

Acast

January–June 2021
Interim report
Acast AB (publ)

About Acast

Acast is the power source of podcasting, offering everything creators and advertisers need to find and reach millions of engaged listeners around the world.

We're supercharging a thriving, profitable, fair and sustainable open ecosystem for the world's podcasts — from those of household name media brands like the BBC, the Guardian, Financial Times, the Economist and Aftonbladet to shows from celebrities and influencers such as Table Manners with Jessie Ware, Wahlgren & Wistam, My Dad Wrote a Porno, JLC and Romesh Ranganathan's Hip Hop Saved My Life, or simply anyone who wants to create.

We connect podcasters, listeners and advertisers through the most innovative, world class products, tools and services, and on the world's biggest podcast marketplace.

Founded in 2014, Acast now hosts 31,000 podcasts — reaching c. 300 million listeners every month and working with thousands of brands. We're For The Stories.

For brilliant podcasters
For smart advertisers
For The Stories

About Acast's reporting

This is Acast's interim report for the period 1 January 2021 – 30 June 2021. The report describes the Group's activities, results and financial position for the period. It concerns the entire group of companies, unless otherwise indicated.

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

CONTACT INFORMATION

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Financial calendar

Interim report for the period January 1 – September 30, 2021	November 9, 2021
Year-end report for the period January 1 – December 31, 2021	February 22, 2022
Annual report for the period January 1 – December 31, 2021	April 5, 2022
Interim report for the period January 1 – March 31, 2022	May 17, 2022
Annual general meeting 2022	May 17, 2022

Financial Highlights

Q2-21

130%

NET SALES GROWTH

134% organic net sales growth after adjusting for currency effects.

37%

GROSS MARGIN

A healthy gross margin in line with the same quarter in the prior year.

-33%

EBITDA MARGIN

A material improvement on Q2-20 EBITDA margin of -45%. The Adj. EBITDA margin after eliminating items affecting comparability was -21% (-45%).

Second quarter 2021 (second quarter 2020)

- Strong net sales growth of 130% compared to Q2 2020
- Net sales amounted to SEK 226,635 thousand (98,454)
- The gross margin was stable at 37% (37%)
- A material improvement of the Adj. EBITDA margin to -21% (-45%) after eliminating mostly IPO related costs
- Adjusted EBITDA of SEK -46,638 thousand (-44,301)
- The operating loss was impacted by IPO related costs and was SEK -84,951 thousand (-51,439)
- The net loss for the period amounted to SEK -179,743 thousand (-58,858) which was impacted by the accounting treatment of the repayment of a quasi-equity instrument as part of the IPO
- Listens reached 880M (701M) and ARPL improved significantly to SEK 0.26 (0.14)

Significant events in the second quarter of 2021

- Number of shows on the Acast platform reaches 31,000 including key signings across the globe such as The Young Turks (US), Jocke & Jonna (SE) and Irish Times (IE).
- Continued roll out of Acast+ Beta generates significant insights and confirms how the product is creating value for podcasters and Acast.
- Conclusion of Initial Public Offering on Nasdaq First North Premier Growth Market strengthening the balance sheet with SEK 1.2 Bn in primary proceeds from a new share issue.
- Repayment of European Investment Bank (EIB) quasi-equity instrument.

Group financial KPI's and alternative performance measures

SEK thousand	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net Sales	226,635	98,454	424,069	211,687	591,530
Net Sales growth (%)	130%	22%	100%	38%	64%
Organic net sales growth (%)	134%	24%	108%	36%	69%
Gross profit	82,815	36,560	153,925	76,503	219,427
Gross margin (%)	37%	37%	36%	36%	37%
EBITDA	-75,246	-44,301	-111,456	-85,978	-123,357
EBITDA margin (%)	-33%	-45%	-26%	-41%	-21%
Adj. EBITDA	-46,638	-44,301	-80,245	-85,978	-123,357
Adj. EBITDA margin (%)	-21%	-45%	-19%	-41%	-21%
Operating loss	-84,951	-51,439	-129,388	-98,082	-148,538
Operating margin (%)	-37%	-52%	-31%	-46%	-25%
Adj. operating loss	-56,343	-51,439	-98,177	-98,082	-148,538
Adj. operating margin (%)	-25%	-52%	-23%	-46%	-25%
Items affecting comparability	28,608	-	31,211	-	-
Loss for the period	-179,743	-58,858	-228,974	-103,964	-172,222
Cash flow from operating activities	-64 452	-25 653	-63 361	-95 299	-188 800
Basic and diluted earnings per share (SEK)*	-1.28	-0.38	-1.78	-0.86	-1.36
Listens (millions)	880	701	1,752	1,304	2,976
Average revenue per listen, ARPL (SEK)	0.26	0.14	0.24	0.16	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.

Comments from the CEO

Q2: Acast continues to take market share with 130% net sales growth

Acast is powering ahead with a strong second quarter. Compared to the second quarter of 2020, our net sales grew by triple digits at 130% to MSEK 227 – reflecting our strong value proposition to podcasters and advertisers which is propelling us forward to take market share in an already fast-growing industry.

