources of risk, areas of impact, events and to identify their potential consequences. This process includes identifying and appointing risk owners for the identified top risks. Acast will also at least once a year gather in a session to create a risk map to ensure the entire spectrum of risks is captured. This risk map is reviewed by management three times per year and the results are reported to the audit committee and the board.

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

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

and IR policy as well as the Insider Policy that ensure that Acast meets the requirements for correct information to the market.

MONITORING

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

INTERNAL AUDIT

The management and financial reporting are reviewed by the audit committee and the board of directors, and an internal control assessment is performed annually by the board. For 2023, it has been assessed that there is no immediate need for an internal audit function with reference to the continued improvements in the company's internal control and processes through the ongoing risk and internal control work performed across several departments such as finance, product, IT, security and legal. 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, 2023, to the best of our knowledge, have been prepared in accordance with applicable accounting standards, IFRS® Accounting Standards, that the accounts give a true picture of the assets, liabilities, financial position and results of operations, and that the information in the report includes a fair review of development, performance and position of the entity and the group, together with a description of the principal risks and uncertainties the company faces.

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

John Harrobin
Chair

Hjalmar Didrikson
Board member

Jonas von Hedenberg
Board member

Björn Jeffery
Board member

Leemon Wu
Board member

Samantha Skey
Board member

Ross Adams
CEO

Our Auditor´s report has been submitted on the date for our electronic signature
KPMG AB

Mattias Lötborn
Authorized public accountant

Financial Information Content

Acast Group financial information

Consolidated statement of profit or loss

	Note	2023	2022
Net sales	3	1,636,371	1,390,366
Cost of content		-1,115,531	-920,510
Gross profit		**520,840**	**469,856**
Sales and marketing costs	3, 5, 6, 7, 8 , 9	-386,889	-399,635
Administration expenses	3, 5, 6, 7, 8, 9, 11, 28	-214,003	-220,695
Product development costs	3, 5, 6, 7, 8, 9, 10	-179,770	-203,844
Other income		1,203	1,675
EBIT (Operating profit/loss)		**-258,618**	**-352,643**
Financial income	4, 12	98,308	75,714
Financial costs	12	-10,597	-3,337
Profit/Loss before income tax		**-170,907**	**-280,266**
Tax	13	-8,772	-6,109
Profit/Loss for the year		**-179,679**	**-286,375**
Earnings per share			
Basic earnings per share*	30	-0.99	-1.59
Diluted earnings per share*	30	-0.99	-1.59
Average number of shares, thousands*		181,068	179,685

Consolidated statement of comprehensive income

	Note	2023	2022
Profit/Loss for the year		**-179,679**	**-286,375**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		-13,007	14,147
Total comprehensive income for the year		**-192,686**	**-272,228**

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

Consolidated statement of financial position

	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Goodwill	14	337,744	351,046
Intangible assets	3, 14	95,851	89,706
Tangible assets	3, 15	763	824
Right-of-use assets	3, 27, 28	23,412	30,335
Financial assets	16	2,073	2,292
Deferred tax assets	13	375	328
Total non-current assets		**460,217**	**474,531**
Current assets			
Accounts receivable	17, 27	442,756	444,482
Other receivables	27	12,092	12,213
Prepaid expenses and accrued income	18	49,737	63,752
Cash and cash equivalents	19	759,463	867,757
Total current assets		**1,264,047**	**1,388,204**
TOTAL ASSETS		**1,724,265**	**1,862,735**

	Note	31.12.2023	31.12.2022
EQUITY			
Share capital	22	1,174	1,174
Other paid in capital		2,337,807	2,337,807
Translation reserves		-3,195	9,812
Retained earnings		-1,191,963	-1,040,913
Total equity attributable to parent company shareholders		**1,143,823**	**1,307,880**
LIABILITIES			
Non-current liabilities			
Lease liabilities	27, 28	34	11,624
Deferred tax liabilities	13	20,519	19,462
Other long-term liabilities	29	9,635	19,686
Total non-current liabilities		**30,189**	**50,772**
Current liabilities			
Accounts payable	27	145,161	122,030
Other payables	24, 27	78,521	132,329
Current tax liability	13	2,663	876
Lease liabilities	27, 28	21,914	17,097
Accrued expenses and prepaid income	25	301,994	231,751
Total current liabilities		**550,252**	**504,083**
TOTAL EQUITY AND LIABILITIES		**1,724,265**	**1,862,735**

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, 2022		**1,159**	**2,300,666**	**-4,335**	**-802,682**	**1,494,808**
Profit/Loss for the year					-286,375	-286,3758
Other comprehensive income		–		14,147	–	14,147
Total comprehensive income for the year		**–**	**–**	**-4,818**	**-286,375**	**-272,227**
Transactions with owners						
Consideration through issued shares		15	37,142	–	–	37,157
Employee share schemes - value of employee services		–	–	–	48,143	48,143
Total transactions with owners		**15**	**37,142**	**–**	**48,143**	**85,300**
Closing balance at December 31, 2022		**1,174**	**2,337,808**	**9,812**	**-1,040,914**	**1,307,880**
Opening balance at January 1, 2023		**1,174**	**2,337,808**	**9,812**	**-1,040,914**	**1,307,880**
Profit/Loss for the year					-179,679	-179,679
Other comprehensive income		–		-13,007	–	-13,007
Total comprehensive income for the year		**–**	**–**	**-13,007**	**-179,679**	**-192,686**
Transactions with owners						
Employee share schemes - value of employee services		–	–	–	28,629	28,629
Total transactions with owners		**–**	**–**	**–**	**28,629**	**28,629**
Closing balance at December 31, 2022		**1,174**	**2,337,808**	**-3,195**	**-1,191,964**	**1,143,823**

* 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	2023	2022
Operating activities			
Operating profit/loss		-258,618	-352,643
Adjustments for non-cash items	20	173,243	83,202
Interest received		24,732	4,012
Interest paid		-2,702	-1,958
Income taxes paid		-4,665	-5,120
		-68,010	**-272,507**
Change in working capital			
Accounts receivable (increase - / decrease +)		1,301	-74,217
Other current receivables (increase - / decrease +)		14,065	-39,554
Accounts payable (increase + / decrease -)		23,171	20,188
Other current liabilities (increase + / decrease -)		1,339	71,806
Total change in working capital		**39,875**	**-21,777**
Cash flow from operating activities		**-28,135**	**-294,284**

	Note	2023	2022
Investing activities			
Investment of equipment		-281	-55
Investment in intangible assets		-52,876	-42,701
Acquisition of subsidiaries, adjusted for acquired cash	4	–	-209,549
Long-term asset (increase - / decrease +)		-141	1,039
Cash flows from investing activities		**-53,298**	**-251,266**
Financing activities			
Lease payments	21	-25,023	-27,007
Cash flows from financing activities		**-25,023**	**-27,007**
Cash flows for the year		-106,456	-572,559
Cash and cash equivalents at the beginning of the period		867,757	1,364,751
Effect on movements in exchange rates on cash and cash equivalents		-1,837	75,566
Cash and cash equivalents at the end of the period	19	**759,463**	**867,757**

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.
- Acast Stories Mexico, S. de R. L. de C.V.
- Podchaser Inc

The financial statements were approved by Acast's Board of Directors and CEO for publication on April 17, 2024. The annual report will be presented for adoption at the AGM on May 21, 2024.

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, IFRS Accounting Standards 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 Corporate Reporting Board.

Total amounts presented in tables do not always match the calculated sum of the separate sub-components due to rounding differences. The aim is for each sub-component to be consistent with its original source and therefore rounding differences may affect the total when all sub-components are summed up.

New standards and interpretations not yet adopted
Amendments to IAS1 Presentation of Financial Statements (Disclosure of Accounting Policies) have been applied with effect from 1 January 2023. The amendment aims to enhance the usefulness of disclosures of applied accounting policies by encouraging the disclosure of only significant policies and explaining how those policies are applied.

Other new and amended IFRS Accounting Standards or IFRIC Interpretations with application from January 1, 2023, have not had any material effect on the group's financial reports.

New and amended IFRS Accounting Standards adopted by the IASB with future application are not expected to have a material impact on the consolidated financial statements.

Foreign currency translation
Transactions and balances
Foreign currency transactions are translated 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.

Group companies
The consolidated financial statements are presented in Swedish Krona (SEK), which in accordance with IAS 21 is the parent company's (Acast AB) functional and reporting currency. All amounts are rounded to the nearest thousand, unless otherwise stated. The balance sheets of foreign subsidiaries have been translated into SEK at the closing rate at the date of that balance sheet. Income statements have been translated at the 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). The translation difference arising from the currency translation is recognized in other comprehensive income.

Consolidation and business combinations
The consolidated financial statements include Acast AB and all 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.

Net sales
Acast's net sales are primarily generated through delivering advertising 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 counted listens for Acast to deliver. The price can be based on the number of counted listens to be delivered during the contract period with a baseline of agreed counted listens. 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 counted listens to be delivered, the stage of completion for revenue recognition purposes is measured based on the number of counted listens delivered in relation to the contractual number of impressions. For fixed price contracts based on a fixed period, revenue is recognized on a straight-line basis as the performance obligation is satisfied evenly throughout the contracted period.

