

Storytel exceeds the forecast for Q4 2020

Storytel had an average of 1,442,000 paying subscribers in the fourth quarter of 2020, which is an increase of 81,700 customers compared to the third quarter of 2020, and exceeding the forecast of 1,435,000 paying subscribers that was previously estimated. The annual subscriber growth in the fourth quarter of 2020 was 358,600 customers compared to the fourth quarter of 2019. Streaming revenues for the fourth quarter of 2020 came in at 503.4 MSEK, compared to the forecasted 499.5 MSEK. Annual revenue growth 2020, compared to full-year 2019, amounts to 31%

The average number of paying Storytel subscribers in the Nordic segment in the fourth quarter of 2020 was 926,000, which corresponds to 4,000 paying subscribers above forecast and a customer base increase of 168,400 subscribers compared to the fourth quarter of 2019. Streaming revenues in the Nordics came in at 399.6 MSEK, which was 3.6 MSEK above forecast. The ARPU for the Nordic segment came in at 144 SEK, which was slightly above forecast.

In the Non-Nordic segment, the average number of subscribers grew by 58.4% compared to the fourth quarter of 2019 and totalled 516,000, which corresponds to an annual growth of 190,200 paying subscribers and an increase of 57,700 customers compared to the third quarter of 2020. This exceeded the previously communicated forecast of 513,000 subscribers for the fourth quarter of 2020. Streaming revenues for the Non-Nordic segment totalled 103.8 MSEK in the fourth quarter of 2020, corresponding to an annual revenue growth of 49.9%, compared to the fourth quarter of 2019.

On a full-year basis, Storytel exceeded its revised revenue forecast for 2020 of 1,878 MSEK (originally 1,900 MSEK) and came in at 1,882 MSEK. The company also expects to pass the milestone of 1,500,000 paying customers before the end of January.

"Storytel's strong customer intake continues in both our Nordic and our Non-Nordic operations, which together are showing annual growth of more than 33% in Q4. This naturally contributes to our positive revenue development with a retained high-level ARPU", says Jonas Tellander, founder and CEO of Storytel.

"Storytel ended the fourth quarter with effective and well received launches in Belgium and Thailand. Today, the Storytel app is launched on 20+ markets and we are definitely spurred to fire away our announced wave of expansion to a further 20+ markets during the period 2021–2023. Storytel's strong local rootedness and customer focus, and our unique distribution over multi markets, gives the company an obvious momentum to grow our market share on a global audiobook arena at the dawn of forceful growth fueled by the consumer demand for new ways to access and embrace stories", says Jonas Tellander, CEO and founder of Storytel.

Table 1: Key performance indicators for Streaming

Currency: SEK 000's	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q4 2020
Streaming Total					Actual⁶	Forecast¹
Revenue	421,454	429,251	459,115	490,234	503,449	499,500
Contribution Profit ^{2,6}	58,977	92,611	100,493	113,663		
Contribution Margin	14.0%	21.6%	21.9%	23.2%		
Avg. Paying Subscribers ³	1,083,400	1,154,800	1,257,000	1,360,300	1,442,000	1,435,000
ARPU ⁴ (SEK/Month)	130	124	122	120	116	116
Streaming Nordics⁵						
Revenue	352,222	349,768	366,322	394,453	399,639	396,000
Contribution Profit ^{2,6}	115,689	113,476	107,176	125,534		
Contribution Margin	32.8%	32.4%	29.3%	31.8%		
Avg. Paying Subscribers ³	757,600	785,800	833,300	902,000	926,000	922,000
ARPU ⁴ (SEK/Month)	155	148	147	146	144	143
Streaming Non-Nordics						
Revenue	69,233	79,484	92,793	95,781	103,810	103,500
Contribution Profit ^{2,6}	-56,713	-20,866	-6,684	-11,872		
Contribution Margin	-81.9%	-26.3%	-7.2%	-12.4%		
Avg. Paying Subscribers ³	325,800	369,000	423,700	458,300	516,000	513,000
ARPU ⁴ (SEK/Month)	71	72	73	70	67	67

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 Zory are not included in Streaming.

3 Avg. Paying Subscribers means the average number of paying Storytel subscribers during the quarter. Stand-alone customers from Zory 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 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 treated as an expense as of Q1 2020.

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About Storytel

Storytel is one of the world's largest subscribed audiobook and e-book streaming services and offers listening and reading of more than 500 000 titles on a global scale. Our vision is to make the world a more empathetic and creative place with great stories to be shared and enjoyed by anyone, anywhere and anytime. Storytel's streaming business is conducted under the brands Storytel and Mofibo. Storytel's publishing business area is carried out through the audiobook publisher StorySide and acclaimed Nordic publishing houses such as Norstedts, People's Press and Gummerus. Storytel operates in over 20 markets around the globe and is headquartered in Stockholm, Sweden.