During the quarter we welcomed thousands of new shows to our network, taking the total number of shows to more than 31,000 by the end of June. Included were some key content signings from across the globe: The Young Turks (US), Irish Times (IE), Jocke & Jonna (SE), El Universal (MX), Equity Mates (AU), Montreux Comedy Festival (FR), Edeltalk - mit Dominik & Kevin (DE) and Canadaland (CA).

Listens reached 880M in Q2-21 and our ability to monetize our listens took a significant leap with ARPL reaching SEK 0.26 (0.14). We measure this metric not just for our benefit but for that of our podcasters, as the better we get at monetizing listens, the more money we can share with our creators – and we know it is imperative that our interests are aligned.

Our net sales growth was a strong 130% and it is great to see how all our markets are contributing. Europe delivered 174% net sales growth in Q2-21 versus Q2-20, Americas 65%, and Other markets 79%. In Europe growth came from all our locations, even in those where we already hold significant market share such as the UK and Sweden, which I believe illustrates that there is no such thing as a 'mature market' when it comes to podcasting. In the Americas I'd highlight that numbers are heavily impacted by currency, and the underlying organic net sales growth figure was 84% for Q2-2021 versus Q2-2020. This growth was primarily a result of our successes in the US where podcasters and advertisers continue to gravitate to our platform - which has become one of the biggest in the US market - but our operations in Canada and Mexico are also starting to gain momentum in a great way. All in all, I'm very pleased with the progress made across all our markets.

Our gross margin remained stable at 37% (37%) in Q2 and our operating expenses showed significant scaling – growing at a slower pace than our revenues – resulting in a materially improved Adj. EBITDA margin

of -21% (-45%). All segments delivered a positive local profit contribution 'CBIT' and it is the first time all three have done so in the same quarter, giving us another milestone to celebrate.

I am very pleased with the progress of our Acast+ beta testing. Acast+ brings a whole raft of new monetization options to podcasters, including the ability to offer ad-free streams, extended episodes and bonus content to paying subscribers, without limiting the listeners ability to access that content from their app of choice. And, so far, our partners that have introduced Acast+ are seeing, on average, a revenue boost of 20% on top of their usual income. In addition, we've seen that adding paid subscriptions is not impacting podcasters' ability to command advertising and sponsorship for their shows. Instead, incremental ad revenue growth can partially be attributed to increased awareness of their podcast, due to their PR push around the introduction of new membership tiers resulting in total listens to the public episodes also increasing.

In June, the IPO we had been preparing during the spring was concluded. Much work

went into this initiative in addition to our day to day activities and I was particularly proud to see how all our teams came together to deliver this outcome all whilst running a business growing triple digits. It is really a testament to how far we have come and how robust our operations are. The capital raised as part of the listing will help us in our quest to build, champion and supercharge a thriving, profitable, fair and sustainable open ecosystem for the world's podcasts, and to empower the Creator Economy. We'll do this through both organic and strategic growth initiatives. The proceeds have also contributed to repaying a loan to the European Investment Bank and whilst the repayment presents as a financial cost it has not had any significant impact on equity since draw-down.

In 2021 we've seen continued support for our value proposition from creators and advertisers alike, because they understand that this is the most profitable and sustainable way forward for the podcasting industry. And, following a strong Q2 across the business, Acast now has the second half of 2021 firmly in its sights.

ROSS ADAMS
Chief Executive Officer

Financial information

Sales and earnings

NET SALES

Apr-Jun

Net sales increased by SEK 128,181 thousand, or 130%, from SEK 98,454 thousand for Q2-2020 to SEK 226,635 for Q2-2021. The organic net sales growth amounted to 134% adjusted for currency effects. This increase was driven by a continued strong growth across all segments. Europe's net sales increased by 174%, Americas by 65% and Other by 79%. The growth in the Americas was significantly impacted by currency effects and underlying organic growth for the segment was 84% after adjusting for currency. Europe and Other segments did not have a significant impact from currency.

Jan-Jun 2021

Net sales increased by SEK 212,382 thousand, or 100%, from SEK 211,687 thousand for H1-2020 to SEK 424,069 for H1-2021. The organic net sales growth amounted to 108% adjusted for currency effects. This increase was driven by a continued strong growth across all segments. Europe's net sales increased by 124%, Americas by 60% and Other by 64%. The growth in the Americas was significantly impacted by currency effects and underlying organic growth for the segment was 79% after adjusting for currency. Europe and Other segments did not have a significant impact from currency. Net sales reflects the usual seasonality for the podcasting advertis-

ing 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.

In Q2-2020 net sales saw a negative impact from the Covid-19 pandemic.

GROSS PROFIT

Apr-Jun

The gross profit increased by SEK 46,255 thousand, or 127%, from SEK 36,560 thousand for Q2-2020 to SEK 82,815 for Q2-2021. This increase was primarily driven by continued strong sales resulting in a gross margin of 37% for the period which is in line with the gross margin of the second quarter 2020 (37%).

Jan-Jun

The gross profit increased by SEK 77,423 thousand, or 101%, from SEK 76,502 thousand for H1-2020 to SEK 153,925 for H1-2021. 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 second quarter 2020 (36%).