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

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

Segment reporting
The chief operating decision maker for Acast is the CEO since this role is primarily responsible for distributing resources and evaluating results. The 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 contribution profit. There is no significant difference in service offerings between the segments. See note 3 for further information and description concerning segment reporting.

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

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

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 costs for the CEO, HR, the finance function, premises, legal function, 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

In addition to short-term remuneration such as salaries, benefits, annual leave, accumulating sick leave and other remuneration and social security contributions, Acast provides defined contribution pension plans and share-based incentive programs.

i) 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.

ii) Share-based compensation/incentive plans
Share-based compensation benefits are provided to employees through various employee share schemes, where services are rendered by the employee in exchange for equity instruments. Acast has under all employee long term incentive plan (LTI), 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 determined at grant date and is calculated using the Black & Scholes formula.

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.

Income tax

In the preparation of the financial statements, Acast makes a calculation of the income tax for the year 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. Where appropriate, provisions are made for amounts likely 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.

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

Contingent liabilities

In the industry, in which Acast operates, minimum revenue guarantees are common. Hence, Acast can offer podcast creators a minimum revenue guarantee to attract and retain leading podcasts. This means a guaranteed income, for the podcast creator, for the duration of the contract in the form of monthly payments and/or an upfront payment to the podcast creator. For Acast, the minimum guarantee agreements ensure access to future content, within which Acast is able to sell advertisements. The podcast creator's obligations are fulfilled during the term of the contract as the group consumes the benefit of these commitments. In cases where the podcast creator does not fulfill its obligations, the obligation may be reduced and may not be paid in full. The expected future sales of advertisements are valued on an ongoing basis and may affect future obligations.

Leasing

The group leases offices which contract terms stretch from a one-month commitment term to up to five years. 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 recognized at the present value of the lease payments during the lease term. The lease payments are discounted using Acast's incremental borrowing rate. Each lease payment is allocated between amortization of the lease liability and the financial cost corresponding to the interest payment on the liability for the respective period.

Right-of-use assets are 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.

Payments associated with short-term leases for offices are treated in the same way as longer leases for offices, as described above. Payments associated with other 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 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 criterias according to IAS 38 are met.

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.

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

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

Impairment of non-financial assets
Goodwill has an indefinite useful life and are not subject to amortization but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

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).

For further information on impairment testing see note 14.

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.

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
A financial asset is, after initial recognition, to be measured at either fair value through other comprehensive income or through the income statement, or at amortized cost.

All financial assets and liabilities within the Acast Group, are measured at amortized cost.

i) Cash and cash equivalents
Cash and cash equivalents include cash on hand as well as balances on payment platforms.

ii) Trade receivables
Trade receivables are recognized initially at the amount of consideration that is unconditional. The group measures them subsequently at amortized cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within 30 days and are therefore classified as current.

iii) Trade payables
Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Trade payables are unsecured and usually paid within 30 days of recognition.

vi) 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 27.

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

NOTE 2. USE OF JUDGEMENTS AND ESTIMATES

Preparation of financial statements in compliance with IFRS Accounting Standards 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.
Actual result may differ from these estimates under different assumptions and circumstances.

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

Contingent liabilities
The expected future sales of advertisements are valued on an ongoing basis for each minimum guarantee agreement. The valuation is based on historical sales, the length of the minimum guarantee agreement and future expected sales for each counterparty, seasonality and geographical market are also taken into account. When a contract is not expected to be fulfilled, and will result in a loss, the cost is recognized in the income statement and balance sheet.

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 reasonable to exercise one or more extension options on the basis of economic incentives.

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

NOT 3. NET SALES AND SEGMENT INFORMATION

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

2023

	Europe	North America	Other Markets	Total
Net sales from external customers	1,027,329	453,788	155,254	**1,636,371**
Total net sales per segment	**1,027,329**	**453,788**	**155,254**	**1,636,371**
Contribution profit*	**182,195**	**-69,082**	**11,497**	**124,610**
Global costs**				**-383,228**
EBIT (Operating profit/loss)				**-258,618**
Financial income				**98,308**
Financial costs				**-10,597**
Profit/Loss before income tax				**-170,907**

2022

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

* Contribution profit is an operating segments contribution to the group's EBIT before allocation of Global costs.
** 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. Approximately 11% (7%) of Acast's net sales are generated by non-ad revenue streams for the reporting periods presented.

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

DEPRECIATION AND AMORTIZATION PER SEGMENT

	2023	2022
Europe	250	283
North America	7,517	2,824
Other Markets	15	4
Unallocated costs	63,540	54,583
Total	**71,322**	**57,694**

Unallocated costs refers to amortization of right-of-use assets and amortization of capitalized development costs.

The increase for the North America segment relates to the amortization of intangible assets from the acquisition of Podchaser, made on August 1, 2022.

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

	2023	2022
Sweden	153,101	154,945
United Kingdom	677,230	585,248
United States of America	387,132	312,255
Other	418,909	337,918
Total	**1,636,371**	**1,390,366**

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

	2023	2022
Sweden	83,668	79,954
United Kingdom	7,868	868
United States of America	363,746	385,261
Other	2,487	5,827
Total	**457,769**	**471,910**

NOT 4. ACQUISITION OF OPERATIONS

Acast has made 0 (1) acquisition during 2023.

Acquisitions 2022
On August 1, 2022 Acast Inc acquired all shares in Podchaser Inc.

Contingent earn-out
The contingent earn-out in connection with the acquisition has been fully reversed in 2023, as the conditions have not been met. The reversed amount was USD 6,800 K, and was at the time of reversal valued at SEK 73,569 K. This is recognized in financial income in the income statement.

Holdback of payment of consideration
The acquisition included a portion of the purchase price to be paid 24 and 36 months after the acquisition. These items are recognized at amortized cost and are included in note 24 and note 29.

In 2022, the acquisition increased the group's net sales by SEK 10,941 K and had an effect of SEK -11,683 K on net profit. If the acquisition had occured as at January 1, 2022, consolidated net sales would be affected by SEK 21,287 K and net profit by SEK -26,501 K. In 2023 acquired operations accounted for net sales of SEK 15,334 K for the period January-July 2023.

NOTE 5. EXPENSES BY NATURE

	2023	2022
Cost of content	1,115,531	920,510
Employees benefits expenses	504,892	516,559
Depreciation and amortization	71,323	57,694
Other operating expenses	204,447	249,920
Total	**1,896,192**	**1,744,684**

As a consequence of Apple's update to iOS17, the number of counted listens were lowered during Q4, which affected the whole industry. As a result, a revaluation of podcast contracts was made for SEK 75,571 K, this cost is included in Cost of content.

In 2022 employee benefits expenses include SEK 18,437 K in restructuring costs for reduction of work force.

NOTE 6. OTHER OPERATING EXPENSES

	2023	2022
Rent and office expenses	9,871	6,789
Computers and software	48,610	51,350
Marketing and reseller expenses	61,906	69,246
External services	81,945	88,907
Other expenses	2,114	33,628
Total	**204,447**	**249,920**

The lower other operating costs are mainly due to lower travel costs and a lower provision for bad debt losses.

NOTE 7. ITEMS AFFECTING COMPARABILITY

Items affecting comparability in 2023 refer to the revaluation of podcast contracts. As a consequence of Apple's update to iOS17, the number of counted listens are lowered near term across the industry. As a result, we have made a revaluation of podcast contracts.

Items affecting comparability in 2022 relate to restructuring costs for reduction of the workforce and costs from the acquisition of Podchaser.

	2023	2022
Revaluation of podcast contracts due to iOS17	-75,571	–
Costs for workforce reduction	–	-18,437
Acquisition of Podchaser	–	-4,175
Total	**-75,571**	**-22,612**

CLASSIFICATION BY FUNCTION IN THE INCOME STATEMENT

	2023	2022
Cost of content	-75,571	–
Sales and marketing costs	–	-10,143
Administration expenses	–	-6,149
Product development costs	–	-6,320
Total	**-75,571**	**-22,612**

NOTE 8. EMPLOYEES

EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

	2023	2022
Salaries and remunerations	413,532	392,488
(of which bonuses, etc.)	84,118	46,410
Termination benefits	7,464	11,818
Pension expenses	17,659	19,248
Social expenses	65,834	66,366
Other	20,871	25,594
Total	**525,361**	**515,514**

AVERAGE NUMBER OF FULL-TIME EMPLOYEES

	2023	2023 % women	2022	2022 % women
Sweden	108	62%	128	58%
United States of America	92	55%	96	52%
United Kingdom	91	56%	101	58%
Australia	22	49%	24	56%
France	19	65%	20	63%
Germany	7	41%	9	39%
Norway	7	29%	8	27%
Ireland	4	75%	4	74%
Canada	10	70%	10	68%
Mexico	8	69%	8	45%
Total	**368**	**58%**	**406**	**56%**

GENDER DISTRIBUTION IN THE GROUP COMPANY'S MANAGEMENT

	2023 % women	2022 % women
Board of directors	33%	33%
Other senior management	43%	29%

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 9 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. John Harrobin and Samantha Skey are also entitled to compensation for consulting services in addition to their board fees. Remuneration to CEO, deputy CEO and other senior executives is shown in the table to the right.

