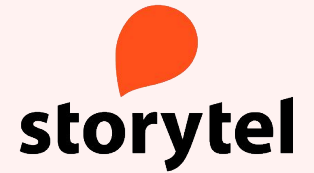


Interim Report

Q3 2022

November 3, 2022



Today's presenters



Johannes Larcher

CEO



Susanne Ekblom

Interim CFO

Key highlights

Key events

- Positive cash flow driven by the strategic shift and focus on profitable growth
- Johannes Larcher appointed CEO – joined 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

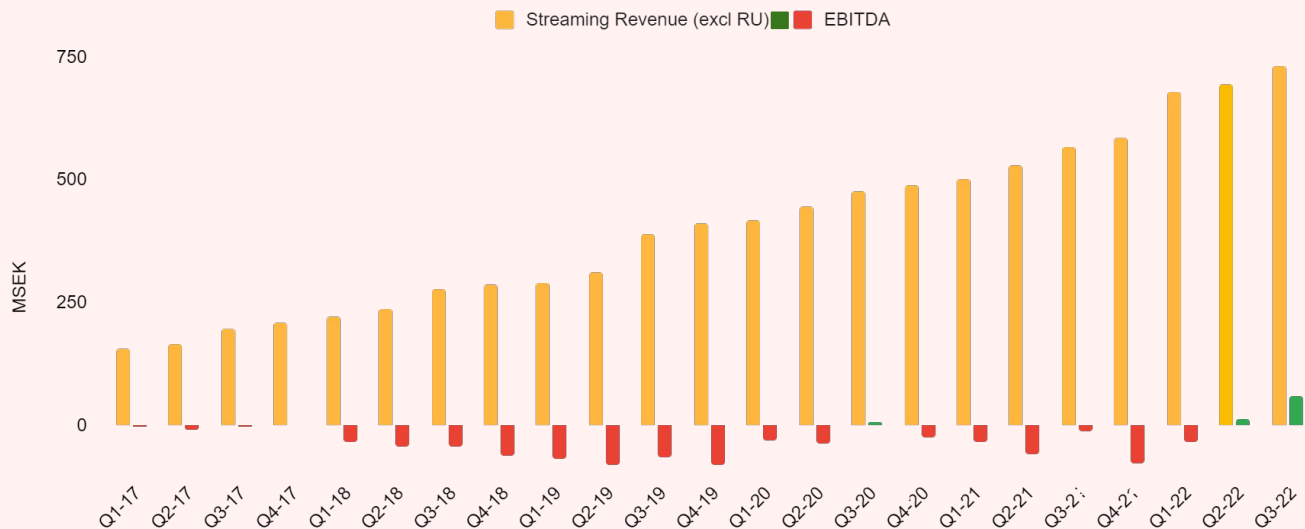
Financial highlights

- 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
- FY EBITDA margin target range improved to 2.5–3.5% (from -3–0%) excluding IAC

Actuals vs Q3 guidance

<i>KSEK</i>	Results	Q3 Guidance	Q3 Actuals
Total Streaming Revenue	Above	724,000–731,000	742,426
Streaming Nordics	Above	489,000–491,000	492,765
Streaming Non-Nordics	Above	235,000–240,000	249,662

Strong earnings momentum



30% CAGR
Streaming revenue since Q3 '17

FY EBITDA margin

2017
-5.6%

2018
-12.3%

2019
-15.7%

2020
-3.2%

2021
-6.0%

Q3 2022 YTD*
1.7%

*Excluding items affecting comparability

**Reported EBITDA according to K3 until 2021, and IFRS post 2021.

Financial summary, reported figures

MSEK	Q3-22	Q3-21	Change, %
Net Sales	805.8	680.9	18
COGS	-493.9	-401.0	23
Gross profit/loss	311.9	279.9	11
Sales and marketing expenses	-174.7	-230.3	-24
Technology and development expenses	-82.8	-46.8	77
General and admin. expenses	-83.0	-50.3	65
Other operating income	2.8	3.8	-26
Profit from participation in associates	4.9	-1.0	n/a
Operating profit	-20.9	-44.6	-53
Net financial items	25.1	-5.3	n/a
Profit/loss before tax	4.3	-49.8	n/a
Key metrics	Q3-22	Q3-21	Change, %
Gross margin	38.7%	41.1%	-2.4 p.p
EBITDA margin	7.3%	-0.9%	8.2 p.p