OTHER OPERATING EXPENSES

Apr-Jun

Other operating expenses (defined as the total of Sales and marketing costs, Administration expenses and Product development costs) increased by SEK 83,575 thousand, or 94%, from SEK 88,500 thousand for Q2-2020 to SEK 172,075 thousand for Q2-2021. This

increase was primarily driven by an increased number of employees and consultants as well as by costs arising in connection with the IPO.

Items affecting comparability amounted to SEK 28,608 thousand during the period. Of these SEK 32,918 thousand arose as a result of the IPO and SEK 4,310 thousand were credited due to loan forgiveness of a PPP loan in the US previously granted to Acast Inc.

Jan-Jun

Other operating expenses increased by SEK 113,063 thousand, or 65%, from SEK 175,122 thousand for H1-2020 to SEK 288,185 thousand for H1-2021. This increase was primarily driven by an increased number of employees and consultants as well as by costs arising in connection with the IPO.

Items affecting comparability amounted to SEK 31,212 thousand during the period. Of these SEK 35,521 thousand arose as a result of the IPO and SEK -4,310 thousand relate to PPP loan forgiveness per Q2-2021.

OPERATING LOSS

Apr-Jun

The operating loss decreased by SEK 33,511 thousand, or 65%, from SEK -51,440 for Q2-2020 to SEK -84,951 thousand for Q2-2021. This resulted in an operating margin of -37% for the period which is a material improvement on Q2-2020 (-52%). The improvement was primarily driven by increased efficiencies and scalability in the

operations as well as the negative impact on operating profits experienced in Q2-2020 due to the Covid-19 pandemic.

After adjustment for items affecting comparability the operating loss decreased by SEK 4,903 thousand, or 10%, from SEK -51,440 for Q2-2020 to SEK -56,343 thousand for Q2-2021. The adjusted operating margin was -25% for the period which is an additional material improvement on Q2-2020 (-52%). The improvement was primarily driven by increased efficiencies and scalability in the operations as well as the negative impact on operating profits experienced in Q2-2020 due to the Covid-19 pandemic.

Jan-Jun

The operating loss decreased by SEK 31,306 thousand, or 32%, from SEK -98,802 for H1-2020 to SEK -129,388 thousand for H1-2021. This resulted in an operating margin of -31% for the period which is a material improvement on H1-2020 (-46%). The improvement was primarily driven by increased efficiencies and scalability in the operations as well as the negative impact on operating profits experienced in Q2-2020 due to the Covid-19 pandemic.

After adjustment for items affecting comparability the operating loss decreased by SEK 95 thousand and the adjusted operating loss was SEK -98,177 thousand for H1-2021 which was in line with H1-2020 (-98,082). The adjusted

Financial information cont.

operating margin was -23% for the period which is an additional material improvement on Q2-2020 (-46%). The improvement was primarily driven by increased efficiencies and scalability in the operations as well as the negative impact on operating profits experienced in Q2-2020 due to the Covid-19 pandemic.

FINANCIAL INCOME AND FINANCIAL COSTS

Apr-Jun

Financial income increased by SEK 15,218 thousand, from SEK 9 thousand for Q2-2020 to SEK 15,227 thousand for Q2-2021. The increase was primarily driven by income resulting from stabilization trading in Acast shares undertaken post IPO. For additional information see note 5 Fair value.

Financial costs increased by SEK 107,289 thousand, from SEK 2,615 thousand for Q2-2020 to SEK 109,940 thousand for Q2-2021. The increase was primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast has had with the European Investment Bank (EIB) which took place in connection with the IPO. The repayment resulted in a SEK 99,729 thousand financial cost, but the remaining treatment of the combined quasi-equity instrument resulted in an increase in equity by SEK 125,269 thousand and thus a total a net equity increase of SEK 25,540 thousand.

For further information see Group financial position, equity and cash flow as well as Note 5. Fair value.

Jan-Jun

Financial income increased by SEK 40,284 thousand, from SEK 45 thousand for H1-2020 to SEK 40,329 thousand for H1-2021. The increase was primarily driven by unrealized currency gains as well as income resulting from stabilization trading undertaken post IPO. For additional information see note 5 Fair value.

Financial costs increased by SEK 134,628 thousand, from SEK 3,695 thousand for H1-2020 to SEK 138,323 thousand for H1-2021. The increase was primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast has had with the European Investment Bank (EIB) during Q2-2021.

LOSS FOR THE PERIOD

Apr-Jun

The loss for the period increased by SEK 120,885 thousand, or 205%, from SEK -58,858 thousand for H1-2020 to SEK -179,743 thousand for H1-2021. The increase was primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast has had with the European Investment Bank (EIB) during Q2-2021.

Jan-Jun

The loss for the period increased by SEK 125,010 thousand, or 103%, from SEK -103,964 thousand for H1-2020 to SEK -228,974 thousand for H1-2021. The increase was primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast has had with the European Investment Bank (EIB) during Q2-2021.