Variable remuneration to the CEO, deputy 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 2023 performance was primarily based on adjusted EBITDA. The period of notice for the CEO, is twelve months, for deputy CEO and the other senior executives it is six to twelve months. At the end of the fiscal year the senior executive management team had seven members (including the CEO) and the board had six members.

For further information regarding remuneration to senior executive management team, see Corporate Governance report page 45-46.

SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

2023	Basic salary board fees	Variable remuneration	Share-based remuneration*	Pension costs	Other remuneration	2023 Total
John Harrobin (Chairman)	750	–	–	–	1,698	2,448
Jonas von Hedenberg	450	–	–	–	–	450
Björn Jeffery	375	–	–	–	–	375
Hjalmar Didrikson	350	–	–	–	–	350
Samantha Skey	375	–	–	–	849	1,224
Leemon Wu	400	–	–	–	–	400
Total board	**2,700**	**–**	**–**	**–**	**2,547**	**5,247**
Ross Adams (CEO)	5,465	4,099	8,745	140	7,631	26,080
Emily Villatte (deputy CEO)	2,139	1,583	3,491	516	4	7,733
Group management (5 individuals**)	14,660	9,266	7,498	1,183	682	33,289
Total senior executives	**22,264**	**14,948**	**19,734**	**1,839**	**8,317**	**67,101**
Total	**24,964**	**14,948**	**19,734**	**1,839**	**10,864**	**72,348**

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

*The amount is not affected by the reversal of costs related to previous periods for program participants who left the company in 2023.
**In 2023, in addition to the CEO and deputy CEO, seven individuals have been part of the Group management team at different periods. As at December 31, 2023 they amounted to 5 individuals.
***In 2022, the Group management team in addition to the CEO and deputy CEO, consisted of seven individuals for most of the year. As at December 31, 2022 they amounted to 5 individuals.

NOTE 9. 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:

2020/2023
2021/2024
2022/2025
2023/2026

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.

Total expenses arising from share-based payment transactions recognized during the period amounts to SEK 31,307 K (38,194) including SEK 2,228 K (-5,582) related to social security charges.

The Employee option program ending June 30, 2023 did not meet the share price performance requirement and therefore was not executed.

Grant date (vol-ume-weighted)	Number of Warrants/ Options	Term (years)	Strike price per share (SEK)	Performance criterion (price for one Acast share SEK)	Vesting conditions	End date	Program	Type of warrant
October 12, 2020	38,752*	3	0.0064	20.00	Service condition with graded vesting until end date	June 30, 2023	2020/2023	ESOP
June 14, 2021	5,867,742	3	0,0065	29.00-52.00	Service condition with graded vesting until end date	August 1, 2024	2021/2024	ESOP
September 1, 2022	3,573,033	3	0,0065	19,60	Service condition with graded vesting until end date	September 1, 2025	2021/2024	ESOP
September 1, 2023	7,242,724	3	0.0065	9,88	Service condition with graded vesting until end date	September 1, 2026	2023/2026	ESOP
Total number of options granted	**16,722,251**							

*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 2023	Number of options 2023	Weighted average strike price 2022*	Number of options 2022
Outstanding at January 1	0.0065	9,371	9	5,995
Granted	0.0065	7,243	0.0065	3,573
Forfeited	0.0065	-1,358	12	-197
Repurchased	–	–	–	–
Exercised	–	–	–	–
Outstanding at December 31	0.0065	15,256	0.0065	9,371
Exercisable at December 31		**–**		**–**

*Adjustment of strlke price for forfeited options 2022 has been made due to the 50:1 sharesplit undertaken in 2021.

Unexercised options as at December 31, 2023 were 15,255,746. At the end of the period, no options were exercisable. Outstanding options as at December 31, 2023 have a weighted average remaining contractual term of 1.78, years (1.99).

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

	2023	2022
Fair value at grant date	4	5
Share price (expressed as weighted average)	7	11
Strike price (expressed as weighted average)	0.0065	0.0065
Expected volatility (expressed as weighted average in %)	40%	42%
Term (expressed as weighted average term in years)	3	3
Expected dividend	–	–
Risk free rate (based on Swedish Government Bond)	3.3%	2.2%

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

NOTE 10. 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 parent company note 23. Shares in group companies are described in detail in parent company 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, see note 8 “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 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

	2023	2022
Purchases of services		
Related parties	–	1,237
Total purchases of services	**–**	**1,237**

NOTE 11. AUDIT FEES AND EXPENSES

	2023	2022
KPMG		
Audit service	4,465	7,473
Audit service in excess of the audit engagement		
Tax consultancy	66	98
Other services	370	86
Total KPMG	**4,901**	**7,656**
Others		
PwC - other services	756	2,005
PwC - tax consultancy	101	148
Other Services	168	606
Total audit fee	**1,026**	**2,759**
Total	**5,926**	**10,415**

KPMG is the auditor for Acast AB and its subsidiaries.

NOTE 12. NET FINANCE COST

	2023	2022
Interest income*	24,740	4,087
Reversal contingent consideration	73,569	–
Other financial income	–	71,627
Finance income	**98,308**	**75,714**
Interest expenses on lease agreement	-1,830	-1,915
Other interest expenses**	-2,501	-1,346
Other financial expenses	-6,267	-76
Finance costs	**-10,597**	**-3,337**
Net finance costs	**87,711**	**-72,377**

*Interest income from financial assets measured at amortized cost.
**Interest expense from financial liabilities measured at amortized cost.

In 2023, the contingent consideration attributable to the acquisition of Podchaser last year, has been reversed, since the targets were not reached. The reversal amounted to USD 6,800 K and was at the time valued at SEK 73,569 K. Interest income is higher, since we are now earning interest on our bank deposits and the rate has increased. For the most part of 2022 no interest was earned on bank deposits.

NOTE 13. TAXES

RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

	2023	2022
Current tax expense for the year	-6,670	-3,317
Adjustment of tax relating to prior years	-822	–
Deferred tax related to temporary differences	-1,280	-2,792
Total reported tax expense for the group	**-8,772**	**-6,109**

RECONCILIATION OF EFFECTIVE TAX RATE

		2023		2022
Profit/loss before income tax		-170,907		-280,266
Tax according to current tax rate of the parent company	20.6%	35,207	20.6%	57,735
Non-deductible expenses	-0.3%	-469	-0.9%	-2,390
Tax expense for previous years	-0.5%	-822	-0.0%	–
Effect of tax rate in foreign jurisdictions	2.7%	4,652	0.8%	2,174
Unrecognized loss carried forward	-27.7%	-47,340	-22.7%	-63,628
Reported effective tax	**-5.1%**	**-8,772**	**-2.2%**	**-6,109**

CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES

	Balance January 1	Recognized in profit or loss	Recognized in other comprehensive income	Translation effect	Balance December 31
2023					
Lease agreements	328	47	–	–	375
Deferred tax asset	**328**	**47**	**–**	**–**	**375**
Lease agreements	-336	336	–	–	0
Other intangible assets	-19,126	-1,653	–	259	-20,519
Deferred tax liability	**-19,462**	**-1,317**	**–**	**259**	**-20,519**
2022					
Lease agreements	368	-40	–	–	328
Deferred tax asset	**368**	**-40**	**–**	**–**	**328**
Lease agreements	-84	-252	–	–	-336
Other intangible assets	-9,229	-9,897	–	–	-19,126
Deferred tax liability	**-9,313**	**-10,149**	**–**	**–**	**-19,462**

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 1,332,474 K (1,122,216) including the loss for 2023. The unused tax losses are attributable to the negative earnings in the parent company SEK 822,497 K, Acast Stories Ltd SEK 331,683 K and Acast Stories Inc SEK 178,294 K. The unused tax losses have no expiry date. Assuming an illustrative blended tax-rate of 20.6% - 25%, the unrealized future tax asset thus amounts to approximately SEK 289,797 K as at December 31, 2023.

