

# **Acast**

**Interim report  
January – March 2022  
Acast AB (publ)**



# About Acast

Acast was founded in 2014 and is the world's largest independent podcast company.

As a pioneer in the open podcast ecosystem, Acast's strategy is to become the world's largest marketplace for podcast monetization by connecting podcast creators, advertisers and paying listeners with its technology.

Acast hosts 47,000 podcasts, supplying their content directly to hundreds of listening apps, and generating and monetizing more than 400 million listens every month. If you're listening to an Acast-connected podcast and hear an ad, it's Acast delivering that ad behind the scenes and sharing the revenue with the podcast creator.

Podcasters come to Acast to reach and grow as large an audience as possible, and to monetize those listens to their full potential — including through paid subscriptions using Acast+. Advertisers use our advanced targeting capabilities to reach these hyper-engaged audiences in the most effective ways.

Acast's headquarters are located in Stockholm, Sweden, and the company has expanded globally in recent years to have a presence in 14 countries: Australia, Canada, Denmark, Finland, France, Germany, Ireland, Mexico, New Zealand, Norway, Spain, Sweden, the UK and the US. In 2021 the number of listens to Acast podcasts reached 3.7 billion, with net sales exceeding SEK 1bn.

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

For brilliant podcasters  
For smart advertisers  
For The Stories

## About Acast's reporting

This is Acast's interim report for the period 1 January 2022 – 31 March 2022. The report describes the Group's activities, results and financial position for the period. It concerns the entire group of companies, unless otherwise indicated. Amounts in parentheses are for the corresponding periods in 2021.

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

### CONTACT INFORMATION

Ross Adams, CEO  
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## Financial calendar

Annual general meeting 2022	May 17, 2022
Interim report for the period January 1 – June 30, 2022	Aug 2, 2022
Interim report for the period January 1 – September 30, 2022	Nov 8, 2022

# Q1 2022 Highlights

**51%**

NET SALES GROWTH

**36%**

GROSS MARGIN

**-23%**

ADJ. EBITDA MARGIN

## Q1 2022

- Strong net sales growth of 51% (74%) and quarterly net sales of SEK 298.3 million (197.4)
- Organic net sales growth of 40% (86%) when adjusting for FX
- Gross margin at a healthy 36% (36%)
- Adj. EBITDA margin reached -23% (-17%)
- Adj. EBITDA of SEK -67.8 million (-33.6)
- Operating loss of SEK -80.0 million (-44.4)
- Net loss for the period impacted by positive FX and amounting to SEK -73.2 million (-49.2)
- Cash flow from operating activities of SEK -64.0 million (1.1)
- Basic and diluted earnings per share for the period of SEK -0.41 (-0.37)
- Listens reached 1,256 million (872) and ARPL improved to SEK 0.24 (0.23)

## Significant events

- Number of shows reached 47,000 during the quarter, as key podcasts such as Framgångspodden, Anna Faris is Unqualified and That Peter Crouch Podcast joined Acast
- Top UK show Sh\*\*ged.Married.Annoyed renewed its contract with Acast for three years
- Acast+ is now available to any pod-caster. Acast will earn c. 15% in net sales revenue from each subscriber contribution
- Acast has started a partnership with BuzzFeed, Inc. Acast will develop and launch six podcasts from BuzzFeed Studios, as well as monetize them through ads, sponsorships and paid subscriptions
- The Nomination Committee in Acast AB has proposed that John Harrobin and Samantha Skey be elected as new Board members at the AGM on May 17, 2022. John Harrobin is nominated to be elected Chairman of the Board

# Group financial KPI's and alternative performance measures

SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net Sales	298,293	197,434	1.025,702
Net Sales growth (%)	51%	74%	73%
Organic net sales growth (%)	40%	86%	74%
Gross profit	106,285	71,110	373,476
Gross margin (%)	36%	36%	36%
EBITDA	-67,832	-36,210	-181,618
EBITDA margin (%)	-23%	-18%	-18%
Adj. EBITDA	-67,832	-33,606	-150,480
Adj. EBITDA margin (%)	-23%	-17%	-15%
Operating loss	-80,063	-44,437	-221,646
Operating margin (%)	-27%	-23%	-22%
Adj. operating loss	-80,063	-41,834	-190,508
Adj. operating margin (%)	-27%	-21%	-19%
Items affecting comparability	-	2,603	31,138
Loss for the period	-73,201	-49,231	-300,394
Cash flow from operating activities	-64,040	1,091	-106,578
Basic and diluted earnings per share (SEK)*	-0.41	-0.37	-1.91
Listens (millions)	1,256	872	3,735
Average revenue per listen, ARPL (SEK)	0.24	0.23	0.27

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

For definitions and purpose see note 7, and for reconciliations see note 8.