EARNINGS PER SHARE

Apr-Jun

During Q2-2021 Acast undertook a 50:1 sharesplit. The same split has been applied to prior periods for the purposes of calculating earnings per share.

Earnings per share (basic and diluted) amounted to -1.28 SEK for Q2-2021 compared to -0.38 SEK for Q2-2020.

Jan-Jun

Earnings per share (basic and diluted) amounted to -1.78 SEK for Q2-2021 compared to -0.86 SEK for Q2-2020.

NUMBER OF OUTSTANDING SHARES AND WARRANTS

At the end of the period Acast had 176,646,926 outstanding shares and an additional 9,551,300 unexercised warrants (after applying 50:1 sharesplit). A total of 186,198,226 outstanding shares and unexercised warrants.

EMPLOYEES

Acast had 297 employees at the end of the period (200) and an additional 28 full time consultants (13).

Group financial position, equity and cash flow

FINANCIAL POSITION AND EQUITY MOVEMENTS

Jan-Jun

As per 30th of June 2021, equity amounted to SEK 1,506,876 thousand, compared to SEK 117,752 thousand per 30th of June 2020. The increase of SEK 1,389,124 thousand, or 1180%, is - in addition to the effect of accumulated losses and a share issue of SEK 250,000 thousand during H2-2020 - mainly due to the share issue undertaken in connection with the company's IPO. This added SEK 1,374,629 thousand in equity or SEK 1,249,135 thousand in cash after deducting costs of the share issue.

During H1-2020 several warrant programmes have vested. The exercised warrants have generated an increase in equity of SEK 49,362 thousand.

Per 30th of June 2021, cash and cash equivalents amounted to SEK 1,402,608 thousand, compared with SEK 50,923 thousand per 30th of June 2020. The increase of SEK 1,351,685

Financial information cont.

thousand, or 2654%, is related to the changes described in "Cash flow" below.

CASH FLOW

Apr-Jun

The Group's cash flow from operating activities was negative and amounted to SEK -64,452 thousand during Q2-2021 compared to SEK -25,653 thousand for the same period last year. The weaker cash flow was primarily related to the increase in operating loss, including the costs incurred in connection with the IPO.

The Group's cash flow from investing activities amounted to SEK -7,408 thousand during Q2-2021. Cash flow for the same period last year amounted to SEK -5,202 thousand. The cash flow for the period was primarily related to investments in intangible assets resulting from the development of the Group's proprietary tech-platform.

The Group's cash flow from financing activities amounted to SEK 1,191,786 thousand during Q2-2021 compared to SEK -3,112 thousand during the same period last year. The cash flow was primarily related to SEK 1,249,135 thousand from new share issues after deducting associated costs, SEK -101,889 thousand repayment of the EIB loan as well as SEK 49,448 thousand in inflow from warrant programmes.

Cash and cash equivalents at the beginning of the period were SEK 286,701 thousand. Cash flow for the period were SEK 1,119,926 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK 4,020 thousand resulting in cash and cash equivalents at the end of the period of SEK 1,402,608 thousand.

Jan-Jun

The Group's cash flow from operating activities was negative and amounted to SEK -63,361 thousand during H1-2021 compared to SEK -95,299 thousand for the same period last year. The stronger cash flow was primarily related to an improvement in the handling of debtors during Q1-2021.

The Group's cash flow from investing activities amounted to SEK -15,831 thousand during H1-2021. Cash flow for the same period last year amounted to SEK -11,486 thousand. The cash flow for the period was primarily related to investments in intangible assets resulting from the development of the Group's proprietary tech-platform and the RadioPublic transaction completed during Q1-2021.

The Group's cash flow from financing activities amounted to SEK 1,188,391 thousand during H1-2021 compared to SEK -6,605 thousand during the same period last year. The cash flow was primarily related to SEK

1,249,135 thousand from new share issues after deducting associated costs, SEK -101,889 thousand repayment of the EIB loan as well as SEK 49,448 thousand in inflow from warrant programmes.

Cash and cash equivalents at the beginning of the period were SEK 288,599 thousand. Cash flow for the period were SEK 1,109,200 thousand and the effect from movements in exchange rates on cash and cash equivalents was SEK 4,809 thousand resulting in cash and cash equivalents at the end of the period of SEK 1,402,608 thousand.

Parent company

Jan-Jun

Acast AB is the Parent company of the Group. Net sales of the Parent company were SEK 154,357 thousand during H1-2021 (42,041). The increase is related to increased sales from the parent company as well as impact from the Group's transfer pricing model.

Total operating expenses were SEK 206,560 thousand (110,760) 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, costs related to the IPO as well as increased cost of content as a result of increased sales.

Other interest income and similar profit items totaled SEK 40,992 thousand (387). The increase is driven by movements in foreign exchange rates and income resulting from stabilization trading in Acast shares undertaken post IPO. For additional information see Note 5 Fair value.

Interest expense and similar loss items were SEK 137,706 thousand (2,739) for the period. The increase was primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast has had with the European Investment Bank (EIB) during Q2-2021. For further information see note 5 Fair value.

The Profit / loss for the period for the parent company was SEK 149,033 thousand (-71,071).