NOTE 14. INTANGIBLE ASSETS

	Concessions, patents, trade-marks and similar rights	Database	Customer relations	Capitalized development costs	Goodwill	Total
Accumulated acquisition cost						
Opening balance 1.1.2022	5,526	–	–	70,592	27,094	103,212
Investments	–	–	–	42,701	–	42,701
Acquisition of operations	8,094	18,855	7,948	–	311,468	346,365
Exchange differences	-211	503	212	–	12,484	12,988
Closing balance 31.12.2022	**13,408**	**19,358**	**8,160**	**113,293**	**351,046**	**505,265**
Opening balance 1.1.2023	13,408	19,358	8,160	113,293	351,046	505,265
Investments	–	–	–	52,876	–	52,876
Exchange differences	-320	-734	-309	–	-13,302	-14,665
Closing balance 31.12.2023	**13,088**	**18,624**	**7,851**	**166,169**	**377,744**	**543,476**
Accumulated amortization and impairment						
Opening balance 1.1.2022	-1,334	–	–	-31,466	–	-32,800
Amortization	-1,567	-1,683	-709	-27,880	–	-31,839
Exchange differences	28	70	29	–	–	126
Closing balance 31.12.2022	**-2,874**	**-1,613**	**-680**	**-59,346**	**–**	**-64,512**
Opening balance 1.1.2023	-2,874	-1,613	-680	-59,346	–	-64,512
Amortization	-1,949	-3,934	-1,658	-38,274	–	-45,815
Exchange differences	62	270	114	–	–	446
Closing balance 31.12.2023	**-4,761**	**-5,277**	**-2,224**	**-97,619**	**–**	**-109,880**
Carrying amount						
Opening balance 1.1.2022	4,192	–	–	39,126	27,094	70,412
Closing balance 31.12.2022	**10,535**	**17,745**	**7,480**	**53,947**	**351,046**	**440,753**
Opening balance 1.1.2023	10,535	17,745	7,480	53,947	351,046	440,753
Closing balance 31.12.2023	**8,327**	**13,348**	**5,626**	**68,550**	**337,744**	**433,595**

Intangible assets

Intangible assets contain capitalized development costs, intangible assets from the acquisition of Podchaser and the asset acquisition of RadioPublic, and goodwill from the acquisitions of Podchaser and Pippa.

Capitalized development costs are entirely related to internally generated intangible assets and include staff costs based on time spent undertaking relevant product development work.

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

Capitalized development costs are amortized over three years. Assets from the acquisition of Podchaser are divided into Trademark, Database and Customer relations. Customer relations and Database are amortized over five years and Trademark over ten 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 two elements of goodwill related to SaaS revenues, both are part of the North America segment. The cash flow is discounted using the entity's expected weighted average cost of capital. Any impairment loss is recognized in the amount that the carrying amount exceeds the recoverable amount. The pre-tax discount rate used for the purposes of impairment testing was 19% (25 %).

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

NOTE 15. TANGIBLE ASSETS

	Equipment	Leasehold improvement	Total
Accumulated acquisition cost			
Opening balance 1.1.2022	2,158	1,602	3,760
Acquisitions	55	–	55
Acquisition of operations	57	–	57
Exchange differences	95	12	107
Closing balance 31.12.2022	**2,365**	**1,614**	**3,979**
Opening balance 1.1.2023	2,365	1,614	3,979
Acquisitions	185	72	258
Disposals	-553	–	-553
Exchange differences	63	-8	54
Closing balance 31.12.2023	**2,061**	**1,678**	**3,738**
Accumulated amortization and impairment			
Opening balance 1.1.2022	-1,880	-760	-2,641
Depreciation	-207	-230	-437
Exchange differences	-77	-1	-77
Closing balance 31.12.2022	**-2,165**	**-991**	**-3,155**
Opening balance 1.1.2023	-2,165	-991	-3,155
Disposals	528	–	528
Depreciation	-103	-231	-334
Exchange differences	-15	1	-14
Closing balance 31.12.2023	**-1,754**	**-1,221**	**-2,975**
Carrying amount			
Opening balance 1.1.2022	278	842	1,119
Closing balance 31.12.2022	**201**	**623**	**823**
Opening balance 1.1.2023	201	623	823
Closing balance 31.12.2023	**306**	**457**	**763**

NOTE 16. FINANCIAL ASSETS

	31.12.2023	31.12.2022
Other shares and participations	502	522
Deposits for lease contracts	1,571	1,770
Total	**2,073**	**2,292**

NOTE 17. TRADE RECEIVABLES

	31.12.2023	31.12.2022
Trade receivables	472,802	484,590
Provision for expected credit loss	-30,046	-40,108
Net trade receivables	**442,756**	**444,482**

	Carrying amount	Not due	Number of days past due date 1<29	30<89	90<
2023					
Trade receivables as at 31.12.2023	472,802	197,732	109,305	89,066	76,699
Provision for expected credit loss	-30,046	-989	-874	-1,990	-26,193
Total 2023	**442,756**	**196,744**	**108,430**	**87,076**	**50,506**
	100%	44%	24%	20%	12%
2022					
Trade receivables as at 31. Dec 2022	484,590	167,177	119,823	95,669	101,921
Provision for expected credit loss	-40,108	-836	-959	-1,904	-36,409
Total 2022	**444,482**	**166,341**	**118,864**	**93,764**	**65,512**
	100%	37%	27%	21%	15%

For more information, please see note 27.

NOTE 18. PREPAID EXPENSES AND ACCRUED INCOME

	31.12.2023	31.12.2022
Prepaid rent	3,859	4,103
Prepayments to podcast creators	1,246	23,525
Other prepaid expenses	28,546	17,701
Accrued income	16,086	18,423
Total	**49,737**	**63,752**

Prepayments to podcast creators have decreased as we have fewer podcast creators with minimum guarantee agreements, where we have paid in advance.

NOTE 19. CASH AND CASH EQUIVALENTS

	31.12.2023	31.12.2022
Cash and cash equivalent	759,463	867,757
Total	**759,463**	**867,757**

Cash and cash equivalent refer to bank accounts in Acast AB and all subsidiaries. The placement in the liquidity fund has been sold during 2023 which led to a financial income of SEK 5,439 K.

NOTE 20. ADJUSTMENT FOR NON-CASH ITEMS

	2023	2022
Depreciation	71,323	57,694
Long term incentive plan, no cash consideration	28,629	48,143
Unrealized foreign currency losses, no cash consideration	-2,280	-22,635,
Other non-cash items	75,571	–
Total	**173,243**	**83,202**

Other non-cash items relate to the revaluation of podcast contracts due to Apple's update to iOS17.

NOTE 21. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	1.1.2023	Cash flow	Non-cash flow changes			31.12.2023
			Additions leasing agreements	Foreign currency translation effects	Other changes	
Lease liabilities	28,721	-25,023	18,250	-2	–	21,948
Total of liabilities from financing activities	**28,721**	**-25,023**	**18,250**	**-2**	**–**	**21,948**

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

NOTE 22. EQUITY

NUMBER OF SHARES ISSUED

	2023	2022
At the beginning of the year	181,068,106	178,731,126
Issued consideration Podchaser	–	2,336,980
Shares issued fully paid	**181,068,106**	**181,068,106**

Share capital

As at 31 December 2023, the total number of shares was 181,068,106 (181,068,106) and share capital was SEK 1,174 K (1,174). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.0065).

According to Acast's Articles of Association, share capital shall amount to not less than SEK 500 K and not more than SEK 2,000 K. In 2022 shares were issued in accordance with the merger agreement from the acquisition of Podchaser Inc.

The company has issued warrants, which may increase the number of shares. For more information, see note 9.

NOTE 23. SUBSIDIARIES

GROUP COMPANIES

Name, registered office	Place of Business	Ownership 31.12.2023	Ownership 31.12.2022	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
Podchaser 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 de C.V. is owned to 99,99% of Acast AB, and to 0,01% by Acast Stories Ltd. Podchaser Inc is fully owned by Acast Stories Inc.

NOTE 24. OTHER PAYABLES

	31.12.2023	31.12.2022
Taxes and social charges	52,826	50,003
Podchaser stock consideration	–	69,311
Holdback Podchaser consideration	9,978	–
Other external liabilities	15,717	13,015
Total	**78,521**	**132,329**

The contingent consideration, which arose in connection with the acquisition of Podchaser, has been reversed in 2023, as the conditions have not been met. For further information on the contingent consideration see note 4.

Holdback Podchaser consideration refers to the part of the purchase price that falls due 24 months after the acquisition. Last year it was included in non-current liabilities but is now a current liability.

NOTE 25. ACCRUED EXPENSES AND PREPAID INCOME

	31.12.2023	31.12.2022
Accrued payroll related expenses	53,32	38,216
Prepaid income	22,451	20,062
Accrued content costs	209,680	148,929
Other accrued expenses	16,543	24,545
Total	**301,994**	**231,751**

Accrued content cost relates to costs for podcast creators. The increase in accrued content costs is affected by the revaluation of podcast contracts that has been made due to Apple's update to iOS17.

NOT 26. CONTINGENT LIABILITIES

	31.12.2023	31.12.2022
Maximum obligations within 12 months	142,135	272,439
Maximum obligations after 12 months	61,975	245,498
Total	**204,110**	**517,938**

In order to attract and retain leading podcasts, the group offers certain podcast creators a minimum revenue guarantee. This means a guaranteed income for the podcast creator for the duration of the contract in the form of monthly payments and/or an upfront payment to the podcast creator. For Acast, the minimum guarantee agreements ensure access to future content, within which Acast is able to sell advertisements. The podcast creator's obligations are fulfilled during the duration of the contract as the group consumes the benefit of these commitments. In cases where the podcast creators does not fufill their obligations, the obligation may be reduced and may not be paid in full. The expected future sales of ads are valued on an ongoing basis. In 2023 several minimum guarantee agreements have expired without being replaced by similar agreements. As a consequence of Apple's update to iOS17, the number of counted listens were lowered during Q4, which affected the whole industry. As a result a revaluation of podcast contracts of SEK 75 571 K was made, which means that this liability is now recognized on the balance sheet.