# Comments from the CEO

## We accelerate in North America as European advertisers take a measured approach



During the first quarter of the year, Acast continued to consolidate its position as the world's leading company within the open podcast ecosystem. The number of shows connected to Acast grew from 40,000 to 47,000, while the number of listens increased by 44% compared to the same period last year. And, as we increase this portfolio of podcasts, we're also growing the potential to generate advertising revenues — not least in North America, where sales increased by triple digits despite European advertisers taking a more measured approach at the start of the year.

### **MORE CREATORS ARE CHOOSING ACAST**

During the first few months of the year several podcasting giants have joined Acast. One of Sweden's largest podcasts, Framgångspodden, joined in January. Shortly afterwards, we were able to announce that movie and podcast star Anna Faris has chosen Acast as the partner to help her grow and monetize her very popular show, Anna Faris is Unqualified. And, if that wasn't enough, That Peter Crouch Podcast — one of the biggest football shows in the UK — also made Acast its home.

And in addition so many other creators, regardless of size, are continuing to choose Acast as a partner. We began 2022 hosting about 40,000 shows, but this number has already grown to 47,000 — emphasizing that Acast is a company on the right track.

### **UPSIDE ON FUTURE MONETIZATION, WITH CAUTION**

As the number of podcasts increases, so does the number of people listening to them — and that means the podcast advertising market continues to grow and to take share of advertiser spend. But the proportion of advertising in podcasts is still generally very low compared to other media, highlighting the opportunity for upside in the future.

In podcasts, only around 5% of the content is advertising. In commercial radio, that figure is more like 15-20%, and for television it's 20-25%. Even compared to other fully digital media, the proportion of advertising in podcasts is still relatively low — and that provides us with the opportunity to gradually increase advertising in podcasts, benefiting us and our creators in the future.

With that said, during the beginning of 2022, we've seen global changes emerge that we must consider. Russia's invasion of Ukraine, for example, affects everyone — and Acast is no exception. Our exposure to Ukraine and Russia is limited both in terms of creators domiciled in each country and from an advertiser perspective. Our thoughts primarily go to the people who are directly affected by the war.

### **ADAPTING OUR PACE OF INVESTMENT**

However, the macroeconomic situation has impacted market sentiment, and rising inter-

est rates and inflation do affect us — mainly because advertisers err on the side of caution and may adjust their investments. We monitor developments closely and proactively adapt our investment decisions accordingly.

As a fast-growing company in a fast-growing industry, we will, however through deliberate investments, continue to accelerate in markets where we continue to see a large upside.

### **ACCELERATED GROWTH IN NORTH AMERICA**

After our strong fourth quarter last year, we've had a solid start to the year in 2022. Globally, net sales growth in the first quarter reached 51% compared with the same period in 2021, and all markets continue to grow. We grew 35% in Europe and 47% in Other markets. In North America, we're pleased to see that our investment there has resulted in sales growing by 107% compared with the first quarter of 2021.

During the quarter, we also targeted selective investments in both product development as well as sales and marketing. Our sales and marketing costs are affected by the fact that we have deepened our collaboration with our podcast creators, who act as ambassadors for our brand. Continued investments in product development with a focus on attracting podcast creators have led to an influx of podcasts to our platform and has contributed to our strong listens growth.

### **CLOSING THE APP ACCORDING TO PLAN**

As previously communicated, Acast is closing down its listening app according to plan. The app was launched in 2014 at a time when there were very few ways for people to listen to podcasts. Closing the app also allows us to focus solely on our core mission: supporting podcasters to find their audience on all listening platforms globally, and enabling brands to advertise against those listens.

### **ACAST'S JOURNEY CONTINUES**

Acast continues to work intensively to meet the increased demand creators and advertisers are showing in our various markets worldwide, promoting the open podcast ecosystem and its prominent position within the creator economy. We are staying close to the macroeconomic developments in general, and the advertising market in particular, and have a clear route to navigate through this changing environment.

We do all of this together, as a team, so I'd like to sign off by thanking all the fantastic Acast employees who are with me on this journey. Our work continues.

**ROSS ADAMS**  
Chief Executive Officer

# Financial information

## Sales and earnings

### NET SALES

#### Jan-Mar

Net sales increased by SEK 100,859 thousand, or 51%, from SEK 197,434 thousand for Q1-21 to SEK 298,293 thousand for Q1-22. The organic net sales growth amounted to 40% adjusted for currency effects. Europe's net sales increased by 35%, Americas by 107% and Other by 47%. All segments had a positive impact from currency during the quarter.

