



## Storytel exceeds forecast for the second quarter 2020

Storytel had an average of 1,256,500 paying subscribers in the second quarter of 2020, which is an increase of 101,800 customers compared to the first quarter of 2020, and slightly exceeds the forecast of 1,250,000 paying subscribers that was previously estimated. The annual subscriber growth in the second quarter of 2020 was 369,000 customers compared to the second quarter of 2019. Streaming revenues for the second quarter of 2020 came in at 459 MSEK, compared to the forecasted 458 MSEK. Annual revenue growth amounts to 43%.

The average number of paying Storytel subscribers in the second quarter of 2020 in the Nordic segment was 832,800, which corresponds to 6,800 paying subscribers above forecast and a customer base increase of 163,600 subscribers compared to the second quarter of 2019. Streaming revenues in the Nordics came in at 366 MSEK, which was in line with forecast. The ARPU for the Nordic segment decreased slightly, but was also in line with forecast.

In the Non-Nordic segment, the average number of subscribers grew by 94% compared to the second quarter of 2019 and totalled 423,700, which corresponds to an annual growth of 205,400 paying subscribers and an increase of 54 700 customers compared to the first quarter of 2020. This was thus in line with the forecast of 424,000 subscribers for the second quarter of 2020. Streaming revenues for the Non-Nordic segment totalled 93 MSEK in the second quarter of 2020, corresponding to an annual revenue growth of 113%.

“Storytel saw a continued strong influx of customers during the quarter - not least in the Nordic markets where the audiobook wave originally started and where the competition is tougher. The service is attractive and appreciated by the customers in all stages of our development - from when we enter and build new markets from the ground up, to aggressive and forward-leaning strategic investments in content, user experience and production that consolidate and strengthen our position, says Storytel's CEO Jonas Tellander.

“By exceeding the forecast for the period, Storytel is entering into the third quarter with strength and speed, a quarter that from a business perspective is the strongest period of the year for our industry. We are also very grateful and proud of the role we have received as the eye of the storm for many people who are seeking relaxation, inspiration, escapism or entertainment in these trying times for the world”, says Jonas Tellander.

Table 1: Key Performing Indicators for Streaming

Currency: SEK 000's	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q2 2020
<b>Streaming Total</b>					<b>Actual</b>	<b>Forecast<sup>1</sup></b>
Revenue	320 034	399 178	421 454	429 251	459 115	458 000
Contribution Profit <sub>2,6</sub>	29 407	53 043	58 977	92 611		
Contribution Margin	9,2%	13,3%	14,0%	21,6%		
Avg. Paying Subscribers <sup>3</sup>	887 500	1 014 400	1 083 400	1 154 800	1 256 500	1 250 000
ARPU <sup>4</sup> (SEK/Month)	120	131	130	124	122	122
<b>Streaming Nordics<sup>5</sup></b>						
Revenue	276 347	340 315	352 222	349 768	366 322	366 000
Contribution Profit <sub>2,6</sub>	70 443	109 563	115,689	113 476		
Contribution Margin	25,5%	32,2%	32,8%	32,4%		
Avg. Paying Subscribers <sup>3</sup>	669 200	736 000	757 600	785 800	832 800	826 000
ARPU <sup>4</sup> (SEK/Month)	138	154	155	148	147	148
<b>Streaming Non-Nordics</b>						
Revenue	43 687	58 863	69 233	79 484	92 793	92 000
Contribution Profit <sub>2,6</sub>	-41 036	-56 521	-56 713	-20 866		
Contribution Margin	-93,9%	-96,0%	-81,9%	-26,3%		
Avg. Paying Subscribers <sup>3</sup>	218 300	278 400	325 800	369 000	423 700	424 000
ARPU <sup>4</sup> (SEK/Month)	67	70	71	72	73	72

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1 Forecast means an approximation based on information available at the time the report was prepared.

2 Contribution Profit is defined as streaming revenue minus royalties to third-party publishers and rights holders, external production costs, transaction/payment costs and marketing costs. Storytel Reader and Ztory are not included in Streaming.

3 Avg. Paying Subscribers means the average number of paying Storytel subscribers during the quarter. Stand-alone customers from Ztory are not included. For Family subscriptions, each standard stream (not so-called Kids Mode) is considered one paying customer.

4 ARPU = Average Revenue Per User (Subscriber) per month.

5 Storytel Norway is included in the figures @ 100%. In the consolidated accounts, Norway is reported in accordance with the principle of proportional consolidation.

6 Starting in Q1 2020 Storytel has chosen to voluntarily apply the capitalisation model instead of the expensing model regarding internally developed intangible assets. In this table, the development of our digital catalogue will be capitalised and no longer be treated as an expense as of Q1 2020. Before Q1 2020 the result is shown using the expensing model.

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*This information is such that Storytel AB (publ) is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was provided, through the agency of the above contact person, at the time stated in this press release.*

**About Storytel**

Storytel is Northern Europe's leading audiobook and e-book streaming service and offers unlimited listening and reading of more than 500 000 titles on a global scale. Our vision is to make the world a more empathetic place with great stories to be shared and enjoyed by anyone, anywhere and anytime. Storytel is a digital platform provider as well as a comprehensive publishing group. The streaming business area offers subscriptions for audiobooks and e-books under the Storytel and Mofibo brands. Storytel's publishing business area is carried out through the publishing houses Norstedts, Massolit, StorySide, Printz Publishing, People's Press, Rabén & Sjögren, B.Wahlströms, Gummerus Kustannus and Norstedts Kartor. Ztory – a subscribed digital read-all-you-can streaming