Comments

- Solid Revenue growth, largely driven by prioritized markets
- Gross margin drop affected by seasonality as well as unfavorable cost development in the Books segment
- Focused investments in Sales and marketing as outlined in the pivoted strategy
- Profit before tax at 4 MSEK - first positive result since 2016
- EBITDA at 59 MSEK, equivalent to a 7.3% margin
- No items affecting comparability, IAC

Balance sheet overview

<i>MSEK</i>	Q3-22	Q2-22	Q1-22	Q4-21
Intangible assets	2,755.1	2,633.6	2,537.1	1,063.1
Tangible assets	28.9	30.3	30.0	27.7
Right-of-use assets	116.7	118.7	122.4	131.4
Non-current financial assets	95.8	104.5	93.6	46.1
Inventory	121.5	106.8	83.0	65.7
Current receivables	643.9	676.1	718.9	768.8
Cash and cash equivalents	457.4	447.9	447.6	905.9
Total assets	4,219.3	4,117.9	4,032.5	3,008.7
Equity	1,973.3	1,821.0	1,705.7	1,910.6
Non-current liabilities	915.6	965.2	888.7	256.6
Current liabilities	1,330.5	1,331.7	1,438.1	841.5
Total equity and liabilities	4,219.3	4,117.9	4,032.5	3,008.7
<i>Available RCF</i>	<i>250</i>	<i>250</i>	<i>400</i>	<i>850</i>
<i>Total available liquidity</i>	<i>707</i>	<i>698</i>	<i>848</i>	<i>1,756</i>

Comments

- Cash level on par with previous quarter
- No further utilization of the RCF in Q3
- Total available liquidity slightly above Q2 level at -710 MSEK
- 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.

Improved profitability and cash flow

KSEK	Q3-22	Q2-22	Q1-22
EBITDA	59.2	-5.7	-148.4
Depreciation and amortization	-85.0	-88.3	-77.6
Profits from participation in associates	4.9	-0.5	-0.9
Net financial items	25.1	31.5	-6.4
Profit before tax	4.3	-62.9	-233.3
Adjustments for non-cash items	61.0	13.5	101.0
<i>of which, reversal depreciation and amortisation</i>	85.0	88.3	77.6
<i>of which, change in capital gains/losses</i>	-2.2	-3.1	-2.2
<i>of which change in FX gains/losses</i>	-36.7	-45.3	0.2
<i>of which, change in provisions</i>	16.5	-20.9	20.1
<i>of which, change in other non-cash items</i>	-1.5	-5.4	5.4
Taxes paid	-5.1	-5.3	-2.9
Cash flow from operating activities before change in working capital	60.2	-54.7	-135.2
Change in working capital	13.3	-9.5	45.0
Cash flow from operating activities	73.5	-64.2	-90.2

Comments

- Effects from strategic delivery resulting in solid Q/Q improvements:
 - EBITDA at 59.2 MSEK
 - Profit before tax at 4.3 MSEK
- Adjustments for non-cash items primary driven by:
 - Depreciation
 - FX effects
 - Change in provisions