Net sales reflects the usual seasonality for the podcasting advertising industry where Q4 is the strongest quarter of the year followed by a softer Q1 and where Q2 and Q3 do not see the same level of seasonal variation.

### GROSS PROFIT

#### Jan-Mar

The gross profit increased by SEK 35,175 thousand, or 49%, from SEK 71,110 thousand for Q1-21 to SEK 106,285 thousand for Q1-22. This increase was primarily driven by continued strong sales resulting in a gross margin of 36% for the period which is in line with the gross margin of the first quarter 2021 (36%).

### OTHER OPERATING EXPENSES

#### Jan-Mar

Other operating expenses (defined as the total of Sales and marketing costs, Administration expenses and Product development costs) increased by SEK 70,801 thousand, or 61%, from SEK 115,547 thousand for

Q1-21 to SEK 186,348 thousand for Q1-22. This increase was primarily driven by an increased number of employees and consultants, related to continued investments in North America where we see high growth. We have also deepened our cooperation with podcasters, who act as ambassadors for our brand, which effects our sales- and marketing costs. Continued investments in product development, mainly with focus on attracting podcasters, have also led to higher costs.

### OPERATING LOSS

#### Jan-Mar

The operating loss increased by SEK 35,626 thousand, or 80%, from SEK -44,437 thousand for Q1-22 to SEK -80,063 thousand for Q1-22. This resulted in an operating margin of -27% a minor decrease compared to the same period previous year (-23%).

### FINANCIAL NET

#### Jan-Mar

Financial net increased by SEK 12,355 thousand, from SEK -3,281 thousand for Q1-21 to SEK 9,074 thousand for Q1-22. The increase was primarily driven by currency exchange gains.

### LOSS FOR THE PERIOD

#### Jan-Mar

The loss for the period increased by SEK 23,970 thousand, or 49%, from SEK -49,231 thousand for Q1-21 to SEK -73,201 thousand for Q1-22.

### EARNINGS PER SHARE

#### Jan-Mar

Earnings per share (basic and diluted)

amounted to -0.41 SEK for Q1-22 compared to -0.37 SEK for Q1-21.

### NUMBER OF OUTSTANDING SHARES AND WARRANTS

At the end of the period Acast had 178,731,126 outstanding shares and an additional 12,979,615 unexercised warrants (after applying 50:1 sharesplit). A total of 191,710,741 outstanding shares and unexercised warrants.

### EMPLOYEES

Acast had 386 employees at the end of the period (266) and an additional 48 full time consultants (17).

### ANNUAL GENERAL MEETING

Acast's Annual General Meeting will be held on Tuesday, May 17 2022. The Board has resolved that the meeting will be carried out only through postal voting pursuant to temporary legislation. It will not be possible to attend the meeting in person or by proxy.

## Group financial position, equity and cash flow

### FINANCIAL POSITION AND EQUITY MOVEMENTS

#### Jan-Mar

As at March 31, 2022, equity amounted to SEK 1,441,964 thousand, compared to SEK 255,806 thousand per March 31, 2021. The increase of SEK 1,186,158 thousand, or 464%, is - in addition to the effect of accumulated losses - mainly due to the share issue undertaken in connection with the company's

IPO. This added SEK 1,423,708 thousand in equity or SEK 1,249,135 thousand in cash after deducting costs of the share issue.

As at March 31, 2022, cash and cash equivalents amounted to SEK 1,274,631 thousand, compared with SEK 286,701 thousand per March 31, 2021. The increase of SEK 987,930 thousand, or 345%, is mainly related to the share issue undertaken in connection with the company's IPO in June 2021.

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

### CASH FLOW

#### Jan-Mar

The Group's cash flow from operating activities amounted to SEK -64,040 thousand during Q1-22 compared to SEK 1,091 thousand for the same period last year. The cash flow was primarily related to changes in working capital, from large prepayments as well as larger payments to podcasters, following higher growth.

The Group's cash flow from investing activities amounted to SEK -10,445 thousand during Q1-22. Cash flow for the same period last year amounted to SEK -8,423 thousand. The cash flow for the period was primarily related to investments in intangible assets resulting from own development of the Group's proprietary tech-platform.

# Financial information cont.

The Group's cash flow from financing activities amounted to SEK -6,079 thousand during Q1-22 compared to SEK -3,395 thousand during the same period last year. The cash flow was related to amortization of the lease liability.

Cash and cash equivalents at the beginning of the period were SEK 1,364,751 thousand. Cash flow for the period were SEK -80,564 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK -9,556 thousand resulting in cash and cash equivalents at the end of the period of SEK 1,274,631 thousand.

