

# Interim Report

**January-September 2022**  
**Storytel AB (publ)**



# Highlights

## Financial Highlights

- Streaming revenue up 27% from Q3 2021 to 742 (583) MSEK, 29% excluding Russia
- Group net sales increased by 18% from Q3 2021 to 806 (681) MSEK
- Gross profit of 312 (280) MSEK, equaling a 38.7% margin (41.1%)
- EBITDA of 59 (-6) MSEK equaling a 7.3% (-0.9%) margin
- Basic and diluted earnings per share amounted to -0.04 (-0.77) SEK
- FY EBITDA margin target range improved to 2.5–3.5% (from -3–0%) excluding IAC

## Other Highlights

- Positive cash flow driven by the strategic shift and focus on profitable growth
- Johannes Larcher appointed CEO – joining from HBO Max
- An Extra General Meeting was held on September 22 at which Jared Grusd, Lina Brouneus and Lutz Finger were elected new members of the Board, replacing Rustan Panday, Jonas Sjögren and Richard Stern
- Launched service in France and secured partnerships with leading publishers

# Letter to Our Shareholders

***With a strong Group EBITDA margin of 7.3%, and a positive cash flow, we remain committed to and confident about delivering streaming revenue growth for 2022 within the previously communicated target range of 30–34% as well as our improved full-year Group EBITDA margin target in the range of 2.5–3.5%.***

Dear Shareholders,

I am excited to join the Storytel team as its new CEO and to embark on the company's ambitious journey to achieve profitable growth and long-term sustainable success. Storytel seamlessly connects over two million subscribers across the world with their favorite authors and stories, and I am proud to see that Storytel, for yet another quarter, proved its strong appeal and the important role it plays in the lives of its growing base of listeners. Storytel's streaming revenue growth was up 29 percent for the quarter excluding Russia, which concluded its close-down on September 30. With a strong Group EBITDA margin of 7.3%, and positive cash flow, we remain committed to and confident about delivering streaming revenue growth for 2022 within the previously communicated target range of 30–34% as well as our improved full-year Group EBITDA margin target in the range of 2.5–3.5%.

With more than every twentieth adult in the Nordics being a Storytel subscriber, we are the clear market leader in this region, which has the world's highest audiobook penetration. Highly accessible digital formats, spearheaded by audiobooks, are the strongest contributors to a Nordic book industry returning to growth after decades of decline in print sales. Refocusing the Company on our home markets in the Nordics and a limited number of other

priority markets, with a clear focus on profitable growth, remains a cornerstone of our strategy. And so does our strategic investment in long-term growth opportunities in a select number of additional markets, including the US, France (where we launched on September 27 in partnership with the leading publishers in the country), and the Netherlands and Bulgaria where we are successfully applying our 'Nordic audio-playbook'. The rest of the world is poised for strong growth in audiobook consumption over the next decade driven by consumers' embrace of the audiobook experience and technological and socioeconomic improvements. We look forward to benefiting from this medium-term trend in due course.

The power of stories is more evident today than ever before. As the world faces challenging times with macroeconomic pressure brought on by the aftereffects of the pandemic and the Russian invasion of Ukraine, the access to stories that open doors to escapism, context, entertainment, hope and knowledge has become more than a commodity to our customers. For many, Storytel serves as a trusted daily companion and a powerful tool for self-empowerment in everyday life, as evidenced by the many heartfelt messages from customers that reached me in my first few weeks at the Company. A recent report from the independent Nordic

consulting and analysis company Mediavision shows that households in Storytel's country of origin, the highly developed Swedish audiobook market, defied financial worries and increased their media spending by an average of 10 percent in the third quarter of 2022 compared to the same quarter last year. All media categories – audio, text and video – showed growth. Facing potential financial hardship, Swedes remain optimistic in terms of future media spending. Two thirds claim they would cut other expenses ahead of their entertainment budget.

The media streaming business is one of Science and Art. Storytel's road to success leads through a renewed focus on unique and high-quality content, and excellence in mastering the digital subscription playbook. Storytel Books' rich offering of popular original content and attractive authorships, and our esteemed partnerships with a large number of publishers provides us with a strong foundation. Amongst many other accomplishments, we are honored to have received seven nominations for this year's prestigious Swedish August Prize, and to represent this year's Nobel Prize laureate in Literature, Annie Ernaux, in Sweden and Finland.

We are hard at work to further improve our apps and products, and the sophistication of our marketing efforts. We see additional opportunities to optimize the effectiveness of our subscriber acquisition efforts, increase our customers' engagement levels once on our service, reduce

paid churn, and extend customer lifetimes. We will also seek additional partnerships which can provide us with access to new groups of listeners in efficient ways. I am excited to redouble our efforts in these areas, and look forward to reporting back to you on the impact they achieve.

As Storytel enters a new phase of growth and looks ahead to the future, our customers and investors can remain confident in our commitment to constantly maximize Storytel's positioning for sustainable success.