NOTE 27. 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 analyze 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.

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:

	31.12.2023	31.12.2022
Trade receivables	-10,062	7,866
Accrued income	–	–
Other receivables	–	–
Cash and cash equivalents	–	–
Total	**-10,062**	**7,866**

Credit risk in trade receivables and accrued income
Acast had confirmed credit losses of SEK 3,652 K in 2023, 0% of net sales (0%). During the year, continued 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:

	2023		2022	
	Gross carrying amounts	**% of gross total carrying amount**	**Gross carrying amounts**	**% of gross total carrying amount**
Not due	197,732	41.8%	167,177	34.5%
1 - 30 days past due	109,305	23.1%	119,823	24.7%
31 - 90 days past due	89,066	18.8%	95,669	19.7%
More than 90 days past due	76,699	16.2%	101,921	21.0%
Total gross	**472,802**	**100.0%**	**484,590**	**100.0%**
Loss allowance	-30,046	-6.4%	-40,108	-8.3%
Total net	**442,756**	**93.6%**	**444,482**	**91.7%**

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:

	2023	2022
Balance 1.1.	40,108	32,242
Net remeasurement of loss allowance	-10,062	7,866
Balance 31.12.	**30,046**	**40,108**

The provision for expected credit losses have decreased in 2023. This is a result of ongoing efforts to collect trade receivables, which is also reflected in the table of past due trade receivables above. All age ranges have decreased except for not-due trade receivables, which have a lower allowance for impairment.

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, 2023 the group's cash and cash equivalents amounted to SEK 759,463 K and > 95% 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	**31.12.2023**	**31.12.2022**	**Short term**	**Long term**
P1 / A1	7,246	975	P-1	A1
P-1 / Aa1	–	10,057	P-1	Aa1
P-1 / Aa2	743,808	521,899	P-1	Aa2
P-2 / A3	2,177	305,670	P-2	A3
Other	6,232	29,156	–	–
Total	**759,463**	**867,757**		

Liquidity risk

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

As is stated above, the group's cash and cash equivalents consisted almost entirely of bank deposits as at December 31, 2023.

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

2023

	Carrying amount	2024	2025	2026	2027	After 2027
Hold-back consideration Podchaser	19,613	10,216	10,216	–	–	–
Lease liabilities	21,948	23,034	40	–	–	–
Trade payables	145,161	145,161	–	–	–	–
Other liabilities	15,715	15,715	–	–	–	–
Accrued costs	226,223	226,223	–	–	–	–
Total	**428,661**	**420,349**	**10,256**	**–**	**–**	**–**

2022

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

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 even though there has been a rise in comparable leasing rates since initial recognition it would not have a material impact on the fair value of the lease liabilities. The holdback of consideration for Podchaser has both a long-term part and a short-term part and is booked at amortized cost.

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

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total carrying amount Dec 31
Financial assets			
Trade receivables	442,756	–	442,756
Other receivables	5,209	–	5,209
Accrued income	16,086	–	16,086
Cash and cash equivalents	759,463	–	759,463
Total 2023	**1,223,514**	**–**	**1,223,514**
Financial liabilities			
Hold-back consideration Podchaser	–	19,613	19,613
Trade payables	–	145,161	145,161
Other liabilities	–	15,715	15,715
Accrued costs	–	226,223	226,223
Total 2023	**–**	**406,713**	**406,713**
Financial assets			
Trade receivables	444,482	–	444,482
Other receivables	5,021	–	5,021
Accrued income	18,423	–	18,423
Cash and cash equivalents	867,757	–	867,757
Total 2022	**1,335,685**	**–**	**1,335,685**
Financial liabilities			
Hold-back consideration Podchaser	–	19,686	19,686
Trade payables	–	122,030	122,030
Earn-out Podchaser	–	69,311	69,311
Other liabilities	–	13,015	13,015
Accrued costs	–	173,474	173,474
Total 2022	**–**	**397,516**	**397,516**

Fair value of financial instruments

As at December 31, 2023, the company has no financial instruments measured at fair value. The contingent consideration that arose in connection with the acquisition of Podchaser in 2022 has been fully reversed, as the required commercial and financial targets were not achieved

CONTINGENT EARN-OUT

SEK thousand	2023	2022
Opening balance, January 1	**69,311**	**-**
Cost of acquisition	–	69,128
Discounting at acquisition	–	-2,587
Interest cost (discounting)	1,658	-1,005
Reversal contingent consideration*	-73,569	–
Currency exchange effect	2,600	1,764
Closing balance, December 31	**–**	**69,311**

*Recognized in financial income in the income statement.

Interest rate risk

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

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 group’s main transaction exposure is related to the intercompany balances. The previous transaction exposure in cash balances of Acast AB has been reduced severely as 82% of the cash balance is now in SEK. The carrying amount as at December 31, 2023 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 31.12.2023	
	GBP	USD
Acast AB		
Intercompany carrying amount	12,906	37,002
Total	**12,906**	**37,002**

	GBP	USD
Impact on Profit & Loss		
SEK 10% gain	17,064	39,235
SEK 10% loss	-17,064	-39,235
Impact on Equity		
SEK 10% gain	16,478	37,156
SEK 10% loss	-16,478	-37,156

The transactional currency risk for GBP has increased with 6% impact on Profit & loss and with 1% impact on equity compared to previous year. The transactional currency risk for USD has increased with % impact on Profit & Loss and decreased with 4% impact on Equity compared to previous year.

Capital management
The group has defined "Total equity" as managed capital. Total equity for the group amounted to SEK 1,143,823 K as per December 31, 2023. The group was as at December 31, 2023 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 28. LEASES

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

	31.12.2023	31.12.2022
Right of use assets		
Buildings	23,412	30,335
Total carrying amount	**23,412**	**30,335**

Lease liabilities		
Current	21,914	17,097
Non-current	34	11,624
Total lease liability	**21,948**	**28,721**

Amount recognized in the statement of profit or loss:

	2023	2022
Depreciation of right of use assets, Buildings	25,173	25,481
Interest expenses (incl in financial costs)	1,830	1,915
Total	**27,003**	**27,397**

Additions to the right-of-use asset during 2023 financial year, were SEK 18,250 K (8,498), most of which came from the new lease for premises in London that runs since February 1, 2023.

Total cash outflow for leases in 2023 was SEK 26,853 K (28,922). This consists of both interest SEK 1,830 K (1,915) and amortization of SEK 25,023 K (27,007).

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

More information about leasing in note 27.

NOTE 29. LONG TERM LIABILITIES

	31.12.2023	31.12.2022
Holdback Podchaser consideration	9,635	19,686
Total	**9,635**	**19,686**

The debt pertains to the holdback of consideration to be paid 36 months after the acquisition. The part to be paid 24 months after the acquisition has been reclassified to short term liabilities in 2023.

NOTE 30 . EARNINGS PER SHARE

EARNINGS PER SHARE

	2023	2022
Basic and diluted earnings per share, SEK	-0.99	-1.59

Measurements used in calculating earnings per share:		
Profit/loss attributable to the parent company's shareholders, SEK thousand	-179,679	-286,375
Total	**-179,679**	**-286,375**

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	181,068,106	179,685,126

There are 15,255,746 (9,370,876) options outstanding as at December 31, 2023 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 31. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

Acast Parent company financial information

Income statement Parent company

	Note	2023	2022
Net sales	2	339,570	366,677
Cost of content		-111,773	-101,188
Gross profit		**227,797**	**265,489**
Sales and marketing costs	3, 4, 5	-70,427	-104,441
Administration expenses	3, 4, 5, 6	-108,094	-233,110
Product development costs		-182,081	-190,690
Other income		1,121	1,583
EBIT (Operating profit/loss)		**-131,683**	**-261,169**
Financial income	7	24,522	74,667
Financial costs	7	-4,858	-616
Profit/Loss before income tax		**-112,019**	**-187,118**
Tax	8	–	–
Profit/Loss for the year		**-112 019**	**-187,118**

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	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Intangible assets	9	3,342	5,339
Tangible assets	10	314	559
Financial assets			
Participations in group companies	23, 25	689,842	666,017
Receivables from group companies	24	184,684	193,711
Total non-current assets		**878,182**	**865,626**
Current assets			
Trade receivables	11	67,777	64,877
Receivables from group companies	24	619,945	1,165,925
Other receivables	13	6,992	8,841
Prepaid expenses and accrued income	12	47,751	61,499
Other current investment	15	–	300,769
Cash and bank	14	585,357	312,961
Total current assets		**1,327,822**	**1,914,872**
TOTAL ASSETS		**2,206,004**	**2,780,498**

	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	16	1,174	1,174
Non-restricted equity			
Other paid in capital		2,337,807	2,337,807
Retained earnings		-628,722	-471,146
Profit/Loss for the year		-112,019	-187,118
Total equity		**1,598,240**	**1,680,717**
Long-term liabilities			
Long-term liabilities	17	1,927	3,934
Total long-term liabilities		**1,927**	**3,934**
Current liabilities			
Trade payables		143,321	116,404
Liabilities to group companies	24	196,630	769,919
Other payables	18	17,180	22,650
Current tax liability		–	–
Accrued expenses and deferred income	19	248,706	186,874
Total current liabilities		**605,837**	**1,095,847**
TOTAL EQUITY AND LIABILITIES		**2,206,004**	**2,780,498**