## Parent company

### Jan-Mar

Acast AB is the Parent company of the Group. Net sales of the Parent company were SEK 90,800 thousand during Q1-22 (94,950). The decrease is related to impact from the Group's transfer pricing model.

Total operating expenses were SEK 126,853 thousand (88,029) including cost of content, sales and marketing costs, administration expenses, product development costs and other income. The increase is primarily driven by an increase in the number of staff and consultants.

Financial net amounted to SEK 8,985 thousand for the period (-2,548). The increase is driven by movements in foreign exchange rates.

The loss for the period for the parent company was SEK -27,068 thousand (4,257).

## Significant events after the end of the reporting period

There are no significant events after the end of the reporting period.

# Declaration by the Board and CEO

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

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

The interim report includes insider information that Acast is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication at 08:00 a.m. CET on May 17, 2022.

Certified Adviser is FNCA Sweden AB, info@fnca.se,  
+46 (0) 8528 00 399.

**Stockholm, 17 May 2022**

Board and CEO

**Andrea Gisle Joosen**

Chair

**Leemon Wu**

Board member

**Björn Jeffery**

Board member

**Hjalmar Didrikson**

Board Member

**Jonas von Hedenberg**

Board member

**Ross Adams**

CEO



# Financial statements

# Group financial statement

## Condensed consolidated statement of profit or loss

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	4	298,293	197,434	1,025,702
Cost of content		-192,008	-126,324	-652,226
<b>Gross profit</b>		<b>106,285</b>	<b>71,110</b>	<b>373,476</b>
Sales and marketing costs		-89,524	-50,678	-270,103
Administration expenses		-50,835	-44,559	-208,731
Product development costs		-46,001	-20,873	-121,161
Other income		13	563	4,873
<b>Operating loss</b>		<b>-80,063</b>	<b>-44,437</b>	<b>-221,646</b>
Financial net		9,074	-3,281	-73,472
<b>Loss before income tax</b>		<b>-70,989</b>	<b>-47,718</b>	<b>-295,118</b>
Income tax expense		-2,212	-1,513	-5,276
<b>Loss for the period</b>		<b>-73,201</b>	<b>-49,231</b>	<b>-300,394</b>
<b>Earnings per share, based on loss for the period attributable to Parent Company shareholders:</b>				
Basic earnings per share, SEK		-0.41	-0.37	-1.91
Diluted earnings per share, SEK		-0.41	-0.37	-1.91
Average number of shares, thousands		178,731	132,192	157,256

## Condensed consolidated statement of other comprehensive income

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Loss for the period</b>		<b>-73,201</b>	<b>-49,231</b>	<b>-300,394</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences		6,570	-5,076	-4,818
<b>Total comprehensive income for the period</b>		<b>-66,631</b>	<b>-54,307</b>	<b>-305,212</b>

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

## Group financial statement

# Condensed consolidated statement of financial position

SEK thousand	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		27,754	26,088	27,094
Intangible assets		46,962	31,479	43,318
Tangible assets		1,014	2,210	1,119
Right-of-use assets		42,108	45,688	47,255
Financial assets		3,231	2,455	3,149
Deferred tax assets		371	220	368
<b>Total non-current assets</b>		<b>121,440</b>	<b>108,140</b>	<b>122,303</b>
<b>Current assets</b>				
Accounts receivable		327,349	233,264	345,190
Other receivables		5,347	1,355	4,200
Prepaid expenses and accrued income		63,113	15,739	28,537
Cash and cash equivalents		1,274,631	286,701	1,364,751
<b>Total current assets</b>		<b>1,670,440</b>	<b>537,059</b>	<b>1,742,678</b>
<b>TOTAL ASSETS</b>		<b>1,791,880</b>	<b>645,198</b>	<b>1,864,981</b>

SEK thousand	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		1,159	856	1,159
Other paid in capital		2,300,666	840,155	2,300,666
Translation reserves		2,235	-4,649	-4,335
Retained earnings (including loss for the period)		-862,096	-580,556	-802,682
<b>Total equity attributable to Parent company shareholders</b>		<b>1,441,964</b>	<b>255,806</b>	<b>1,494,808</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities		19,835	30,375	23,177
Long-term loans from credit institutions		-	130,448	-
Deferred tax liabilities		10,277	7,213	9,313
<b>Total non-current liabilities</b>		<b>30,112</b>	<b>168,035</b>	<b>32,490</b>
<b>Current liabilities</b>				
Accounts payable		73,684	45,305	101,101
Other payables		48,274	47,297	53,564
Current tax liabilities		3,809	1,460	2,894
Lease liabilities		21,940	14,015	24,054
Accrued expenses and prepaid income		172,097	113,280	156,070
<b>Total current liabilities</b>		<b>319,804</b>	<b>221,356</b>	<b>337,683</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,791,880</b>	<b>645,198</b>	<b>1,864,981</b>