Significant events after the end of the reporting period

ABG Sundal Collier AB (ABG) announced on the 16th July in their capacity of Joint Global Coordinator and stabilization manager that the over-allotment option in connection with the Acast IPO would not be exercised. The stabilisation period had ended and no further stabilisation measures were to be conducted.

Declaration by the Board and CEO

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

The interim report 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 18 August 2021.

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Stockholm, 18 Aug 2021
Board and CEO

Andrea Gisle Joosen
Chair

Jonas von Hedenberg
Board member

Björn Jeffery
Board member

Leemon Wu
Board member

Ross Adams
CEO

Financial statements

Group financial statement

Condensed consolidated statement of profit or loss

SEK thousand	Note	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Net sales	4	226,635	98,454	424,069	211,687	591,530
Cost of content		-143,820	-61,894	-270,144	-135,184	-372,103
Gross profit		82,815	36,560	153,925	76,503	219,427
Sales and marketing costs		-71,213	-39,410	-121,891	-81,279	-176,883
Administration expenses		-68,288	-28,257	-112,847	-56,695	-112,216
Product development costs		-32,574	-20,833	-53,447	-37,148	-79,743
Other income		4,310	502	4,873	538	877
Operating loss		-84,951	-51,439	-129,388	-98,082	-148,538
Financial income		15,227	9	40,329	45	45
Financial costs		-109,940	-2,615	-138,323	-3,695	-18,503
Loss before income tax		-179,665	-57,592	-227,383	-101,732	-166,996
Income tax expense		-78	-1,266	-1,591	-2,231	-5,225
Loss for the period		-179,743	-58,858	-228,974	-103,964	-172,222
Earnings per share, based on loss for the period attributable to Parent Company shareholders:						
Basic earnings per share, SEK		-1.28	-0.38	-1.78	-0.86	-1.36
Diluted earnings per share, SEK		-1.28	-0.38	-1.78	-0.86	-1.36

Condensed consolidated statement of other comprehensive income

SEK thousand	Note	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Loss for the period		-179,743	-58,858	-228,974	-103,964	-172,222
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences		1,410	722	-3,666	252	191
Total comprehensive income for the period		-178,333	-58,136	-262,640	-103,712	-172,031

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

Condensed consolidated statement of financial position

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
ASSETS				
Non-current assets				
Goodwill		25,496	28,058	24,485
Intangible assets		34,354	25,510	27,303
Tangible assets		2,102	3,228	2,396
Right-of-use assets		49,569	56,159	47,975
Financial assets		2,619	2,235	2,047
Deferred tax assets		202	1,414	433
Total non-current assets		114,343	116,604	104,639
Current assets				
Accounts receivable		261,199	118,143	279,108
Other receivables		20,444	2,345	3,120
Prepaid expenses and accrued income		20,376	14,270	12,172
Cash and cash equivalents		1,402,608	50,923	288,599
Total current assets		1,704,628	185,682	582,999
TOTAL ASSETS		1,818,971	302,285	687,638

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
EQUITY AND LIABILITIES				
EQUITY				
Share capital		1,139	856	856
Other paid in capital		2,267,800	591,372	840,221
Translation reserves		-3,557	-238	483
Retained earnings (including loss for the period)		-758,506	-474,238	-535,655
Total equity attributable to Parent company shareholders		1,506,876	117,753	305,905
LIABILITIES				
Non-current liabilities				
Lease liabilities		28,391	39,408	32,769
Long-term loans from credit institutions		-	-	100,361
Deferred tax liabilities		7,847	6,350	6,613
Total non-current liabilities		36,237	45,759	139,743
Current liabilities				
Accounts payable		63,624	19,149	50,012
Other payables		44,247	37,085	45,579
Current tax liabilities		-	1,217	874
Lease liabilities		20,937	15,206	13,994
Accrued expenses and prepaid income		147,049	66,116	131,532
Total current liabilities		275,857	138,773	241,991
TOTAL EQUITY AND LIABILITIES		1,818,971	302,285	687,638

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)	
Opening balance at 1 January 2020		775	590,690	292	-373,502	218,255
Loss for the period		-	-	-	-103,964	-103,964
Other comprehensive income		-	-	252	-	252
Total comprehensive income for the period		-	-	544	-103,964	-103,712
Transactions with owners						
Issued warrants		-	797	-	-	797
Repurchased warrants		-	-115	-	-	-115
Net issue of ordinary shares		81	-	-	-	81
Employee share schemes - value of employee services		-	-	-	2,446	2,446
Total transactions with owners		81	682	-	2,446	3,209
Closing balance at 30 June 2020		856	591,372	544	-475,020	117,752
Opening balance at 1 July 2020		856	591,372	544	-475,020	117,752
Loss for the period		-	-	-	-68,258	-68,258
Other comprehensive income		-	-	-61	-	-61
Total comprehensive income for the period		-	-	-61	-68,258	-68,319
Transactions with owners						
Repurchased warrants		-	-25	-	-	-25
Net issue of ordinary shares		-	248,875	-	-	248,875
Employee share schemes - value of employee services		-	-	-	7,622	7,622
Total transactions with owners		-	248,850	-	7,622	256,472
Closing balance at 31 Dec 2020		856	840,221	483	-535,656	305,905

Condensed consolidated statement of changes in equity, cont.

