



Storytel's strong growth continues

Storytel averaged 621,200 paying subscribers during Q2, 2018, an increase of nearly 200,000 customers compared to Q2, 2017, which is slightly higher than the company's previously released forecast. Streaming revenues for the period totaled circa 239 MSEK, which corresponds to 43% in annual revenue growth, slightly more than three million SEK higher than forecast.

"During the past twelve months we've launched Storytel in six new markets, and correspondingly grown outside of Sweden by nearly 140,000 paying subscribers. This is proof that our international expansion, featuring local teams and a clear focus on content and marketing, has been effective," says CEO Jonas Tellander.

The company's average number of Swedish subscribers in Q2, 2018 was 314,700 — an increase of nearly 60,000 subscribers (up 23%) from Q2, 2017, which is just above the forecast. Swedish streaming revenues totaled approximately 126 MSEK in Q2, 2018, also just above the forecast.

The average number of non-Swedish subscribers in Q2, 2018 totaled 306,500, beating expectations thanks to an increase of nearly 140,000 paying customers (up 83%) compared to Q2, 2017. Streaming revenues from outside of Sweden equaled approximately 113 MSEK during Q2, 2018, just more than two million SEK above forecast.

Revenues outside of Sweden in Q2, 2018 contributed about 47% of total streaming income, compared to 39% in Q2, 2017.

Currency: thousand SEK	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Streaming Total						
<i>Revenue</i>	155 660	167 008	197 881	209 225	222 133	239 139
<i>Contribution Profit¹</i>	32 133	27 847	27 784	30 277	24 079	
<i>Contribution Margin</i>	20,6%	16,7%	14,0%	14,5%	10,8%	
<i>Paying Subscribers</i>	381 200	423 200	503 900	533 400	577 900	621 200
<i>ARPU² (SEK/Month)</i>	136	132	131	131	128	128
Streaming Sweden						
<i>Revenue</i>	96 177	101 365	113 709	118 038	122 046	125 759
<i>Contribution Profit</i>	32 678	31 257	32 872	38 501	43 067	
<i>Contribution Margin</i>	34,0%	30,8%	28,9%	32,6%	35,3%	
<i>Paying Subscribers</i>	241 400	255 800	282 300	292 700	305 100	314 700
<i>ARPU (SEK/Month)</i>	133	132	134	134	133	133

Streaming International³						
<i>Revenue</i>	59 483	65 643	84 172	91 187	100 087	113 380
<i>Contribution Profit</i>	-545	-3 410	-5 088	-8 224	-18 988	
<i>Contribution Margin</i>	-0,9%	-5,2%	-6,0%	-9,0%	-19,0%	
<i>Paying Subscribers</i>	139 800	167 400	221 600	240 700	272 800	306 500
<i>ARPU (SEK/Month)</i>	142	131	127	126	122	123
Print Publishing⁴						
<i>Revenue</i>	104 137	111 969	132 619	173 832	106 312	
<i>Contribution Profit⁵</i>	37 543	37 840	47 905	66 854	39 223	
<i>Contribution Margin</i>	36,1%	33,8%	36,1%	38,5%	36,9%	

2 Contribution Profit is defined as streaming revenue minus costs for content (licensed content and in-house productions) and marketing.

3 ARPU = Average Revenue Per User (Subscriber) per month

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

5 Print Publishing refers to physical books. People's Press is included in the group from Q2, 2017 — in this table it is included in each quarter, in an attempt to show comparisons. In Group Accounts all acquisitions are included from the acquisition date. Internal transactions have been redacted. Barnens bokklubb not included in table.

6 Contribution Profit is defined as revenue minus cost per sold unit, distribution costs, and sales and marketing costs.

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About Storytel

The Storytel group is comprised of two divisions, Streaming and Publishing. The Streaming division currently offers a subscription service for audio books and e-books under the brand names Storytel and Mofibo in Sweden, Norway, Denmark, Finland, Iceland, The Netherlands, Poland, Russia, Spain, India, the United Arab Emirates, Turkey and Italy. The Streaming division also publishes audio books and Storytel Originals, mainly through the audio-book publisher Storyside. The Publishing division is comprised of the publishers Norstedts, Massolit, Kontentan, Telegram, the Danish People's Press, Storytel Publishing, Rabén & Sjögren and B. Wahlströms, as well as Norstedts Kartor.