## Condensed consolidated statement of changes in equity

	Note	Equity attributable to the equity holders of the parent company				Total equity
		Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	
<b>Opening balance at 1 January 2021</b>		<b>856</b>	<b>840,221</b>	<b>483</b>	<b>-535,656</b>	<b>305,905</b>
Loss for the period		-	-	-	-49,231	-49,231
Other comprehensive income		-	-	-5,076	-	-5,076
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-5,076</b>	<b>-49,231</b>	<b>-54,307</b>
<b>Transactions with owners</b>						
Repurchased warrants		-	-66	-	-	-66
Contingent consideration in equity instruments					182	182
Employee share schemes - value of employee services		-	-	-	4,092	4,092
<b>Total transactions with owners</b>		<b>-</b>	<b>-66</b>	<b>-</b>	<b>4,274</b>	<b>4,208</b>
<b>Closing balance at 31 March 2021</b>		<b>856</b>	<b>840,155</b>	<b>-4,593</b>	<b>-580,613</b>	<b>255,806</b>

Group financial statement

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

	Equity attributable to the equity holders of the parent company					Total equity
	Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	
<b>Opening balance at 1 January 2022</b>		<b>1,159</b>	<b>2,300,666</b>	<b>-4,335</b>	<b>-802,682</b>	<b>1,494,808</b>
Loss for the period		-	-	-	-73,201	-73,201
Other comprehensive income		-	-	6,570	-	6,570
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>6,570</b>	<b>-73,201</b>	<b>-66,631</b>
<b>Transactions with owners</b>						
Employee share schemes - value of employee services		-	-	-	13,787	13,787
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>13,787</b>	<b>13,787</b>
<b>Closing balance at 31 March 2022</b>		<b>1,159</b>	<b>2,300,666</b>	<b>2,235</b>	<b>-862,096</b>	<b>1,441,964</b>

## Group financial statement

# Condensed consolidated statement of cash flows

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Operating activities</b>				
Operating loss		-80,063	-44,437	-221,646
Adjustments for non-cash items		47,276	14,191	85,949
Interest received		7	1	17,049
Interest paid		-538	-1,124	-5,025
Income taxes paid		-4	-263	-1,427
		<b>-33,322</b>	<b>-31,632</b>	<b>-125,100</b>
<b>Changes in working capital</b>				
Accounts receivable (increase - / decrease +)		22,103	60,945	-44,209
Other current receivables (increase - / decrease +)		-34,537	-1,844	-14,825
Accounts payable (increase + / decrease -)		-27,511	-4,811	50,826
Other current liabilities (increase + / decrease -)		9,227	-21,566	26,730
<b>Total change in working capital</b>		<b>-30,718</b>	<b>32,725</b>	<b>18,522</b>
<b>Cash flows from operating activities</b>		<b>-64,040</b>	<b>1,091</b>	<b>-106,578</b>

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Investing activities</b>				
Investment in equipment		-	-66	-104
Investment in intangible assets		-10,375	-8,103	-34,312
Long-term asset (increase - / decrease +)		-70	-253	-895
<b>Cash flows from investing activities</b>		<b>-10,445</b>	<b>-8,423</b>	<b>-35,311</b>
<b>Financing activities</b>				
Repayment of loans		-	-	-101,889
Principal elements of lease payments		-6,079	-3,328	-19,707
Long-term incentive programs		-	-66	86,118
Issue of new shares		-	-	1,249,135
<b>Cash flows from financing activities</b>		<b>-6,079</b>	<b>-3,395</b>	<b>1,213,657</b>
Cash flows for the period		-80,564	-10,726	1,071,768
Cash and cash equivalents at the beginning of the period		1,364,751	288,599	288,599
Effect from movements in exchange rates on cash and cash equivalents		-9,556	8,829	4,384
<b>Cash and cash equivalents at the end of the period</b>		<b>1,274,631</b>	<b>286,701</b>	<b>1,364,751</b>