	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)	
Opening balance at 1 January 2021		856	840,221	483	-535,656	305,905
Loss for the period		-	-	-	-228,973	-228,973
Other comprehensive income		-	-	-3,666	-	-3,666
Total comprehensive income for the period		-	-	-3,666	-228,973	-232,639
Transactions with owners						
Issued warrants		-	26	-	-	26
Utilized Warrants		28	49,334	-	-	49,362
Repurchased warrants		-	-72	-	-	-72
Net issue of ordinary shares		254	1,425,018	-	-	1,435,272
Costs related to listing		-	-50,643	-	-	-50,643
Employee share schemes - value of employee services		-	-	-	9,666	9,666
Total transactions with owners		282	1,423,663	-	9,666	1,433,611
Closing balance at 30 June 2021		1,138	2,263,884	-3,183	-754,963	1,506,876

Group financial statement

Condensed consolidated statement of cash flows

SEK thousand	Note	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Operating activities						
Operating loss		-84,952	-57,321	-129,389	-103,964	-148,538
Adjustments for non-cash items		27,836	17,037	42,027	22,099	23,222
Interest received		-1	6	-	45	45
Interest paid		-2,249	-1,115	-3,373	-1,121	-164
Income taxes paid		263	-810	-	-913	-3,515
		-59,103	-42,205	-90,735	-83,854	-128,950
Changes in working capital						
Accounts receivable (increase - / decrease +)		-32,224	-16,704	28,721	-8,441	-169,983
Other current receivables (increase - / decrease +)		-23,700	42,413	-25,544	-5,327	-4,105
Accounts payable (increase + / decrease -)		18,365	-10,757	13,554	-9,788	21,264
Other current liabilities (increase + / decrease -)		32,209	1,600	10,643	12,112	92,974
Total change in working capital		-5,351	16,552	27,374	-11,445	-59,850
Cash flows from operating activities		-64,452	-25,653	-63,361	-95,299	-188,800

SEK thousand	Note	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Investing activities						
Investment in equipment		-37	-419	-103	-1,355	-1,122
Investment in intangible assets		-7,155	-4,974	-15,258	-10,074	-17 089
Long-term asset (increase - / decrease +)		-216	190	-469	-57	19
Cash flows from investing activities		-7,408	-5,202	-15,831	-11,486	-18,192
Financing activities						
Proceeds from borrowings		-	-	-	-	100,361
Repayment of loans		-101,889	-	-101,889	-	-
Principal elements of lease payments		-4,909	-3,875	-8,237	-7,368	-16,729
Long-term incentive programs		49,448	682	49,382	682	657
Issue of new shares		1,249,135	81	1,249,135	81	248,956
Cash flows from financing activities		1,191,786	-3,112	1,188,391	-6,605	333,245
Cash flows for the period		1,119,926	-33,967	1,109,200	-113,390	126,253
Cash and cash equivalents at the beginning of the period		286,701	87,810	288,599	165,927	165,927
Effect from movements in exchange rates on cash and cash equivalents		-4,020	-2,919	4,809	-1,614	-3,591
Cash and cash equivalents at the end of the period		1,402,608	50,923	1,402,608	50,923	288,599

Parent company financial statement

Condensed parent company income statement

SEK thousand	Note	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Net sales		59,407	11,844	154,357	42,041	210,498
Cost of content		-19,802	-10,600	-29,924	-18,156	-51,328
Gross profit		39,605	1,244	124,433	23,885	159,170
Sales and marketing costs		-21,085	-14,105	-31,717	-25,911	-49,395
Administration expenses		-51,206	-12,819	-102,658	-29,947	-74,247
Product development costs		-26,438	-20,475	-42,824	-36,882	-75,644
Other income		-	134	563	136	5,825
Operating profit / loss		-59,124	-46,020	-52,203	-68,718	-34,291
Other interest income and similar profit items		15,371	175	40,992	387	694
Interest expense and similar loss items		-109,537	-5,587	-137,706	-2,739	-16,145
Profit / loss before income tax		-153,290	-51,432	-148,917	-71,071	-49,741
Income tax expense		-	-	-116	-	-1,169
Profit / loss for the period		-153,290	-51,432	-149,033	-71,071	-50,910

Condensed parent company statement of financial position

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
ASSETS				
Non-current assets				
Intangible assets		6,176	479	876
Tangible assets		961	1,724	1,219
Financial assets				
Participations in group companies		30,362	15,832	24,279
Receivables from group companies		26,851	28,279	24,519
Deferred tax assets		-	1,285	116
Total non-current assets		64,349	48,200	51,008
Current assets				
Accounts receivable		36,650	47,705	44,280
Receivables from group companies		636,140	92,527	428,718
Other receivables		28,215	601	3,829
Prepaid expenses and accrued income		15,764	14,584	14,518
Cash and bank		1,299,471	31,570	241,826
Total current assets		2,016,240	186,988	733,171
TOTAL ASSETS		2,080,590	235,188	784,179