**Johannes Larcher**  
CEO



**Table 1: Key Performance Indicators**

TSEK	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
<b>Streaming Total<sup>1</sup></b>						<b>Forecast</b>
Revenue	583,084	605,128	698,599	704,454	742,426	735,000-745,000
<i>Revenue excl Russia</i>	565,949	584,495	679,654	693,464	732,837	
Gross profit	233,287	220,003	283,868	278,554	307,463	
Gross margin	40.0%	36.4%	40.6%	39.5%	41.4%	
Avg. Paying Subscribers	1,724,000	1,784,600	2,051,000	2,031,000	2,064,000	
ARPU (SEK/month)	113	113	114	116	120	
<b>Streaming Nordics<sup>1</sup></b>						
Revenue	447,199	459,018	458,555	469,390	492,765	495,000-498,000
Gross profit	179,074	171,791	165,788	177,354	189,289	
Gross margin	40.0%	37.4%	36.2%	37.8%	38.4%	
Avg. Paying Subscribers	1,024,000	1,047,900	1,061,000	1,078,000	1,129,000	
ARPU (SEK/month)	146	146	144	145	145	
<b>Streaming Non-Nordics</b>						
Revenue	135,885	146,110	240,044	235,064	249,662	240,000-247,000
<i>Revenue excl Russia</i>	118,750	125,477	221,099	224,074	240,073	
Gross profit	54,213	48,212	118,080	101,190	118,173	
Gross margin	39.9%	33.0%	49.2%	43.0%	47.3%	
Avg. Paying Subscribers	700,000	736,700	990,000	953,000	935,000	
ARPU (SEK/month)	65	66	81	82	89	
<b>Books</b>						
Revenue	180,116	204,316	149,305	156,999	147,199	
Gross profit	119,054	128,737	84,399	78,185	81,916	
Gross margin	66.1%	63.0%	56.5%	49.8%	55.6%	
<b>Group total<sup>2</sup></b>						
Revenue	680,855	740,805	747,170	780,730	805,819	
Gross profit	279,882	281,977	288,498	290,363	311,907	
Gross margin	41.1%	38.1%	38.6%	37.2%	38.7%	
<b>Revenue Growth YoY</b>						
<b>Streaming Total<sup>1</sup></b>						<b>Forecast</b>
Revenue	18.9%	20.2%	35.1%	29.2%	27.3%	21.5%-23.1%
<i>Revenue excl Russia</i>	18.5%	19.1%	35.3%	31.0%	29.5%	25.7%-28.0%
Revenue – CER	19.6%	19.8%	32.6%	25.6%	22.0%	14.2%-15.8%
<b>Streaming Nordics<sup>1</sup></b>						
Revenue	13.4%	14.9%	14.1%	10.9%	10.2%	7.8%-8.5%
Revenue – CER	13.3%	13.7%	11.0%	8.5%	6.9%	3.9%-4.6%
<b>Streaming Non-Nordics</b>						
Revenue	41.9%	40.7%	108.3%	92.5%	83.7%	64.3%-69.1%
<i>Revenue excl Russia</i>	42.9%	37.7%	120.3%	111.6%	102.2%	91.3%-99.2%
Revenue – CER	46.0%	43.3%	107.9%	85.1%	71.7%	46.5%-51.3%
<b>Books</b>						
Revenue	19.8%	3.5%	19.3%	4.7%	-18.3%	
Revenue – CER	19.8%	3.8%	17.8%	3.6%	-19.4%	

<sup>1</sup> Storytel Norway is included in the figures @ 100%.

<sup>2</sup> In the consolidated accounts, Norway is reported in accordance with the equity method. As a result, the Streaming revenue listed in Table 1 is higher than in the consolidated statement of accounts in order to provide a more accurate figure for average revenue per subscriber. Please see Note 5 for additional details.

# Developments during quarter, Group

*Comparative figures for developments during Q3 2022 pertain to Q3 2021.*

## Gross profit

Net sales for the period increased by 18% compared to the comparative period and totaled 805.8 (680.9) MSEK. The increase is primarily driven by the acquisition of Audiobooks.com, and solid growth across our top markets, especially the Nordic region. In the period, Storytel Books was somewhat negatively affected by third-party distribution disturbances, which impacted sales volume in the quarter, as well as general pricing increases related to book publishing.

Cost of sales for the period totaled -493.9 (-401.0) MSEK. Gross profit amounted to 311.9 (279.9) MSEK, which equals a gross margin of 38.7% (41.1%). The change is mainly driven by an increase in unit-sale and distribution costs within the Books segment compared to the previous year.

## Operating profit

The period includes decreased sales and marketing expenses amounting to -174.7 (-230.3) MSEK where the comparable period includes significant growth investments whereas investments in the current period have been focused on top markets and profitable growth. Technology and development expenses totaled -82.8 (-46.8) MSEK where the period includes a write down of the technical platform amounting to -10.2 MSEK. The remaining increase is driven by investments in the platform, continuously striving to increase subscriber engagement. General and administrative expenses totaled -83.0 (-50.3) MSEK in the period where the increase to a large extent is driven by the centralization of certain functions, as set out during the strategic shift earlier in 2022, as well as growing support functions due to

continued growth compared to the same quarter last year.

Operating profit for the period totaled -20.9 (-44.6) MSEK, where the improvement is driven by the above outlined strategic shift and focus on profitable growth as well as the acquisition of Audiobooks.com.

## EBITDA

EBITDA for the period totaled 59.2 (-5.9) MSEK, which equals an EBITDA margin of 7.3% (-0.9%). The significant improvement is primarily driven by the strategic shift to focus on profitable growth, the acquisition of Audiobooks.com as well as related restructuring of the organization.

In the Q2 2022 report, the comparable figure for Q2 2021 was -46.6 MSEK, equaling a margin of -7.6% compared to -59.4 MSEK, equaling a margin of -9.7% as presented in the report.

## Profit before tax

Profit before tax for the period amounted to 4.3 (-49.8) MSEK.

Net financial items for the period totaled 25.1 (-5.3) MSEK. The amount includes an unrealized positive FX effect from a USD denominated commitment derived from the acquisition of Audiobooks.com, amounting to 36.7 MSEK. Adjusted for this, the underlying interest expense has increased as a result of the 500 MSEK bridge loan taken in connection with the acquisition of Audiobooks.com, as well as the partial utilization of the RCF.

Taxes for the period amounted to -6.7 (1.3) MSEK.

Earnings per share for the period totaled -0.04 (-0.77) SEK, before and after dilution.

### Cash flow

Cash flow from operating activities before changes in working capital was 60.2 (-10.3) MSEK, where the improvement is driven by the strategic shift to focus on profitable growth, and the related

reorganization. The change in working capital was 13.3 (-53.5) MSEK, resulting in cash flow from operating activities totaling 73.5 (-63.8) MSEK for the period. Cash flow from investing activities was -63.4 (-58.6) MSEK, which was affected by a small acquisition of the publishing company Dar Al-Muna. Cash flow from financing activities was -8.8 (-11.7) MSEK and relates amortization of lease liabilities. Total cash flow for the period was 1.2 (-133.4) MSEK, primarily improved through improved cash flow from operating activities.

# Developments during January–September 2022, Group

*Comparative figures for developments during Jan–Sep 2022 pertain to Jan–Sep 2021.*

## Gross profit

Net sales for the period increased by 24% compared to the comparative period and totaled 2,333.7 (1,880.0) MSEK. The increase is primarily driven by the acquisition of Audiobooks.com, and solid growth across our top markets, especially the Nordic region.