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

Opening balance at January 1, 2023		**1,174**	**2,337,808**	**-658,264**	**1,680,717**
Profit/Loss for the year/Total comprehensive income for the year		–	–	-112,019	**-112,019**
Total comprehensive income for the year		**–**	**–**	**-112,019**	**-112,019**
Transactions with owners					
Employee share schemes - value of employee services		–	–	29,542	**29,542**
Total transactions with owners		**–**	**–**	**29,542**	**29,542**
Closing balance at December 31, 2023		**1,174**	**2,337,808**	**-740,741**	**1,598,240**

Statement of cash flows, Parent company

	Note	2023	2022
Operating activities			
Operating profit/loss		-131,683	-261,169
Adjustments for non-cash items	21	9,981	15,136
Interest received	7	18,482	2,748
Interest paid	7	-11	-95
Income taxes paid		–	–
		-103,231	**-243,380**
Change in working capital			
Accounts receivable (increase - / decrease +)		-2,900	-18,658
Other current receivables (increase - / decrease +)		-383,212	-451,534
Accounts payable (increase + / decrease -)		26,917	19,451
Other current liabilities (increase + / decrease -)		435,889	662,972
Total change in working capital		**76,695**	**212,230**
Cash flow from operating activities		**-26,536**	**-31,150**

	Note	2023	2022
Investing activities			
Investment of equipment		–	–
Investment in intangible assets		–	–
Long-term assets (increase -/decrease +)		-896	-467,060
Cash flows from investing activities		**-896**	**-467,060**
Financing activities			
Long-term incentive programs		–	–
Issues of new shares		–	–
Repayment of borrowing		–	–
Cash flows from financing activities		**–**	**–**
Cash flows for the year		-27,431	-498,211
Cash and bank at the beginning of the period		613,730	1,069,152
Effect of movements in foreign exchange rates on cash and cash equivalents		-942	42,788
Cash and cash equivalents at the end of the period	**14, 15**	**585,357**	**613,730**

Parent company notes

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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

Further, it also requires the management to make certain judgements when applying the accounting principles. Details for such critical estimates and judgements are disclosed in group note 2. The company is subject to a number of financial risks, varying in nature. The financial risk management for the parent company corresponds to the risk management of the group. For further details, please see group note 27.

RFR 2 requires that the parent company applies the same accounting principles as the group, that being IFRS Accounting Standards, 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 27 is therefore essentially applicable to the parent company as well.

NOTE 2. NET SALES

NET SALES BY REGION

	2023	2022
Europe	308,732	354,423
North America	5,736	96
Other	25,102	12,157
Total	**339,570**	**366,677**

NOTE 3. BREAKDOWN OF EXPENSES BY NATURE

	2023	2022
Cost of content	111,773	101,188
Employees benefits expenses	147,925	164,506
Depreciation	2,242	2,254
Other operating expenses	210,434	361,481
Total	**472,373**	**629,428**

NOTE 4. OTHER OPERATING EXPENSES

	2023	2022
Rent and office expenses	15,603	14,356
Computers and software	40,069	41,033
Marketing and reseller expenses	4,295	18,282
Transfer pricing charges	90,522	191,436
External services	60,543	79,055
Other expenses	-597	17,320
Total	**210,434**	**361,481**

Transfer pricing charges have decreased as a result of the workforce reduction made at the end of 2022, as well as improved loss resulting in lower impact from the group's transfer pricing model.

NOTE 5. EMPLOYEES

EXPENSES DUE TO REMUNERATIONS TO EMPLOYEES

	2023	2022
Salaries and remunerations	90,819	90,560
(of which bonuses, etc.)	18,060	-153
Termination benefits	-127	1,618
Pension expenses	8,300	10,937
Social expenses	30,171	32,483
Other employee cost	9,811	18,499
Total	**138,973**	**154,097**

AVERAGE NUMBER OF FULL TIME EMPLOYEES

	2023	2023 % women	2022	2022 % women
Sweden	108	62%	128	58%

GENDER DISTRIBUTION IN THE PARENT COMPANY MANAGEMENT

	2023 % women	2022 % women
Board of directors	33%	33%
Senior management	43%	29%

SALARIES AND OTHER REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

2023	Basic salary board fees	Variable remuneration	Share-based remuneration*	Pension costs	Other remuneration	2022 Total
Group management (3 individuals**)	4,835	3,238	4,560	1,105	15	13,754
Total	**4,835**	3,238	**4,560**	**1,105**	**15**	**13,754**
2022						
Group management (3 individuals)	5,203	–	5,707	1,197	19	12,125
Total	**5,203**	–	**5,707**	**1,197**	**19**	**12,125**

*The amount is not affected by the reversal of costs related to previous periods for program participants who left the company in 2023.
**In 2023, the management team consisted of three individuals for the period January-August and for the rest of the year, it consisted of two individuals.

For information on the board of directors and all senior management, see group note 8 and 9.

NOTE 6. AUDIT FEES AND EXPENSES

	2023	2022
KPMG		
Audit service	2,114	4,332
Audit services in excess of the audit engagement		
Tax consultancy	66	98
Other services	295	86
Others		
PwC - other services	756	2,005
PwC - tax consultancy	101	148
Deloitte - other services	168	576
	3,501	**7,243**

NOTE 7. FINANCIAL INCOME AND EXPENSES

	2023	2022
Interest income	18,482	2,748
Interest income from group companies	6,040	2 569
Other financial income	–	69,350
Financial income	**24,522**	**74,667**
Interest expense	–	-88
Interest expense from group companies	-235	–
Other financial expenses	-4,623	-528
Financial costs	**-4,858**	**-616**
Net financial item	**19,664**	**74,051**

Since late 2022, we receive interest on our bank deposits. The interest rate has increased during the year, resulting in higher interest income than previous year.

NOTE 8. INCOME TAX AND DEFERRED TAX

RECONCILIATION OF EFFECTIVE TAX RATE

	2023		2022	
Profit before income tax		-112,019		-187,118
Theoretical tax income according to current tax rate	20.6%	23,076	20.6%	38,546
Non-deductible expenses	-0.9%	-1,012	-0.5%	-861
Unrecognized loss carried forward	-19.7%	-22,064	-20.1%	-37,685
Reported effective tax	**-0.00%**	**–**	**-0.00%**	**–**

The Parent company does not report any tax, since profit before income tax is negative.

The amount of unused tax losses for which no deferred tax asset is recognized in the statement of the financial position is SEK 822,497 K (711,490) including the loss for 2023.

The unused tax losses are attributable to the negative earnings, with no expiry date. With a current tax rate of 20.6%, the unrealized future tax asset amounts to SEK 163,434 K.

NOTE 9. INTANGIBLE ASSETS

SEK thousands	Accu-mulated cost	Accumu-lated amor-tization and impairment	Carrying amount
Opening balance 1.1.2022	9,902	-2,197	7,706
Reclassifications	-428	42	-386
Amortization	–	-1,980	-1,980
Closing balance 31.12.2022	**9,474**	**-4,135**	**5,340**
Opening balance 1.1.2023	9,474	-4,135	5,340
Investments	–	–	–
Amortization	–	-1,997	-1,997
Closing balance 31.12.2023	**9,474**	**-6,132**	**3,342**

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 1.1.2022	1,394	1,456	2,850
Acquisitions	–	–	–
Closing balance 31.12.2022	**1,394**	**1,456**	**2,850**
Opening balance 1.1.2023	1,394	1,456	2,850
Acquisitions	–	–	–
Closing balance 31.12.2023	**1,394**	**1,456**	**2,850**
Accumulated depreciation and impairment			
Opening balance 1.1.2022	-1,263	-753	-2,016
Depreciation	-48	-226	-274
Closing balance 31.12.2022	**-1,311**	**-979**	**-2,290**
Opening balance 1.1.2023	-1,311	-979	-2,290
Depreciation	-19	-226	-245
Closing balance 31.12.2023	**-1,330**	**-1,206**	**-2,535**
Carrying amount			
Opening balance 1.1.2022	131	702	833
Closing balance 31.12.2022	**83**	**477**	**560**
Opening balance 1.1.2023	83	477	560
Closing balance 31.12.2023	**64**	**250**	**315**

NOTE 11. TRADE RECEIVABLES

	31.12.2023	31.12.2022
Trade receivables	70,348	68,505
Provision for expected credit losses	-2,571	-3,627
Net trade receivables	**67,777**	**64,877**

	Carrying amount	Not due	Number of days past due date		
			1<29	30<89	90<
2023					
Trade receivables as of Dec 31, 2023	70,348	30,775	20,798	13,985	4,790
Provision for expected credit losses	-2,571	-154	-166	-202	-2,049
Total 2023	**67,777**	**30,621**	**20,631**	**13,783**	**2,741**
	100%	45%	31%	20%	4%
2022					
Trade receivables as of Dec 31, 2022	68,505	34,321	13,644	14,040	6,500
Provision for expected credit losses	-3,627	-172	-109	-192	-3,155
Total 2022	**64,877**	**34,149**	**13,535**	**13,849**	**3,345**
	100%	53%	21%	21%	5%

For further information regarding the groups provision for expected credit losses, see group note 27.