# Parent company financial statement

## Condensed parent company income statement

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales		90,800	94,950	381,775
Cost of content		-15,586	-10,122	-71,474
<b>Gross profit</b>		<b>75,214</b>	<b>84,828</b>	<b>310,301</b>
Sales and marketing costs		-18,924	-10,632	-57,514
Administration expenses		-55,594	-51,452	-208,855
Product development costs		-36,749	-16,386	-97,556
Other income		-	563	563
<b>Operating profit / loss</b>		<b>-36,053</b>	<b>6,921</b>	<b>-53,061</b>
Financial net		8,985	-2,548	-70,728
<b>Profit / loss before income tax</b>		<b>-27,068</b>	<b>4,373</b>	<b>-123,789</b>
Income tax expense		-	-116	-116
<b>Profit / loss for the period</b>		<b>-27,068</b>	<b>4,257</b>	<b>-123,905</b>

# Condensed parent company statement of financial position

SEK thousand	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		6,844	6,433	7,706
Tangible assets		754	1,090	833
<b>Financial assets</b>				
Participations in group companies		365,103	27,516	355,227
Receivables from group companies		-	26,124	-
Deferred tax assets		-	-	-
<b>Total non-current assets</b>		<b>372,701</b>	<b>61,163</b>	<b>363,766</b>
<b>Current assets</b>				
Accounts receivable		49,864	34,502	46,219
Receivables from group companies		986,624	483,646	712,653
Other receivables		4,554	1,026	8,631
Prepaid expenses and accrued income		59,483	16,739	25,902
Other short-term investments		299,284	-	300,053
Cash and bank		569,132	221,835	769,099
<b>Total current assets</b>		<b>1,968,941</b>	<b>757,748</b>	<b>1,862,557</b>
<b>TOTAL ASSETS</b>		<b>2,341,642</b>	<b>818,910</b>	<b>2,226,323</b>

SEK thousand	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Restricted equity</b>				
Share capital		1,159	856	1,159
<b>Non-restricted equity</b>				
Other paid in capital		2,304,582	840,155	2,304,582
Retained earnings		-507,911	-419,573	-397,547
Profit / loss for the period		-27,068	4,257	-123,905
<b>Total equity</b>		<b>1,770,762</b>	<b>425,696</b>	<b>1,784,289</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term loans from credit institutions		-	130,448	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>130,448</b>	<b>-</b>
<b>Current liabilities</b>				
Accounts payable		70,474	43,029	96,953
Liabilities to group companies		336,035	120,317	195,877
Other payables		16,615	11,776	17,946
Accrued expenses and prepaid income		147,756	87,644	131,258
<b>Total current liabilities</b>		<b>570,880</b>	<b>262,767</b>	<b>442,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,341,642</b>	<b>818,910</b>	<b>2,226,323</b>



# Notes

## NOTE 1. GENERAL INFORMATION

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

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

This interim report was authorized for issue by the board of directors on May 17, 2022.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

## NOTE 3. RISKS AND UNCERTAINTIES

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

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

The Group and Parent company's primary financial risks are:

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

There are no changes to the main operational risks since previous quarter. The share price is on a consistently low level which implicates a continuous risk for the warrant program vesting in May/June 2022 to not be in the money, which in turn could negatively impact retention and succession of key staff.

As the group grows and become increasingly visible the risk of being exposed to lawsuits and cyber attacks increases. Our department for legal and financial risk management and internal control is constantly working to identify risks and improve processes to mitigate the impact that these risks could have on the business. We have increased our focus on new laws and regulations whose entry into force will affect the reporting of the group, and we are monitoring all decisions made in this area, to be at the forefront of how potential changes in legislation affect us.

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

The invasion of Ukraine has not had any direct effect on Acast's business operationally. However, the ongoing war has lead to negative impact on advertiser sentiment and, in combination with inflation concerns, this has materialised as a risk to advertiser spend, mainly experienced in Europe.

## NOTE 4. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUES

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

### SEGMENT INFORMATION, SEK THOUSAND

2022 Jan-Mar	Europe	North America	Other	Total
Net sales from external customers	189,427	83,571	25,295	298,293
<b>Total segment net sales</b>	<b>189,427</b>	<b>83,571</b>	<b>25,295</b>	<b>298,293</b>
<b>CBIT*</b>	<b>31,782</b>	<b>-6,303</b>	<b>607</b>	<b>26,086</b>
Global costs*				-106,149
<b>Operating loss</b>				<b>-80,063</b>
Financial net				9,074
<b>Loss before income tax</b>				<b>-70,989</b>

2021 Jan-Mar	Europe	North America	Other	Total
Net sales from external customers	139,802	40,428	17,207	197,434
<b>Total segment net sales</b>	<b>139,802</b>	<b>40,428</b>	<b>17,204</b>	<b>197,434</b>
<b>CBIT*</b>	<b>27,736</b>	<b>-2,706</b>	<b>-474</b>	<b>24,556</b>
Global costs*				-68,993
<b>Operating loss</b>				<b>-44,437</b>
Financial net				-3,281
<b>Loss before income tax</b>				<b>-47,718</b>

## Notes

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

See note 7 for definitions.