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		1,139	856	856
Non-restricted equity				
Other paid in capital		2,301,460	606,799	840,221
Retained earnings		-453,537	-402,626	-377,131
Profit / loss for the period		-149,032	-71,071	-428,041
Total equity		1,700,030	133,959	413,036
LIABILITIES				
Non-current liabilities				
Long-term loans from credit institutions		-	-	100,361
Total non-current liabilities		-	-	100,361
Current liabilities				
Accounts payable		62,205	18,240	48,651
Liabilities to group companies		179,222	7,659	106,783
Other payables		15,911	18,556	10,506
Accrued expenses and prepaid income		123,222	56,775	104,841
Total current liabilities		380,559	101,229	270,782
TOTAL EQUITY AND LIABILITIES		2,080,590	235,188	784,179

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 August 17 2021.

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 2020.

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.
- Innovation and product development falling behind market expectations.
- Failing to prevent and respond to a significant cyber attack.

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

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

As a result of the conclusion of the IPO in June and the primary proceeds secured by the Company as part of that process, the refinancing risk has been moved from the top of the list of primary financial risks to the bottom, to reflect the risk reduction. The risk included in the Q1-21 report noted as 'Market risk related to changes in the share price affecting the value of the warrants issued to the EIB' has been removed. This as a result of the EIB selling its warrants to a third party as part of the IPO and thus the risk of changes pertaining to the fair value of warrants has been eliminated. For further information please refer to note 5 Fair value.

Covid-19 has not had any material financial effect on the Group's activities during the second quarter of the year. Acast will continue to monitor and analyze the effects of Covid-19 on the podcasting industry and its own operations.

No further material risks are deemed to have arisen during the period.

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

2021 Apr–Jun	Europe	Americas	Other	Total
Net sales from external customers	157,363	49,001	20,271	226,635
Total segment net sales	157,363	49,001	20,271	226,635
CBIT*	20,051	5,382	895	26,328
Global costs*				-111,279
Operating loss				-84,951
Financial income				15,227
Financial cost				-109,940
Loss before income tax				-179,665

2020 Apr–Jun	Europe	Americas	Other	Total
Net sales from external customers	57,470	29,674	11,310	98,454
Total segment net sales	57,470	29,674	11,310	98,454
CBIT*	5,558	-3,269	-950	1,339
Global costs*				-52,778
Operating loss				-51,440
Financial income				209
Financial cost				-6,363
Loss before income tax				-57,592

Notes

2021 Jan–Jun	Europe	Americas	Other	Total
Net sales from external customers	297,188	89,430	37,451	424,069
Total segment net sales	297,188	89,430	37,451	424,069
CBIT*	47,801	2,677	421	50,899
Global costs*				-180,287
Operating loss				-129,388
Financial income				40,329
Financial cost				-138,323
Loss before income tax				-227,383

2020 Jan–Jun	Europe	Americas	Other	Total
Net sales from external customers	132,814	56,003	22,870	211,687
Total segment net sales	132,814	56,003	22,870	211,687
CBIT*	10,709	-13,345	428	-2,208
Global costs*				-95,874
Operating loss				-98,081
Financial income				3,792
Financial cost				-7,443
Loss before income tax				-101,732

2020 Jan–Dec	Europe	Americas	Other	Total
Net sales from external customers	387,890	146,325	57,315	591,530
Total segment net sales	387,890	146,325	57,315	591,530
CBIT*	55,909	-8,013	1,831	49,727
Global costs*				-198,265
Operating loss				-148,538
Financial income				45
Financial cost				-18,503
Loss before income tax				-166,996

* 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 5. FAIR VALUE

The financial instrument that was presented at fair value in the balance sheet by the end of the second quarter, is a derivative asset related to the profit arising from stabilization trading in the Acast share, done by an investment bank following the listing of the company's shares 17th June. The profit generated by the bank's trade accrue to Acast and after the end of the quarter the trade continued until 16th July. Based on the number of shares in this stabilization trade, the initial share price and the value of the share as of 30th June, the value of the derivative asset, assessed as level 2 in the fair value hierarchy, was valued at SEK 6,748 thousand. In addition to this Acast had, by 30th June, accrued financial income for the profits realized during the interim report period of SEK 8,479 thousand.

The total balance for loans to credit institutions as of 31st March, 2021, was SEK 130,448 thousand, of which SEK 125,268 thousand was classified as a liability related to the value of issued warrants, held by the European Investment Bank, and SEK 5,180 thousand was treated as a loan liability. The fair value of the warrants assessed as level 2, in the fair value hierarchy, is based on a share price of 1 300 SEK (before the succeeding share split 50:1), and a strike price of the share quota (0,32 SEK). The loan and the warrants have been repaid and exercised respectively during the second quarter.

Acast estimates that the accounted values of the financial assets are reasonable approximations of their fair values, as goes for accounts payable, other liabilities and short term accrued expenses.

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.