NOTE 12. PREPAID AND ACCRUALS

PREPAID EXPENSES AND ACCRUED INCOME

	31.12.2023	31.12.2022
Prepaid rent	3,462	3,265
Other prepaid expenses	6,185	7,265
Prepayment to podcast creators	22,899	32,300
Accrued interest group companies	–	2,490
Accrued income	15,205	16,178
Total	**47,751**	**61,499**

NOTE 13. OTHER RECEIVABLES

	31.12.2023	31.12.2022
VAT receivables	2,861	3,298
Tax receivable	2,231	3,150
Other receivables	1,901	2,393
Total other receivables	**6,992**	**8,841**

NOTE 14. CASH AND BANK

	31.12.2023	31.12.2022
Bank balances	585,357	312,961
Total cash and bank	**585,357**	**312,961**

The bank balance is placed with Swedish commercial banks, 82% of the balance is in SEK.

NOTE 15. OTHER CURRENT INVESTMENT

	31.12.2023	31.12.2022
Balance liquidity fund	–	300,769
Total other current investments	**–**	**300,769**

In 2023 the previous investment in a liquidity fund was sold, resulting in a financial income of SEK 5,439 K.

NOTE 16. EQUITY

	31.12.2023	31.12.2022
Shares issued fully paid		
At the beginning of the year	181,068,106	178,731,126
Consideration through issued shares, Podchaser	–	2,336,980
Shares issued fully paid	**181,068,106**	**181,068,106**

As at December 31, 2023, the total number of shares was 181,068,106 (181,068,106) and share capital was SEK 1,174 K (1,174). All shares are ordinary shares and carry equal voting rights. The shares have a quoitient value of SEK 0.0065 (0.0065).

NOTE 17. LONG TERM LIABILITIES

	31.12.2023	31.12.2022
Holdback consideration Podchaser, through issue of shares	1,927	3,934
Total other current investments	**1,927**	**3,934**

This relates to the part of the holdback of consideration that is expected to be paid through issue of shares. Hence, the debt is booked in Acast AB even though Acast Stories Inc acquired Podchaser. The decrease is due to part of the liability now being due within twelve months and therefore classified as a short term liability.

NOTE 18. OTHER PAYABLES

	31.12.2023	31.12.2022
Taxes and social charges	9,611	9,236
Contingent consideration Podchaser, to be paid through issued shares	–	11,549
Other short term liabilities	7,569	1,865
Total	**17,180**	**22,650**

The contingent consideration, which arose in connection with the acquisition of Podchaser, has been reversed in 2023, as the conditions have not been met. The part of the contingent consideration from the acquisition of Podchaser concerns the part that was to be paid by issuing shares, but have now been reversed.. For more information regarding the contingent consideration see group note 4.

NOTE 19. ACCRUED EXPENSES AND PREPAID INCOME

	31.12.2023	31.12.2022
Accrued payroll related expenses	24,333	14,434
Accrued content costs	209,679	148,937
Other accrued expenses	9,396	17,416
Deferred revenue	5,298	6,088
Total	**248,706**	**186,874**

NOTE 20. LEASES

	2023	2022
Maturity date within 1 year	12,846	12,059
Maturity date between 1-3 years	–	15,074
Maturity date later than 3 years	–	–
Total	**12,846**	**27,134**

The leasing costs for the year pertaining to operational leasing fee totalled SEK 13,390 K (11,881).

NOTE 21. ADJUSTMENT FOR NON-CASH ITEMS

	2023	2022
Depreciation	2,242	2,254
Long term incentive plan, no cash consideration	7,740	12,882
Total	**9,981**	**15,136**

NOTE 22. PARTICIPATION IN GROUP

PARTICIPATION IN GROUP COMPANIES

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

Opening balance 1.1.2023	666,017
Shareholder's contribution*	23,825
Closing balance 31.12.2023	**689,842**

* During 2023 Shareholder's contribution of MXN 3,400 K has been given from Acast AB to Acast Stories Mexico, S. de R.L. de C.V, a total of SEK 2,022 K. Other Shareholder's contribution relates to employee LTI programs. During 2022 Shareholder's contribution of USD 8,655 K and GBP 15,000 K has been given from Acast AB to Acast Stories Inc and Acast Stories Ltd, a total of SEK 277,283 K. Other Shareholder's contribution for 2022 relates to employee LTI programs.

For further information regarding employee long-term incentive programs see group note 9.

NOTE 23. RELATED PARTY

2023	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	56,122	25,513	270	9,749	75	7,667	4,045	195	4,897	108,533
Transfer pricing charges	-10,459	-133,993	-13,126	-5,020	-7,506	-2,336	-3,723	-6,528	-852	-183,542
Intercompany loans	-182,757	–	–	–	–	–	–	–	–	-182,757
Non-current intercompany liabilities	-1,927	–	–	–	–	–	–	–	–	-1,927
Current intercompany receivables	75,203	51,192	11,721	24,360	2,349	9,057	5,040	11,266	5,550	195,738
Current intercompany liabilities	-262,081	-215,974	-41,800	-38,172	-7,312	-10,057	-22,376	-15,123	-7,051	-619,945

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

The table above shows Transfer pricing revenue invoiced from the subsidiaries to Acast AB och Transfer pricing costs invoiced to the subsidiaries from Acast AB. The intercompany receivables are the subsidiaries claims on Acast AB and the intercompany liabilities are the subsidiaries debts to Acast AB. The parent company's cashpool is included in the current intercompany receivables and liabilities.

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. In 2023 , the value of the services allocated according to the transfer pricing-model has decreased as a result of the reduction of staff made in the fall of 2022. The improvement in performance also means that transfer pricing income and costs will be lower for the parent company.

	2023	2022
Receivables which fall due later than one year	184,684	193,893

Transactions / balances with related parties

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

TRANSACTIONS WITH RELATED PARTIES

	2023	2022
Purchases of services		
Related parties	–	1,237
Total purchases of services	**–**	**1,237**

NOTE 24. SUBSIDIARIES

Name	Corporate reg. no	Place of Business	Ownership 31.12.2023	Ownership 31.12.2022	31.12.2022 carrying amount
Acast Stories AS	922 061 084	Norway	100.00%	100.00%	103
Acast Stories Gmbh	HRB 205265B	Germany	100.00%	100.00%	322
Acast Stories Inc	36-4813086	USA	100.00%	100.00%	260,912
Acast Stories Ltd	9040006	Great Britain	100.00%	100.00%	423,860
Acast Stories Pty	ABN 30 619 624 823	Australia	100.00%	100.00%	1,080
Acast Stories SAS	848 766 663	France	100.00%	100.00%	779
Acast Stories Ireland Ltd	661 047	Ireland	100.00%	100.00%	36
Acast Stories Canada Inc	715 141	Canada	100.00%	100.00%	523
Acast Stories Mexico, S. de R.L. de C.V.	N-2020014294	Mexico	99.99%	99.99%	2,227
Total					**689,842**

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

NOTE 25. ALLOCATION OF PROFIT OR LOSS

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

ALLOCATION OF PROFIT OR LOSS

Share premium reserve	2,337,806,699
Retained earnings	-628,721,797
Profit for the year	-112,018,739
Total	**1,597,066,163**
Profit or loss brought forward	1,597,066,163
Total	**1,597,066,163**

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 Accounting Standards. 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 Accounting Standards.

Alternative performance measurements not defined under IFRS Accounting Standards	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.
Total operating expenses	The sum of sales and marketing costs, administration expenses, product development costs and other income	Total operating expenses is used to assess the amount of operating expenses excluding cost of content, including other income.
Total operating expenses excl D&A	The sum of sales and marketing costs, administration expenses product development costs and other income, excluding depreciation and amortization	Total operating expenses excl D&A is used to assess the amount of operating expenses excluding cost of content, depreciation, amortization and including other income.
EBITDA	EBIT (Operating profit/loss) before depreciation and amortization.	EBITDA is a measure of operating profit/loss before depreciation and amortization and is used to monitor the operations.

Alternative performance measurements not defined under IFRS Accounting Standards	Definition	Purpose
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 facilitate a fair comparison between two comparable periods and to show the underlying trend in operating activities excluding non-recurring items.
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.
EBIT (Operating profit/loss)	Profit/loss before financial items and tax.	EBIT is used to evaluate the group's profitability.
EBIT margin (%)	EBIT in relation to net sales.	EBIT in relation to the group's net sales is an indicator of the group's profitability.
Adjusted EBIT	EBIT adjusted for items affecting comparability.	Adjusted EBIT is a supplement to EBIT and the purpose is to show the operating loss excluding items that affect comparability to facilitate a fair comparison between two comparable periods and show the underlying trend in operating activities excluding non-recurring items.
Adjusted EBIT margin (%)	Adjusted EBIT in relation to net sales.	Adjusted EBIT 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 and that complicate the comparability between two given periods.	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 EBIT and Adjusted EBITDA.