Cost of sales for the period totaled -1,443.0 (-1,148.9) MSEK. The period includes items affecting comparability totaling -35.6 (0) MSEK, but the underlying increase is largely driven by continued expansion and focused investments in our top markets, including recently acquired Audiobooks.com.

Gross profit amounted to 890.8 (731.1) MSEK, which equals a gross margin of 38.2% (38.9%). Excluding items affecting comparability, gross profit amounted to 926.3 (731.1) MSEK which equals a margin of 39.7% (38.9%). The improvement is to a large extent driven by the acquisition of Audiobooks.com.

## Operating profit

The period includes increased sales and marketing expenses amounting to -735.4 (-664.4) MSEK is largely attributable to the acquisition of Audiobooks.com and continued investments in the top markets. The period includes items affecting comparability totaling -25.6 (0) MSEK. Excluding items affecting comparability, sales and marketing expenses are growing at a significantly slower pace than revenue and are driven by the strategic shift to focus on profitable growth.

Technology and development expenses totaled -251.3 (-135.2) MSEK which includes investments into the technical platform. The period includes items affecting comparability totaling -57.4 (0) MSEK. Excluding items affecting comparability, the increase is affected by a write-off to the technical platform amounting to -10.2 MSEK, and the remaining underlying increase stems from investments in the platform, continuously striving to increase subscriber engagement.

General and administrative expenses at -272.2 (-164.0) MSEK. The period includes items affecting comparability totaling -60.5 (0) MSEK. Excluding items affecting comparability, the increase is to a large extent driven by the strategic shift to centralize certain functions and continued growth primarily in the first half of 2022.

Total items affecting comparability for the period totaled -179.1 MSEK, allocated to the strategic shift and reorganization at -94.4 MSEK, costs in relation to phasing out the Russian operations at -66.2 MSEK, transaction fees in relation to the acquisition of Audiobooks.com at -10.2 MSEK, and severance pay to Jonas Tellander, former CEO at -8.3 MSEK.

Operating profit for the period totaled -342.3 (-226.1) MSEK. Operating profit excluding items affecting comparability for the period amounted to -163.2 (-226.1) MSEK, where the improvement is driven by the above outlined profitable growth and the operational restructuring completed in line with the strategic shift conducted during the first half of 2022.



## EBITDA

EBITDA for the period totaled -94.9 (-80.5) MSEK, which equals an EBITDA margin of -4.1% (-4.3%). EBITDA excluding items affecting comparability for the period amounted to 39.2 (-80.5) MSEK which corresponds to a margin of 1.7% (-4.3%).

## Profit before tax

Profit before tax for the period amounted to -292.0 (-237.3) MSEK. Profit before tax excluding items affecting comparability for the period amounted to -112.9 (-237.3) MSEK, where the improvement is driven by the strategic shift to focus on profitable growth and related organizational restructuring.

Net financial items for the period totaled 50.3 (-11.2) MSEK. The amount includes an unrealized positive FX effect from a USD denominated loan exposure derived from the acquisition of Audiobooks.com, amounting to 81.8 MSEK. Adjusted for this, the underlying interest expense has increased as a result of the 500 MSEK bridge loan taken in connection with the acquisition of Audiobooks.com as well as the partial utilization of the RCF.

Taxes for the period amounted to 2.7 (-2.8) MSEK.

Earnings per share for the period totaled -4.27 (-3.68) SEK, before and after dilution.

## Cash flow

Cash flow from operating activities before changes in working capital was -129.7 (-81.2) MSEK. The change in working capital was 48.9 (5.5) MSEK, resulting in cash flow from operating activities totaling -80.8 (-75.8) MSEK for the period. Cash flow from investing activities was -1,084.0 (-294.4) MSEK, primarily driven by the acquisition of Audiobooks.com earlier in 2022, whereas the comparable period primarily includes acquisitions of Lind & Co as well as the small acquisition of Aula & Co.

Cash flow from financing activities was 702.7 (1,129.8) MSEK where the period includes the 600 MSEK utilization of the revolving credit facility (RCF) in Q1 2022 and Q2 2022 as well as affected by the acquisition of Audiobooks.com, whereas the comparable period includes the directed share issue completed in Q1 2021. Total cash flow for the period was -462.1 (759-7) MSEK.

## Other information

### Financial position, equity & liquidity (compared to December 31, 2021)

At the end of the period, the Group had 457.4 (905.9) MSEK in cash and cash equivalents. The equity-to-asset ratio at the end of the period was 46.8% (63.5%).

Total equity for the quarter was 1,973.3 (1,910.6) MSEK.

Non-current liabilities totaled 915.6 (256.6) MSEK. The company has a revolving credit facility, RCF of 850 MSEK, of which 600 MSEK is utilized, which is at the same level as in Q2'22. Current liabilities amounted to 1,330.5 (841.5) MSEK and included a bridge loan facility of 500 MSEK utilized in connection with the acquisition of Audiobooks.com.

Total available liquidity (cash and cash equivalents and unutilized RCF) totaled 707.4 MSEK at the end of the period.

The company has various options to establish a long-term debt to release the bridge financing that matures at the end of Q1 2023. As of the date of the Q3 report, nothing has been resolved upon by the Board. Any decision will be communicated in accordance with applicable rules.

### Parent Company

Storytel AB is the Group's Parent Company and is responsible for Group-wide management, administration and financing.

Net sales for the Parent Company amounted to 10.2 (12.2) MSEK. Profit before tax amounted to -3.8 (11.1) MSEK, and net income for the period amounted to -3.8 (11.1) MSEK. The condensed income statement and balance sheet for the Parent Company are presented on page 24.

### Risks and uncertainty factors

Significant risks and uncertainties exist for the Group. As noted in the Annual Report, these factors include the prevailing economic and business environments in each of the Group's markets; commercial risks related to expansion into new territories; political and legislative risks related to changes in rules and regulations in the various territories in which the Group operates; exposure to foreign exchange rate movements; changes in the ability to access capital markets; and the emergence of new technologies and competitors. The COVID-19 pandemic has, compared to a year ago, transitioned into a new and improved phase, although there is still a risk that it could create continued uncertainty. More recently, we have seen inflationary pressures that could affect the purchasing power of our consumers, and thus in the long term also their willingness and ability to remain as subscribers. Furthermore, given the developments in Ukraine, in Q1 Storytel announced its intent to pause its operations in Russia, which has been implemented, and the operations were phased out during the third quarter.