SEK thousand	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Purchases of services					
IT-services	-	-	-	833	833
Total purchases of services	-	-	-	833	833

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
Net sales growth (%)	Change in net sales compared to same period previous year.	The measure shows growth in net sales compared to the same period previous year. It is a relevant performance measure for a company within a high growth industry.
Organic net sales growth (%)	Change in net sales compared to same period previous year adjusted for translational currency effects, acquisition and divestment effects. Currency effects are calculated by applying the previous period exchange rates to the current period.	Organic net sales growth facilitates a comparison of net sales over time excluding impact from currency translation, acquisitions and divestments.
Gross profit	Net sales for the period reduced by cost of content.	Gross profit is used to measure the residual profit that remains after deducting the cost of content. It gives an indication of the Group's ability to cover its Other operating expenses.
Gross margin (%)	Gross profit in relation to net sales.	Gross margin is used to measure the residual profit that remains after deducting the cost of content. It gives an indication of the Group's ability to cover Other operating expenses.
Other operating expenses	The sum of sales and marketing costs, administration expenses and product development costs.	Other operating expenses is used to assess the amount of operating expenses excluding cost of content.
EBITDA	Loss for the period adding back income tax expense, financial income, financial costs, depreciation and amortization.	EBITDA is a measure of operating loss before depreciation and amortization and is used to monitor the operations.
EBITDA margin (%)	EBITDA in relation to net sales.	EBITDA in relation to net sales is used to measure the profitability of operations and shows cost effectiveness.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA is a measure of operating loss before depreciation and amortization and is used to monitor the operating activities. The purpose is to show adjusted EBITDA excluding items that affect comparability with other periods
Adjusted EBITDA margin (%)	Adjusted EBITDA in relation to net sales.	Adjusted EBITDA in relation to net sales is used to measure the profitability of operations and shows the Group's cost effectiveness.

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

Notes

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

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

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

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

SEK thousand (unless stated otherwise)	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Alternative performance measures not defined under IFRS					
Net sales	226,635	98,454	424,069	211,687	591,530
Net sales growth (%)*	130%	22%	100%	38%	64%
Net sales	226,635	98,454	424,069	211,687	591,530
Translational currency effects on Net sales (a positive amount represents a negative effect on net sales in current period, a negative amount represents the opposite)	3,813	1,742	17,078	-1,650	19,805
Impact from acquisitions	-	-	-	-1,628	-1,670
Organic net sales	230,448	100,196	441,147	208,409	609,665
Net sales growth (%)	130%	22%	100%	38%	64%
Translational currency effects on Net sales growth (%) (a positive percentage represents a negative effect on growth in current period, a negative percentage represents the opposite)	4%	-2%	8%	1%	5,5%
Impact from acquisitions on Net sales growth (%)	-	-	-	1%	-0,5%
Organic net sales growth (%)	134%	24%	108%	36%	69%

SEK thousand (unless stated otherwise)	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Net sales	226,635	98,454	424,069	211,687	591,530
Cost of content	-143,820	-61,895	-270,144	-135,185	-372,103
Gross profit	82,815	36,559	153,925	76,502	219,427
Net sales	226,635	98,454	424,069	211,687	591,530
Gross margin (%)	37%	37%	36%	36%	37%
Loss for the period	-179,743	-58,858	-228,974	-103,964	-172,222
Income tax expense	-78	-1,266	-1,591	-2,231	-5,225
Financial costs	-109,940	-2,615	-138,323	-3,695	-18,503
Financial income	15,227	9	40,329	45	45
Operating loss	-84,951	-51,439	-129,388	-98,082	-148,538
Net sales	226,635	98,454	424,069	211,687	591,530
Operating margin (%)	-37%	-52%	-31%	-46%	-25%
Operating loss	-84,951	-51,439	-129,388	-98,802	-148,538
Items affecting comparability**	28,608	-	31,211	-	-
Adj. Operating loss	-56,343	-51,439	-98,177	-98,802	-148,538
Net sales	226,635	98,454	424,069	211,687	591,530
Adj. Operating margin (%)	-25%	-52%	-23%	-46%	-25%

Notes

SEK thousand (unless stated otherwise)	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Operating loss	-84,951	-51,439	-129,388	-98,082	-148,538
Depreciation and amortization	9,705	7,138	17,932	12,104	25,181
EBITDA	-75,246	-44,301	-111,456	-85,978	-123,357
Net sales	226,635	98,454	424,069	211,687	591,530
EBITDA margin (%)	-33%	-45%	-26%	-41%	-21%
EBITDA	-75,246	-44,301	-111,456	-85,978	-123,357
Items affecting comparability	28,608	-	31,211	-	-
Adj. EBITDA	-46,638	-44,301	-80,245	-85,978	-123,357
Net sales	226,635	98,454	424,069	211,687	591,530
Adj. EBITDA margin (%)	-21%	-45%	-19%	-41%	-21%
Operational measures					
Listens (millions)	888	701	1,752	1,304	2,976
Net sales	226,635	98,454	424,069	211,687	591,530
Average revenue per listen, ARPL (SEK)	0,26	0,14	0,24	0,16	0,20

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

** Items affecting comparability relate to costs to prepare for a listing and PPP loan forgiveness.

Acast

For The Stories.