



Storytel exceeds forecast for Q2 2019

Storytel had 887,500 paying subscribers¹ on average in Q2 2019, which is an increase of 53,200 customers compared to Q1 2019. Storytel therefore surpasses the forecast of 880,000 paying subscribers and further solidifies its position as a market leader for subscribed digital services for audiobooks and e-books in the Nordic region and northern Europe. Streaming revenue for Q2 2019 was 320 MSEK, compared to the forecast of 313 MSEK. Annual revenue growth is therefore 37%.

The average number of paying subscribers in Q2 2019 in the Nordic region amounted to 669,200, which corresponds to 9,200 paying subscribers more than the forecast. Customer intake for the service on the Nordic markets has been strong, and Storytel's Family subscription, which was launched at the end of 2018, has also exceeded expectations. Streaming revenue in Sweden was 276 MSEK, compared to a forecast of 270 MSEK. ARPU is rising because the Family subscription price level is now normal compared to the first quarter, when it was offered at a reduced price. Annual subscriber growth in the Nordic region amounted to 26%.

"We have seen strong growth in number of subscribers during the quarter - not least in the Nordic market - and our new Family subscription has been well received. Starting in July, VAT on digital books will be reduced in Sweden, Norway and Finland, which presents opportunities for us to further develop our customer offering and at the same time, thanks to our revenue-share model with the publishers, improve earnings for authors," says Storytel CEO Jonas Tellander.

There were 218,300 subscribers in the Non-Nordic segment on average in Q2 2019, which corresponds to an increase of around 30,000 paying subscribers compared to Q1 2019 and is very close to the previously published forecast of 220,000. Annual subscriber growth amounted to 140%. In the Non-Nordic segment, streaming revenue amounted to approximately 44 MSEK in Q2 2019, which is in line with the forecast.

During the quarter, Storytel launched in Germany, its 17th market, and announced plans to launch in Brazil and South Korea in 2019. In Sweden, the Ztory app was introduced on 14 June as part of Storytel's strong customer offering and adds access to digital subscriptions to more than 700 popular newspapers and magazines.

"We are pleased and humbled by the strong growth in subscriptions, at the same time as the Storytel universe of reading and listening experiences is expanding. By exceeding the forecast for the period, Storytel is entering into the third quarter with both strength and

¹ *Paying Subscribers* refers to customers who paid for the service. For Family subscriptions, each standard stream (not so-called Kids Mode) is considered one paying customer.



speed, a quarter that from a business perspective is the strongest period of the year for our industry,” says Jonas Tellander.

Key performance indicators for Storytel Streaming

Currency: thousand SEK	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2018	Q2 2019
Streaming Total						Forecast	Actual
<i>Revenue</i>	222,133	239,139	279,979	291,315	295,994	313,000	320,034
<i>Contribution Profit</i> ¹	24,079	25,045	22,063	30,444	31,372		
<i>Contribution Margin</i>	10.8%	10.5%	7.9%	10.5%	10.6%		
<i>Paying Subscribers</i>	577,900	621,200	720,900	768,700	834,300	880,000	887,500
<i>ARPU² (SEK/Month)</i>	128	128	129	126	118	119	120
Streaming Nordic³							
<i>Revenue</i>	205,987	218,714	253,081	259,256	258,288	270,000	276,347
<i>Contribution Profit</i>	56,584	57,986	62,327	82,645	75,329		
<i>Contribution Margin</i>	27.5%	26.5%	24.6%	31.9%	29.2%		
<i>Paying Subscribers</i>	503,200	530,200	595,400	616,300	645,500	660,000	669,200
<i>ARPU (SEK/Month)</i>	136	138	142	140	133	136	138
Streaming Non-Nordic							
<i>Revenue</i>	16,146	20,424	26,898	32,059	37,706	43,000	43,687
<i>Contribution Profit</i>	-32,505	-32,941	-40,264	-52,200	-43,957		
<i>Contribution Margin</i>	-201.3%	-161.3%	-149.7%	-162.8%	-116.6%		
<i>Paying Subscribers</i>	74,700	91,000	125,500	152,400	188,800	220,000	218,300
<i>ARPU (SEK/Month)</i>	72	75	71	70	67	65	67

¹ Contribution Profit is defined as streaming revenue minus costs for content (licensed content and in-house productions) and marketing. Storytel Reader is not included in Streaming.

² ARPU = Average Revenue Per User (Subscriber) per month. In Q1 2019, Storytel released Family subscription and a discounted campaign has been run, lowering the ARPU. The lowering ARPU is also explained by Q1 having fewer days (90) and growth in low priced markets.

³ Storytel Norway included in figures @ 100%. In the consolidated group accounts Norway is reported according to the principle of proportional consolidation.

For more information please contact:

Dan Panas, Head of Communications, Storytel: +46,701,865,290

FNCA Sweden AB is the company's certified adviser. FNCA can be reached at info@fnca.se and +46 8 528 00 399.

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 200 000 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 and Norstedts Kartor. Ztory - a subscribed digital read-all-you-can streaming service for newspapers and magazines, is part of Storytel since January 2019. Storytel operates in 16 markets around the globe and is headquartered in Stockholm, Sweden.