## Forecast

As stated in Table 1, streaming revenue is forecasted as follows:

<b>Q4 2022</b>	<b>Revenue (TSEK)</b>
Nordics	495,000–498,000
Non-Nordics	240,000–247,000
<b>Total</b>	<b>735,000–745,000</b>

### **FY 2022 targets**

Streaming Revenue growth	30–34%
Group EBITDA margin	2.5–3.5%

The FY 2022 streaming revenue target is 30–34% growth, including the acquisition of Audiobooks.com, and excluding Russia. Additionally, the FY 2022 forecast for the Group EBITDA margin has improved to 2.5–3.5%. The FY 2022 Group EBITDA target has been updated to better reflect YTD performance, driven by the strategic shift to focus on profitable growth, and the related organizational restructuring. The FY 2022 Group EBITDA margin was originally forecasted in the range of -3–0%.

# Financial Statements Summary

## Group

### Condensed Income Statement

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Q1-Q4 2021
Net sales	805,819	680,855	2,333,719	1,879,993	2,620,797
Cost of sales	-493,912	-400,973	-1,442,951	-1,148,863	-1,607,690
<b>Gross profit/loss</b>	<b>311,907</b>	<b>279,882</b>	<b>890,768</b>	<b>731,130</b>	<b>1,013,107</b>
Sales and marketing expenses	-174,729	-230,320	-735,357	-664,382	-957,338
Technology and development expenses	-82,801	-46,837	-251,254	-135,242	-206,913
General and administrative expenses	-82,967	-50,273	-272,221	-164,000	-221,372
Other operating income	2,832	3,757	22,284	3,966	17,554
Profit from participations in associates	4,894	-761	3,525	2,410	4,208
<b>Operating profit</b>	<b>-20,864</b>	<b>-44,552</b>	<b>-342,255</b>	<b>-226,118</b>	<b>-350,754</b>
Net financial items	25,134	-5,257	50,260	-11,151	-1,570
<b>Profit/loss before taxes</b>	<b>4,270</b>	<b>-49,809</b>	<b>-291,995</b>	<b>-237,269</b>	<b>-352,324</b>
Tax	-6,727	1,261	2,733	-2,732	-20,761
<b>Profit/loss for the period</b>	<b>-2,457</b>	<b>-48,548</b>	<b>-289,262</b>	<b>-240,001</b>	<b>-373,085</b>
<b>Profit for the period attributable to:</b>					
Parent Company shareholder	-2,948	-52,825	-291,243	-245,873	-381,587
Non-controlling interest	491	4,277	1,981	5,872	8,502
	<b>-2,457</b>	<b>-48,548</b>	<b>-289,262</b>	<b>-240,001</b>	<b>-373,085</b>
<b>Earnings per share, SEK</b>					
Group total, basic	-0.04	-0.77	-4.27	-3.68	-5.68
Group total, diluted	-0.04	-0.77	-4.27	-3.68	-5.68
<b>Statement of comprehensive income</b>					
Profit/loss for the period, after tax	-2,457	-48,548	-289,262	-240,001	-373,085
<b>Other comprehensive income</b>					
<i>Items that will be reclassified to profit/loss (after tax)</i>					
Translation difference	93,131	9,520	222,912	15,721	8,626
<i>Items that will not be reclassified to profit/loss (after tax)</i>					
Revaluation of defined-benefit pension plans	54,950	2,369	114,311	7,107	-389
Revaluation of hedging instruments	-	-	8,580	-	-10,031

<b>Total other comprehensive income for the period, after tax</b>	148,081	11,889	345,593	22,828	-1,794
<b>Total comprehensive income for the period, after tax</b>	145,624	-39,659	56,331	-217,173	-374,879
<b>Total comprehensive income for the period attributable to:</b>					
Parent Company shareholder	145,133	-40,936	54,350	-223,045	-383,381
Non-controlling interest	491	4,277	1,981	5,872	8,502

## Group

### Condensed Consolidated Statement of Financial Position

<b>TSEK</b>	<b>9/30/2022</b>	<b>9/30/2021</b>	<b>12/31/2021</b>
Intangible assets	2,755,118	994,505	1,063,145
Tangible assets	28,879	27,936	27,675
Right-of-use assets	116,711	127,749	131,421
Non-current financial assets	95,811	228,438	46,114
Inventory	121,454	63,191	65,663
Current receivables	643,923	633,441	768,820
Cash and cash equivalents	457,411	1,124,547	905,882
<b>Total assets</b>	<b>4,219,307</b>	<b>3,199,807</b>	<b>3,008,720</b>
Equity	1,973,262	2,054,141	1,910,603
Non-current liabilities	915,595	424,312	256,642
Current liabilities	1,330,450	721,354	841,475
<b>Total equity and liabilities</b>	<b>4,219,307</b>	<b>3,199,807</b>	<b>3,008,720</b>

## Condensed Statement of Changes in Equity

TSEK	Q1-Q3 2022	Q1-Q3 2021	Q1-Q4 2021
<b>Opening equity for the period</b>	<b>1,910,603</b>	<b>955,607</b>	<b>955,607</b>
Profit for the period	-289,262	-240,001	-373,085
Non-controlling interest	2,572	66,220	65,340
<i>Other total comprehensive income for the year:</i>			
Translation difference	222,701	6,423	8,626
Revaluation of defined-benefit pension plans	114,311	7,107	-389
Hedge accounting	8,580	-	-10,031
Transfer of cash flow hedge to business combinations	1,451	-	-
<i>Transactions with owners:</i>			
Share issue	-	1,238,128	1,241,598
Share based incentive programs	2,306	14,485	15,939
Warrant premium	-	6,172	6,998
<b>Closing equity for the period</b>	<b>1,973,262</b>	<b>2,054,141</b>	<b>1,910,603</b>