Alternative performance measurements not defined under IFRS Accounting Standards	Definition	Purpose
Cash flow from operating activities	Cash flow for the period excluding cash flow from financing activities and cash flow from investing activities.	Cash flow from operating activities indicates the amount of cash generated from (or spent on) its ongoing operations.
Contribution profit (previously CBIT)	Operating segments contribution to the group's EBIT before allocation of Global costs.	Contribution profit is used in the assessment of the group's operating segments, i.e. local market operations. It shows the operating segments contribution to the group's Operating profit/loss before allocation of Global costs.
Contribution margin (%) (previously CBIT margin)	Contribution profit in relation to net sales.	Contribution profit 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 costs and local segment costs and is used in the calculation of the contribution profit.

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

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

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

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

SEK thousand (unless stated otherwise)	2023	2022
Alternative performance measures not defined under IFRS Accounting Standards		
Net sales	1,636,371	1,390,366
Net sales growth (%)	**18%**	**36%**
Net sales	1,636,371	1,390,366
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)	-51,458	-84,789
Impact from acquisitions	-15,466	-10,941
Organic net sales	1,569,446	1,294,634
Net sales growth (%)	**18%**	**36%**
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)	-4%	-8%
Impact from acquisitions on Net sales growth (%)	-1	-1
Organic net sales growth (%)	**13%**	**26%**

SEK thousand (unless stated otherwise)	2023	2022
Net sales	1,636,371	1,390,366
Cost of content	-1,115,531	-920,510
Gross profit	**520,840**	**469,856**
Net sales	1,636,371	1,390,366
Gross margin (%)	**32%**	**34%**
Sales and marketing costs	-386,889	-399,635
Administration costs	-214,003	-220,695
Product development costs	-179,770	-203,844
Other operating expenses	**-780,661**	**-824,174**
Other operating expenses	-780,661	-824,174
Other income	1,203	1,675
Total operating expenses	**-779,458**	**-822,499**
Total operating expenses	-779,458	-822,499
Depreciation and amortization	71,322	57,694
Total operating expenses excl D&A	**-708,136**	**-764,805**

SEK thousand (unless stated otherwise)	2023	2022
Loss for the period	-179,679	-286,375
Income tax expense	-8,772	-6,109
Financial costs	-10,597	-3,337
Financial income	98,308	75,714
EBIT (Operating profit/loss)	**-258,618**	**-352,643**
Net sales	1,636,371	1,390,366
EBIT margin (%)	**-16%**	**-25%**
EBIT (Operating profit/loss)	-258,618	-352,643
Items affecting comparability*	75,571	22,612
Adj. EBIT	**-183,047**	**-330,031**
Net sales	1,636,371	1,390,366
Adj. EBIT margin (%)	**-11%**	**-24%**

* Items affecting comparability refers to the revaluation of podcast contracts, as a consequence of Apple's update to iOS17. In 2022 items affecting comparability refers to SEK 18,437 K in restructuring costs and SEK 4,175 K in costs from the acquisition of Podchaser.

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

SEK thousand (unless stated otherwise)	2023	2022
EBIT (Operating profit/loss)	-258,618	-352,643
Depreciation and amortization	71,322	57,694
EBITDA	**-187,296**	**-294,949**
Net sales	1,636,371	1,390,366
EBITDA margin (%)	**-11%**	**-21%**
EBITDA	-187,296	-294,949
Items affecting comparability*	75,571	22,612
Adj. EBITDA	**-111,725**	**-272,337**
Net sales	1,636,371	1,390,366
Adj. EBITDA margin (%)	**-7%**	**-20%**
Operational measures		
Listens (millions)	**5,019**	**5,139**
Net sales	1,636,371	1,390,366
Average revenue per listen, ARPL (SEK)	**0.33**	**0.27**

*Items affecting comparability refers to the revaluation of podcast contracts, as a consequence of Apple's update to iOS17. In 2022 items affecting comparability refers to SEK 18,437 K in restructuring costs and SEK 4,175 K in costs from the acquisition of Podchaser.

Group financial KPIs and alternative performance measures

SEK thousand	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2023 Jan-Dec	2022 Jan-Dec
Net Sales	494,225	424,549	386,301	331,297	454,297	321,950	315,826	298,293	1,636,371	1,390,366
Cost of content	-375,611	-277,898	-249,095	-212,927	-297,281	-209,399	-221,823	-192,008	-1,115,531	-920,511
Gross profit	118,614	146,651	137,205	118,370	157,016	112,551	94,003	106,285	520,840	469,856
Total operating expenses excl D&A	-177,845	-172,333	-178,871	-179,086	-199,447	-198,668	-192,573	-174,117	-708,136	-764,805
EBITDA	-59,231	-25,683	-41,666	-60,717	-42,431	-86,117	-98,570	-67,832	-187,296	-294,949
Depreciation and amortization	-18,407	-17,948	-17,662	-17,305	-16,205	-15,869	-13,389	-12,231	-71,322	-57,694
EBIT (Operating profit/loss)	-77,638	-43,631	-59,328	-78,022	-58,636	-101,986	-111,959	-80,063	-258,618	-352,643
Financial items	-35,293	68,842	46,976	7,186	-14,414	35,490	42,227	9,074	87,711	72,377
Income tax expense	-4,601	-1,126	-1,870	-1,175	-947	-2,047	-903	-2,212	-8,772	-6,109
Profit/Loss for the period	-117,533	24,085	-14,221	-72,010	-73,997	-68,543	-70,635	-73,201	-179,679	-286,375
Net Sales growth (%)	9%	32%	22%	11%	35%	21%	39%	51%	18%	36%
Organic net sales growth (%)	7%	26%	15%	6%	24%	7%	28%	40%	13%	26%
Gross margin (%)	24%	35%	36%	36%	35%	35%	30%	36%	32%	34%
EBITDA margin (%)	-12%	-6%	-11%	-18%	-9%	-27%	-31%	-23%	-11%	-21%
Adj. EBITDA*	16,340	-25,683	-41,666	-60,717	-31,109	-75,144	-98,253	-67,832	-111,725	-272,337
Adj. EBITDA margin (%)*	3%	-6%	-11%	-18%	-7%	-23%	-31%	-23%	-7%	-20%
EBIT margin (%)	-16%	-10%	-15%	-24%	-13%	-32%	-35%	-27%	-16%	-25%
Adj. EBIT*	-2,067	-43,631	-59,328	-78,022	-47,314	-91,013	-111,642	-80,063	-183,047	-330,031
Adj. EBIT margin (%)*	0%	-10%	-15%	-24%	-10%	-28%	-35%	-27%	-11%	-24%
Items affecting comparability*	75,571	–	–	–	11,322	10,973	317	–	75,571	22,612
Cash flow from operating activities	50,330	-19,266	-57,542	-1,659	-12,314	-96,707	-97,629	-87,633	-28,135	-294,284
Basic and diluted earnings per share (SEK)	-0.65	0.13	-0.08	-0.40	-0.41	-0.38	-0.40	-0.41	-0.99	-1.59
Listens (millions)	1,162	1,280	1,294	1,283	1,327	1,318	1,238	1,256	5,019	5,139
Average revenue per listen, ARPL (SEK)	0.43	0.33	0.30	0.26	0.34	0.24	0.26	0.24	0.33	0.27

For definitions and purpose see page 85-86 , and for reconciliations see page 87-88.

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 2023, except for the corporate governance statement on pages 42-47 and the sustainability report on pages 23-34. The annual accounts and consolidated accounts of the company are included on pages 40-84 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 42-47 and sustainability report on pages 23-34. 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, 2-39, 23-34 and 85-89. 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 Accounting Standards 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 2023 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 42-47 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the sustainability report on pages 23-34, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR´s standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm 17 April 2024

KPMG AB

Mattias Lötborn
Authorized Public Accountant

Information to shareholders

ANNUAL GENERAL MEETING 2024
The Annual General Meeting of Acast AB (publ) will be held on Tuesday, May 21, 2024 at 2pm CET at the company's head office at Kungsgatan 28 in Stockholm.

Notice is given through advertising in Svenska Dagbladet and the Swedish Official Gazette (Post- and Inrikes Tidningar).

RIGHT TO PARTICIPATE
Shareholders who wish to participate in the Annual General Meeting, shall be listed in the shareholders' register maintained by Euroclear Sweden AB on Monday, May 13, 2024 and shall notify the Company of their intention to participate at the AGM no later than on Wednesday, May 15, 2024.

The notice and other information before the annual general meeting can be found at investors.acast.com/governance/annual-general-meeting-2024.

FINANCIAL CALENDAR 2024

Interim report for the period January 1 – March 31, 2024	**May 7, 2024**
Annual general meeting 2024	**May 21, 2024**
Interim report for the period January 1 – June 30, 2024	**July 26, 2024**
Interim report for the period January 1 – September 30, 2024	**November 5, 2024**

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This report has been prepared in Swedish and English.
In case of any discrepancy, the Swedish version shall govern.

Acast

For The Stories.