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

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

## NOTE 6. TRANSACTIONS WITH RELATED PARTIES

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

<b>SEK thousand</b>	<b>2022 Jan-Mar</b>	<b>2021 Jan-Mar</b>	<b>2021 Jan-Dec</b>
<b>Purchases of services</b>			
IT-services	578	-	578
<b>Total purchases of services</b>	<b>578</b>	<b>-</b>	<b>578</b>

## Notes

### NOTE 7. DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES AND OPERATIONAL MEASURES

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

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

Alternative performance measurements not defined under IFRS	Definition	Purpose
<b>Adjusted EBITDA margin (%)</b>	Adjusted EBITDA in relation to net sales.	Adjusted EBITDA in relation to net sales is used to measure the profitability of operations and shows the Group's cost effectiveness.
<b>Operating loss</b>	Loss for the period adding back income tax expense, financial costs and financial income.	Operating loss is used to evaluate the Group's profitability.
<b>Operating margin (%)</b>	Operating loss in relation to net sales.	Operating loss in relation to the Group's net sales is an indicator of the Group's profitability.
<b>Adjusted operating loss</b>	Operating loss adjusted for items affecting comparability.	Adjusted operating loss is a supplement to operating loss and with the purpose is to show the operating loss excluding items that affect comparability with other periods.
<b>Adjusted operating margin (%)</b>	Adjusted operating loss in relation to net sales.	Adjusted operating loss in relation to net sales is an indicator of the Group's profitability.
<b>Items affecting comparability</b>	Items affecting comparability means items that are reported separately due to their character and amount.	Items affecting comparability is used by management to explain variations in historical profitability. Separate reporting and specification of Items affecting comparability enables the users of the financial statements to understand and evaluate the adjustments performed by management when presenting Adjusted operating profit and Adjusted EBITDA.
<b>Cash flows from operating activities</b>	Cash flows for the period excluding cash flows from financing activities and cash flows from investing activities.	Cash flow from operating activities indicates the amount of cash generated from (or spent on) its ongoing operations.
<b>CBIT</b>	Operating profit / loss in a segment before deducting Global costs.	CBIT is used in the assessment of the Group's operating segments. It shows the operating segments contribution to the Group's Operating loss before allocation of Global costs.
<b>CBIT margin (%)</b>	CBIT in relation to net sales.	CBIT in relation to net sales of a segment is an indicator of the segment's profitability.

## Notes

Alternative performance measurements not defined under IFRS	Definition	Purpose
<b>Global costs</b>	Global costs include central costs including administrative costs, finance team costs, the people team costs, strategy and business development, legal team costs.	The purpose of measuring global costs is to be able to illustrate the difference between global and local costs and is used in the calculation of CBIT.

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

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

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

### NOTE 8. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS AND OTHER OPERATIONAL MEASURES

SEK thousand (unless stated otherwise)	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Alternative performance measures not defined under IFRS</b>			
Net sales	298,293	197,434	1,025,702
<b>Net sales growth (%)*</b>	<b>51%</b>	<b>74%</b>	<b>73%</b>
Net sales	298,293	197,434	1,025,702
Translational currency effects on Net sales (a positive amount represents a negative effect on net sales in current period, a negative amount represents the opposite)	-21,936	13,265	1,395
Impact from acquisitions	-	-	-
Organic net sales	276,357	210,699	1,027,097
<b>Net sales growth (%)</b>	<b>51%</b>	<b>74%</b>	<b>73%</b>
Translational currency effects on Net sales growth (%) (a positive percentage represents a negative effect on growth in current period, a negative percentage represents the opposite)	-11%	12%	0,2%
Impact from acquisitions on Net sales growth (%)	-	-	-
<b>Organic net sales growth (%)</b>	<b>40%</b>	<b>86%</b>	<b>74%</b>

SEK thousand (unless stated otherwise)	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	298,293	197,434	1,025,702
Cost of content	-192,008	-126,324	-652,226
<b>Gross profit</b>	<b>106,285</b>	<b>71,110</b>	<b>373,476</b>
Net sales	298,293	197,434	1,025,702
<b>Gross margin (%)</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>
Loss for the period	-73,201	-49,231	-300,394
Income tax expense	-2,212	-1,513	-5,276
Financial net	9,074	-3,281	-73,472
<b>Operating loss</b>	<b>-80,063</b>	<b>-44,437</b>	<b>-221,646</b>
Net sales	298,293	197,434	1,025,702
<b>Operating margin (%)</b>	<b>-27%</b>	<b>-23%</b>	<b>-22%</b>
Operating loss	-80,063	-44,437	-221,646
Items affecting comparability	-	2,603	31,138
<b>Adj. Operating loss</b>	<b>-80,063</b>	<b>-41,834</b>	<b>-190,508</b>
Net sales	298,293	197,434	1,025,702
<b>Adj. Operating margin (%)</b>	<b>-27%</b>	<b>-21%</b>	<b>-19%</b>