## Group

### Condensed Cash Flow Statement

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Q1-Q4 2021
Profit/loss after financial items	4,270	-49,809	-291,995	-237,269	-352,326
<i>Where of interest paid</i>	-6,340	-1,320	-23,855	-8,144	-3,849
Adjustments for non-cash items	60,971	44,876	175,467	159,320	194,613
Taxes paid	-5,059	-5,373	-13,171	-3,263	-17,286
<b>Cash flow from operations before changes in working capital</b>	<b>60,182</b>	<b>-10,306</b>	<b>-129,699</b>	<b>-81,212</b>	<b>-174,999</b>
Change in working capital	13,315	-53,469	48,859	5,460	-43,701
<b>Cash flow from operating activities</b>	<b>73,497</b>	<b>-63,776</b>	<b>-80,840</b>	<b>-75,752</b>	<b>-218,700</b>
Cash flow from investing activities	-63,442	-58,564	-1,083,953	-294,353	-371,319
Cash flow from financing activities*	-8,844	-11,652	702,679	1,129,763	1,131,569
<b>Cash flow for the period</b>	<b>1,211</b>	<b>-133,991</b>	<b>-462,114</b>	<b>759,658</b>	<b>541,550</b>
<b>Available funds at the beginning of period</b>	<b>447,866</b>	<b>1,258,092</b>	<b>905,882</b>	<b>361,646</b>	<b>361,646</b>
Cash flow for the period	1,211	-11,652	-462,114	759,658	541,550
Translation differences in available funds	8,334	447	13,643	3,243	2,686
<b>Available funds at end of period</b>	<b>457,411</b>	<b>1,124,547</b>	<b>457,411</b>	<b>1,124,547</b>	<b>905,882</b>

\*Cash flow from financing activities in Q3 consists of amortization of lease liabilities.

## Note 1 Accounting and Valuation Principles

This interim report includes the Swedish Parent Company Storytel AB (publ), CIN 556575-2960, and its subsidiaries. Storytel is one of the world's largest streaming services for audio-books and e-books and has more than 700,000 titles in the service globally. Our vision is to make the world a more empathetic and creative place through fantastic stories that can be shared and appreciated by anyone, anywhere and at any time. The Streaming operations within Storytel Group take place under the brands Storytel, Mofibo and Audio-books.com. The publishing business is managed by Storytel Books and the audiobook publisher StorySide. Storytel Group is present in over 25 markets. The Parent Company is a limited liability company with its registered office in Stockholm, Sweden. The address of the head office is Tryckerigatan 4, 111 28 Stockholm, Sweden.

Storytel applies the International Financial Reporting Standards (IFRS) as they have been adopted by the EU. This consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting, recommendation RFR 1 issued by the Swedish Financial Reporting Board, and the Annual Accounts Act (1995:1554), where applicable. Storytel's 2021 Annual Report was the company's first financial statement in accordance with IFRS. In previous interim reports, the Group applied BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act (Interim Report) and recommendation RFR 2 issued by the Swedish Financial Reporting Board. The same accounting principles, bases for calculation and assessments were applied to the Group and the Parent Company as in the most recent annual report. A detailed description of the Group's other applied accounting principles and new and pending standards is included in the most recently published Annual Report. In addition to those included in the Annual Report, the Group has recorded per Q1 a restructuring provision related to the communicated reorganization of Storytel. Restructuring provisions are recorded when the Group has adopted a formal or informal plan for the restructuring, and either communicated the main impact to those included in the restructuring or begun the implementation thereof. The provision includes estimated costs for personnel reductions as well as any other direct costs related to the reorganization. Most of the provision is expected to be consumed during 2022. The reorganization also includes write-downs of some technological assets which are not included in the provision amount. There are no new IFRS standards or amendments of existing IFRS standards during 2022 that are estimated to have a material impact on the performance and financial position of Storytel.

Disclosures pursuant to IAS 34.16A are also presented in the financial statements and related notes in the interim disclosures on pages 12–14, which is an integral part of this financial statement.

All amounts in this statement are stated in thousands of Swedish krona (TSEK) unless otherwise specified. Differences in rounding may occur.

## **Note 2 Significant estimates and judgements**

When preparing the financial statements, the company's management and the Board must make certain assessments and assumptions that affect the carrying amounts of asset and liability items and income and expense items, respectively, as well as other information provided. The assessments are based on experiences and assumptions that the management and the Board deem to be reasonable given the prevailing circumstances. Actual outcome may then differ from these assessments if other conditions arise. The estimates and assumptions are evaluated on an ongoing basis and are not considered to entail any material risk of significant adjustments in the reported values of assets and liabilities during subsequent periods. Changes in estimates are reported in the period in which the change is made if the change has only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. During the first two quarters, the Group recorded a restructuring provision related to the communicated reorganization aimed to make the company more effective and dynamic, focusing on significant growth initiatives in prioritized markets. The amounts represent management's best estimates of the expected cost to be incurred as a result of the Group's reorganization plan and includes estimated personnel cost for redundancies in affected business areas and Storytel markets as well as the impact from the reorganization on the Group's technological assets. Any changes to these estimates will be reflected in the Group financial statements as soon as they are known.

For other significant estimates and judgements, please refer to the most recent annual report.

## **Note 3 Definitions and key ratios including alternative performance measures**

Storytel reports a number of different items and financial key ratios in its consolidated financial statements. The key figures aim to make it easier for investors and other stakeholders to analyze and understand Storytel's operations and development in the same way that the business and its development are monitored by management. Of these measures, some are defined in IFRS, while others are defined in neither the financial framework nor other legislation. For key ratios that are not defined in IFRS, their purpose and how they relate to the financial statements presented in accordance with IFRS are also presented. For definitions of financial measures and key ratios used, please see below.



## Note 4 Transactions with related parties

In January, Storytel Books acquired 49% of the shares in Mockingbird Publishing Software AB (MBPS), which thus is an associated company and a new related party to the Group. MBPS will develop tailored modern software solutions for the publishing industry. These systems will be used for both the Group's publishing houses and external publishers. Transactions during the period and balances as per the end of the period are not significant for the Group. In general, there were no other significant changes in the scope or type of transactions with related parties to the Group than those presented in the most recent Annual Report. Transactions with associated companies take place on market terms.

## Note 5 Business segments

The Group, for accounting and follow-up, has divided its operations into three segments. These segments are Streaming Nordics, Streaming Non-Nordics and Books. The division is based partly on the type of business conducted (Streaming versus Books) and the geographical division for the streaming business (Nordics versus Non-Nordics). The acquired company Audiobooks.com is included in the business segment Streaming Non-Nordics.

Jul-Sep 2022	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	492,765	249,662	147,199	889,626	-97,212	13,405	805,819
Internal revenue			44,998	44,998	-44,998		
Cost of sales	-303,476	-131,489	-110,281	-545,245	68,178	-16,845	-493,912
<b>Gross profit</b>	<b>189,289</b>	<b>118,173</b>	<b>81,916</b>	<b>389,379</b>	<b>-74,032</b>	<b>-3,440</b>	<b>311,907</b>

Jan-Sep 2022	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	1,420,710	724,700	453,503	2,598,983	-272,256	6,991	2,333,719
Internal revenue			122,428	122,428	-122,428		
Cost of sales	-888,278	-387,327	-331,430	-1,607,035	196,203	-32,118	1,442,951
<b>Gross profit</b>	<b>532,432</b>	<b>337,443</b>	<b>244,500</b>	<b>1,114,375</b>	<b>-198,481</b>	<b>-25,126</b>	<b>890,768</b>

The costs listed under Gross profit are not allocated to segments but are reported for the Group as a whole. Internal revenue for the Books segment, which relates to sales from streaming, is already included as a cost reduction in the segment reporting for the Streaming segments. Revenue and Cost of sales from Storytel AS are included in the Streaming Nordics segment. These are subsequently eliminated in the column Group-wide items and eliminations, and the license fee from Storytel AS is also added back.

<b>Group total</b>	<b>Jul-Sep 2022</b>	<b>Jan-Sep 2022</b>
Gross profit	311,907	890,768
Selling and marketing expenses	-174,729	-735,357
Technology and development expenses	-82,801	-251,254
Administrative expenses	-82,967	-272,221
Other operating income	2,832	22,284
Profit from participations in associates	4,894	3,525
<b>Operating profit</b>	<b>-20,864</b>	<b>-342,255</b>
Net financial income/expenses	25,134	50,260
<b>Profit before tax</b>	<b>4,270</b>	<b>-291,995</b>

<b>Jul-Sep 2021</b>	<b>Streaming Nordics</b>	<b>Streaming Non-Nordics</b>	<b>Books</b>	<b>Total segment</b>	<b>Group-wide items and eliminations</b>	<b>Other adjustments</b>	<b>Group total</b>
Revenue from external customers	447,199	135,885	180,116	763,200	-85,229	2,883	680,855
Internal revenue			44,675	44,675	-44,675		
Cost of sales	-268,125	-81,672	-105,736	-455,533	61,745	-7,185	-400,973
<b>Gross profit</b>	<b>179,074</b>	<b>54,213</b>	<b>119,054</b>	<b>352,341</b>	<b>-68,158</b>	<b>-4,301</b>	<b>279,882</b>

<b>Jan-Sep 2021</b>	<b>Streaming Nordics</b>	<b>Streaming Non-Nordics</b>	<b>Books</b>	<b>Total segment</b>	<b>Group-wide items and eliminations</b>	<b>Other adjustments</b>	<b>Group total</b>
Revenue from external customers	1,272,356	373,253	455,267	2,100,876	-233,055	12,172	1,879,993
Internal revenue			106,373	106,373	-106,373		
Cost of sales	-780,110	-230,176	-291,169	-1,301,455	162,350	-9,758	1,148,863
<b>Gross profit</b>	<b>492,246</b>	<b>143,077</b>	<b>270,471</b>	<b>905,794</b>	<b>-177,078</b>	<b>2,414</b>	<b>731,130</b>

The costs listed under Gross profit are not allocated to segments but are reported for the Group as a whole. Internal revenue for the Books segment, which relates to sales from streaming, is already included as a cost reduction in the segment reporting for the Streaming segments. Revenue and Cost of sales for Storytel AS are included in the Streaming Nordics segment. These are subsequently eliminated in the column for Group-wide items and eliminations, and the license fee from Storytel AS is also added back.

<b>Group total</b>	<b>Jul-Sep 2021</b>	<b>Jan-Sep 2021</b>
Gross profit	279,882	731,130
Selling and marketing expenses	-230,320	-664,382
Technology and development expenses	-46,837	-135,242
Administrative expenses	-50,273	-164,000
Other operating income	3,757	3,966
Profit from participations in associates	-761	2,410
<b>Operating profit</b>	<b>-44,552</b>	<b>-226,118</b>
Net financial income/expenses	-5,257	-11,151
<b>Profit before tax</b>	<b>-49,809</b>	<b>-237,269</b>

## Note 6 Revenue from contracts with customers

Jul-Sep 2022	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service		645,215		645,215
Revenue from publishing activities	147,199			147,199
Other			13,405	13,405
<b>Revenue from contracts with customers</b>	<b>147,199</b>	<b>645,215</b>	<b>13,405</b>	<b>805,819</b>

Jan-Sep 2022	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service		1,853,858		1,853,858
Revenue from publishing activities	453,503			453,503
Other			26,358	26,358
<b>Revenue from contracts with customers</b>	<b>453,503</b>	<b>1,853,858</b>	<b>26,358</b>	<b>2,333,719</b>

Jul-Sep 2021	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service		497,855		497,855
Revenue from publishing activities	180,116			180,116
Other			2,884	2,884
<b>Revenue from contracts with customers</b>	<b>180,116</b>	<b>497,855</b>	<b>2,884</b>	<b>680,855</b>

Jan-Sep 2021	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service		1,412,554		1,412,554
Revenue from publishing activities	455,267			455,267
Other			12,172	12,172
<b>Revenue from contracts with customers</b>	<b>455,267</b>	<b>1,412,554</b>	<b>12,172</b>	<b>1,879,993</b>

# Note 7 Financial instruments

## **Valuation hierarchy**

The levels of the valuation hierarchy are described as follows:

Level 1 – Listed prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Observable input data for the asset or liability other than quoted prices included in Level 1, either directly (i.e., price quotations) or indirectly (i.e., derived from price quotations).

Level 3 - Asset or liability input data that is not based on observable market data (i.e., non-observable input data).

## ***Financial derivative instruments***

Storytel's derivative instruments, which were recorded at fair value in the statement of financial position, have been measured in accordance with IFRS 9 and categorized in accordance with Level 2 of the IFRS 13 fair value hierarchy. This means that the fair value measurement is based on directly or indirectly observable data for the asset or liability, other than quoted prices in an active market for identical assets or liabilities. Financial derivative instruments consisted in their entirety of a liability for a currency forward 10 MSEK as at 12/31/2021 which was attributable to the hedging of a payment of 130 MUSD related to the acquisition of Audiobooks.com. At 9/30/2022 the exposure was 0 MSEK as the currency forward was closed when the transaction was completed in January 2022.