## Notes

SEK thousand (unless stated otherwise)	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating loss	-80,063	-44,437	-221,646
Depreciation and amortization	12,231	8,228	40,028
<b>EBITDA</b>	<b>-67,832</b>	<b>-36,210</b>	<b>-181,618</b>
Net sales	298,293	197,434	1,025,702
<b>EBITDA margin (%)</b>	<b>-23%</b>	<b>-18%</b>	<b>-18%</b>
<hr/>			
EBITDA	-67,832	-36,210	-181,618
Items affecting comparability	-	2,603	31,138
<b>Adj. EBITDA</b>	<b>-67,832</b>	<b>-33,607</b>	<b>-150,480</b>
Net sales	298,293	197,434	1,025,702
<b>Adj. EBITDA margin (%)</b>	<b>-23%</b>	<b>-17%</b>	<b>-15%</b>
<hr/>			
<b>Operational measures</b>			
<b>Listens (millions)</b>	<b>1,256</b>	<b>872</b>	<b>3,735</b>
Net sales	298,293	197,434	1,025,702
<b>Average revenue per listen, ARPL (SEK)</b>	<b>0.24</b>	<b>0.23</b>	<b>0.27</b>

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

# Group financial KPI's and alternative performance measures

SEK thousand	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2021 Jan-Dec	2020 Jan-Dec
Net Sales	298,293	336,491	265,142	226,635	197,434	239,868	139,975	98,454	113,323	1,025,702	591,530
Net Sales growth (%)	51%	40%	89%	130%	74%	95%	66%	22%	55%	73%	64%
Organic net sales growth (%)	40%	35%	87%	134%	86%	117%	73%	24%	48%	74%	69%
Gross profit	106,285	122,811	96,740	82,815	71,110	92,718	50,206	36,560	39,943	373,476	219,427
Gross margin (%)	36%	36%	36%	37%	36%	39%	36%	37%	35%	36%	37%
EBITDA	-67,832	-28,123	-42,040	-75,246	-36,210	-6,624	-30,756	-44,301	-41,677	-181,618	-123,357
EBITDA margin (%)	-23%	-8%	-16%	-33%	-18%	-3%	-22%	-45%	-37%	-18%	-21%
Adj. EBITDA	-67,832	-28,227	-42,009	-46,638	-33,606	-6,624	-30,756	-44,301	-41,677	-150,480	-123,357
Adj. EBITDA margin (%)	-23%	-8%	-16%	-21%	-17%	-3%	-22%	-45%	-37%	-15%	-21%
Operating loss	-80,063	-39,512	-52,747	-84,951	-44,437	-13,040	-37,417	-51,439	-46,643	-221,646	-148,538
Operating margin (%)	-27%	-12%	-20%	-37%	-23%	-5%	-27%	-52%	-41%	-22%	-25%
Adj. operating loss	-80,063	-39,616	-52,716	-56,343	-41,834	-13,040	-37,417	-51,439	-46,643	-190,508	-148,538
Adj. operating margin (%)	-27%	-12%	-20%	-25%	-21%	-5%	-27%	-52%	-41%	-19%	-25%
Items affecting comparability	-	-104	31	28,608	2,603	-	-	-	-	31,138	-
Loss for the period	-73,201	-25,289	-46,132	-179,743	-49,231	-28,059	-40,200	-58,858	-45,105	-300,394	-172,222
Cash flow from operating activities	-64,040	27,611	-70,830	-64,452	1,091	-54,728	-38,540	-25,653	-69,646	-106,578	-188,800
Basic and diluted earnings per share (SEK)*	-0.41	-0.14	-0.26	-1.28	-18.62	-0.21	-0.30	-0.38	-18.86	-1.91	-1.36
Listens (millions)	1,256	1,091	891	880	872	863	809	701	603	3,735	2,976
Average revenue per listen, ARPL (SEK)**	0.24	0.31	0.30	0.26	0.23	0.28	0.17	0.14	0.19	0.27	0.20

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

For definitions and purpose see note 7, and for reconciliations see note 8.

**Acast**

For The Stories.