## ***Acquisition option***

Storytel's acquisition option refers to the future acquisition of the remaining 20% shares in Earselect AB, which will result in an additional transferred consideration of 12,512 TSEK. The acquisition option is reported at fair value in the statement of financial position, measured in accordance with IFRS 9 and categorized in accordance with Level 3 of the IFRS 13 fair value hierarchy. Since the price of the option is not dependent on any conditions beyond the time aspect, and since the discounting effect attributable to the time value at the time of acquisition was insignificant, no discounting has taken place, and the carrying amount is considered to correspond to the fair value of the acquisition option.

## ***Contingent consideration***

The contingent consideration related to the acquisition of Aula is reported at fair value in accordance with Level 3 of the valuation hierarchy. The fair value is estimated by using a valuation model that discounts the present value of expected outgoing cash flows by a risk-adjusted discount rate. Expected cash flows are determined using probable scenarios based on expected financial outcome and future financial forecasts. The most significant input factors used to measure fair value are the risk-adjusted discount rate of 12.6% and the forecast future development of profitability, growth in net sales, and the level of digital sales. Given that the conditional additional consideration at the balance sheet date can amount to at the most TSEK 751, no changes in input factors are judged to result in any

material impact on the fair value of the item in the balance sheet or income. During the period, unrealized gains or losses for the contingent consideration held as at the balance sheet date are not material. This amount is included in other operating expenses in the consolidated statement of income. The discounting effect is recognized in net financial income.

<b>Financial liabilities valued at fair value</b>	<b>Jan-Sept 2022</b>	<b>Jan-Jun 2021</b>	<b>Jan-Dec 2021</b>
<b>Opening balance</b>	23,095	12,512	12,512
Additional contingent consideration	-	-	552
Paid / Settled	-	-	-
Change in value recognized in profit/loss	60	-	-
Change in value recognized in OCI - financial derivative	-8,580	-	10,031
Transfer of cash flow hedge to business combinations	-1,451	-	-
<b>Closing balance</b>	<b>13,124</b>	<b>12,512</b>	<b>23,095</b>

### ***Other receivables and liabilities***

For current receivables and liabilities, such as accounts receivable and trade payables, and for non-current liabilities with variable interest rates, the carrying amount is considered to be a good approximation of the fair value.

## Note 8 Business combinations

On January 7, Storytel acquired 100% of the shares and votes in the streaming company Audiobooks.com. Audiobooks.com is one of the leading services for audiobook experiences in the U.S. With this acquisition, Storytel extends its trajectory of expansion and profitable growth to the largest English-language audio market in the world. Audiobooks.com is a growing and profitable business with a consumer and partnership friendly approach that offers Storytel a new platform for growth. Audiobooks.com is included in the Group's Non-Nordics Streaming segment as of January 7.

Acquired net assets at the time of acquisitions (preliminary)	Audiobooks.com
Intangible assets, excluding goodwill	645,014
Property, plant and equipment	332
Right-of-use assets	3,179
Deferred tax asset	22,122
Accounts receivable and other receivables	4,806
Cash and cash equivalents	39,063
Interest-bearing liabilities	-369,979
Lease liabilities	-3,179
Deferred tax liability	-145,273
Accounts payable and other operating liabilities	-40,283
<b>Identified net assets</b>	<b>155,802</b>
Goodwill	737,789
<b>Total consideration</b>	<b>893,591</b>
The consideration consists of:	
Cash	893,591
<b>Total consideration</b>	<b>893,591</b>

In conjunction with the acquisition of Audiobooks.com, goodwill of 737,789 TSEK arose in the form of a difference between the transferred compensation and the fair value of the acquired net assets. Goodwill from the acquisition of Audiobooks.com refers primarily to the synergy effects which are expected to generate value for the Storytel Group. Goodwill is not expected to be tax deductible. Purchase price allocation has been reviewed during the second quarter in terms of IFRS 15 alignment and impact on fair value amounts to approximately -50 000 TSEK relating to intangible assets.

Transaction costs related to the acquisition of Audiobooks.com amounted to 21,350 TSEK. Transaction costs are recognized as an expense in the income statement under the function General and administrative expenses, of which 11,558 TSEK was recognized in 2021.

Effect of the acquisition on the cash flow of the group	Audiobooks.com
Consideration, cash	893,591
<i>Less:</i>	
Cash (acquired)	39,063
<b>Net cash outflow</b>	<b>854,528</b>

During the nine months leading up to the balance sheet date, Audiobooks.com contributed 257,978 TSEK to consolidated revenues and 9,548 TSEK to consolidated profit after tax. If the acquisition had occurred on January 1, 2022, the company's management estimates that consolidated revenues would have been 263,408 TSEK and the profit for the period 9,675 TSEK.

During the third quarter the group acquired a small Swedish publisher, Dar Al-Muna. The acquisition is not material for the group.

## Note 9 Transition to IFRS

The 2021 Annual Report was the first financial statement that Storytel prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the IFRS Interpretations Committee as adopted by the European Union (EU). The first financial statements according to IFRS present a comparison period. The date for the Group's transition to IFRS was thus January 1, 2020. Up to the 2021 Annual Report, the Group had prepared its consolidated accounts in accordance with the Annual Accounts Act and BFNAR 2012:1 (K3).

The transition to IFRS impacts the consolidated statement of income for the period 1/1/2021–6/30/2021, the consolidated statement of financial position as at June 30, 2021, and the consolidated statement of cash flows for the period 1/1/2021–6/30/2021. This impact is in line with the impact for which a detailed description has been provided in Storytel's 2021 Annual Report. The transition from previous accounting principles has also meant a different structure and classification of the accounts than before.

The Parent Company's initial application of RFR 2 Accounting for Legal Entities has not had any effect on the Parent Company's statement of comprehensive income or cash flows for the period 1/1/2021–6/30/2021 or financial position as at June 30, 2021.

## Parent Company

### Condensed Income Statement

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Q1-Q4 2021
Net sales	10,234	12,170	24,889	12,817	20,896
Cost of revenue	-	-	-	-	-
<b>Gross profit/loss</b>	<b>10,234</b>	<b>12,170</b>	<b>24,889</b>	<b>12,817</b>	<b>20,896</b>
Administrative expenses	-11,392	-3,473	-31,196	-9,714	-17,002
<b>Operating profit</b>	<b>-1,158</b>	<b>8,697</b>	<b>-6,307</b>	<b>3,103</b>	<b>3,894</b>
Net financial items	-2,638	2,384	-471	7,370	31,565
<b>Profit/loss before taxes</b>	<b>-3,796</b>	<b>11,081</b>	<b>-6,778</b>	<b>10,473</b>	<b>35,459</b>
Appropriations	-	-	-	-	3,460
Tax	-	-	-	-	-1,283
<b>Profit/loss for period</b>	<b>-3,796</b>	<b>11,081</b>	<b>-6,778</b>	<b>10,473</b>	<b>37,636</b>
<b>Parent company's condensed statement of comprehensive income</b>					
Profit for the period	-3,796	11,081	-6,778	10,473	37,636
Other comprehensive income, after tax					
<b>Total comprehensive income for the period</b>	<b>-3,796</b>	<b>11,081</b>	<b>-6,778</b>	<b>10,473</b>	<b>37,636</b>

### Condensed Balance Sheet

TSEK	30 Sept 2022	30 Sept 2021	31 Dec 2021
Non-current financial assets	4,635,945	2,923,138	2,774,757
Current receivables	234,520	210,457	590,958
Cash and cash equivalents	64,339	705,267	470,232
<b>Total assets</b>	<b>4,934,804</b>	<b>3,838,862</b>	<b>3,835,947</b>
Equity	3,813,402	3,776,639	3,820,223
Non-current liabilities	597,633	-	-
Current liabilities	523,769	62,223	15,724
<b>Total equity and liabilities</b>	<b>4,934,804</b>	<b>3,838,862</b>	<b>3,835,947</b>



## Number of shares and share capital as of Sept 30, 2022

There were 68,281,911 (68,281,911) registered shares in issuance at the end of the period, divided between 635 Class A shares and 68,281,276 Class B shares. Share capital totaled 34,140,956 (34,140,956) SEK as of Sept 30, 2022. On average in Q3 2022 there were 68,281,911 registered shares divided between 635 Class A shares and 68,281,276 Class B shares. The shareholder structure is presented at [investors.storytel.com](http://investors.storytel.com).

## Auditor's review

This Q3 report has not been reviewed by the auditors of the company.

## Information about Nasdaq First North Growth Market

Nasdaq First North Growth Market ("First North") is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than an investment in a listed company. Companies must apply to the exchange and gain approval before trading on First North may commence. A Certified Adviser guides the company through the listing process and ensures that the company continuously satisfies First North's standards. Information about Nasdaq First North Growth Market

## Financial calendar

Year-End Report January–December 2022	February 16, 2023
Annual General Meeting 2023	May 2, 2023
Interim Report January–March 2023	May 3, 2023
Interim Report January–June 2023	August 1, 2023
Interim Report January–September 2023	October 31, 2023
Year-End Report January–December 2023	February 15, 2024

## Definitions and key ratios including alternative performance measures

<b>Net sales</b>	Operating main income, invoiced costs, incidental revenue and revenue adjustments.
<b>Net sales growth rate, %</b>	Net sales for the current year divided by the previous year's net sales
<b>Net sales growth rate, %, CER</b>	Net sales for the current year divided by the previous year's net sales where the current year's net sales are calculated at the exchange rates prevailing in the previous year
<b>Gross profit/loss</b>	Profit after cost of sales.
<b>Gross profit %</b>	Operating profit as a percentage of net sales.
<b>Gross margin</b>	Operating profit as a percentage of net sales.
<b>Operating profit (EBIT)</b>	Profit before interest and tax.
<b>Operating margin (EBIT margin)</b>	Operating profit as a percentage of net sales.
<b>Profit/loss before taxes</b>	Profit after financial income and expenses, before tax.
<b>Profit margin (%)</b>	Profit after tax as a percentage of net sales.
<b>Equity-to-assets ratio (%)</b>	Adjusted equity (equity and untaxed reserves less deferred tax, including non-controlling interests) as a percentage of the balance sheet total.
<b>Equity</b>	The net assets of the business, i.e., the difference between assets and liabilities, including non-controlling interests.
<b>Balance sheet total</b>	The company's total assets.
<b>FTE</b>	Full-time equivalents.
<b>Number of employees</b>	Average number of employees during the financial year.
<b>ARPU</b>	Average Revenue Per User (subscriber) per month.
<b>Average paying subscribers</b>	The average number of paying Storytel subscribers during the quarter. For Family subscriptions, each standard stream (not so-called Kids Mode) is considered one paying subscriber.
<b>CER</b>	Constant Exchange Rates.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization.
<b>EBITDA margin</b>	EBITDA as percentage of Net Sales.

<b>Equity-to-asset ratio</b>	Adjusted equity (equity including non-controlling interest and untaxed reserves less deferred tax) as a percentage of the balance sheet total.
<b>Forecast</b>	An approximation based on information available at the time the report was prepared.
<b>Revenue – Books (Table 1)</b>	Physical books and digital sales through channels other than Storytel. Internal revenue from Storytel has been eliminated. All publishing houses in the Group, both those located in Sweden and those located internationally, are included.
<b>Revenue – Streaming (Table 1)</b>	ARPU * Paying Subscribers.
<b>Items affecting comparability (IAC)</b>	<p>Items affecting comparability include certain items of a significant character that distort comparisons over time. These have been defined as:</p> <ul style="list-style-type: none"> <li>• Costs in connection with acquisitions</li> <li>• Restructuring costs</li> <li>• Costs related to operationalizing the pause in Russia</li> </ul>

## Signatures and Assurance

The Board of Directors and the Chief Executive Officer offer their assurance that this interim report provides a true and fair view of the Group's and the Parent Company's operations, financial position and operational performance.

Stockholm, November 3, 2022

Hans-Holger Albrecht

Chair of the Board

Jonas Tellander

Board member

Lina Brouneus

Board member

Joakim Rubin

Board member

Lutz Finger

Board member

Malin Holmberg

Board member

Helen Fasth Gillstedt

Board member

Jared Grusd

Board member

Johannes Larcher

CEO

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