Cash flow overview

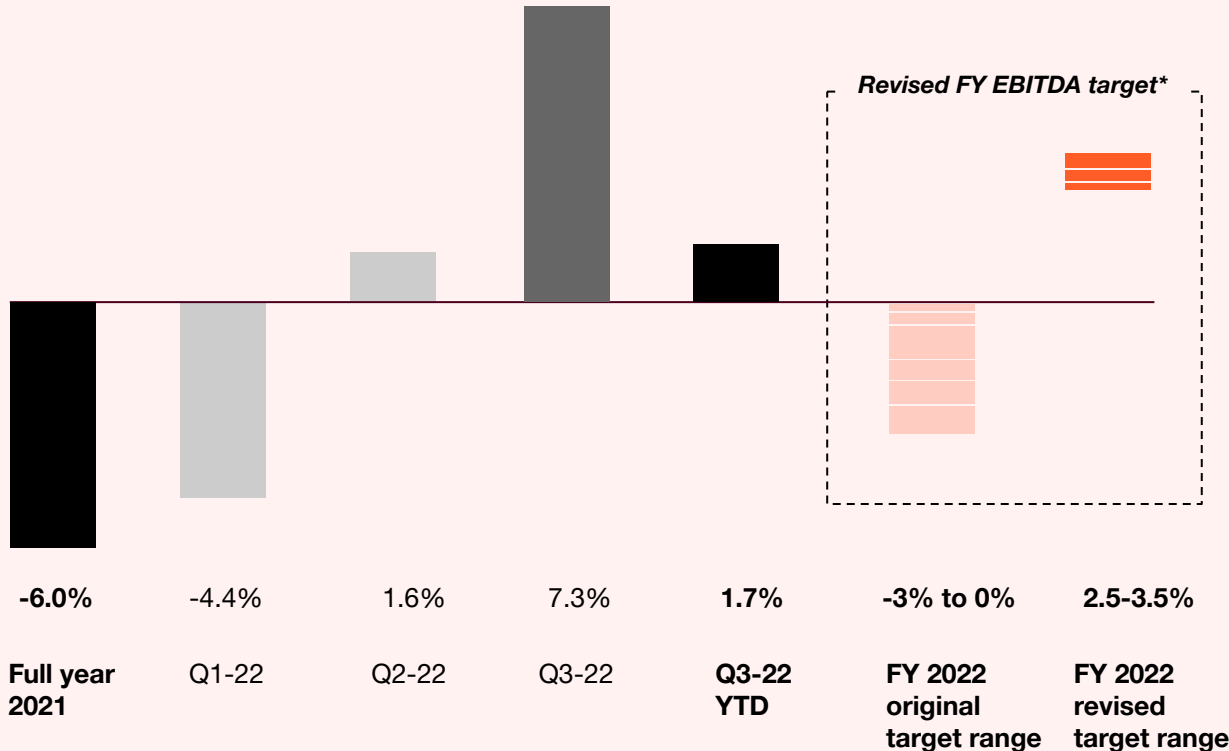
MSEK	Q3-22	Q2-22	Q1-22
Cash flow from operating activities	73.5	-64.2	-90.2
Cash flow from investing activities	-63.4	-69.8	-950.7
Cash flow from financing activities	-8.8	139.8	571.8
<i>of which RCF financing</i>	-	150	450
Cash flow for the period	1.2	5.8	-469.1
Available funds at the beginning of the period	447.9	447.6	905.9
Cash flow for the period	1.2	5.8	-469.1
Translation differences	8.3	-5.5	10.8
Available funds at the end of the period	457.4	447.9	447.6

Comments

- Cash flow from operations significantly improved in line with strategic shift and reorganization
- No further utilization of RCF in the quarter
- Total cash flow positive for the period

Revised FY 2022 profitability target

EBITDA margin, excluding IAC



Comments

- Revised FY EBITDA margin target range
 - Strategic shift focusing on profitable growth
 - Cost saves due to organizational restructuring
- Revised target to reflect effects
 - **FY 2022 EBITDA margin target of 2.5-3.5%**

Market leaders in a growing market



The global audiobook market is poised for massive growth.



We are the market leader in the world's most developed audiobook region, and know how to run this business successfully and profitably.



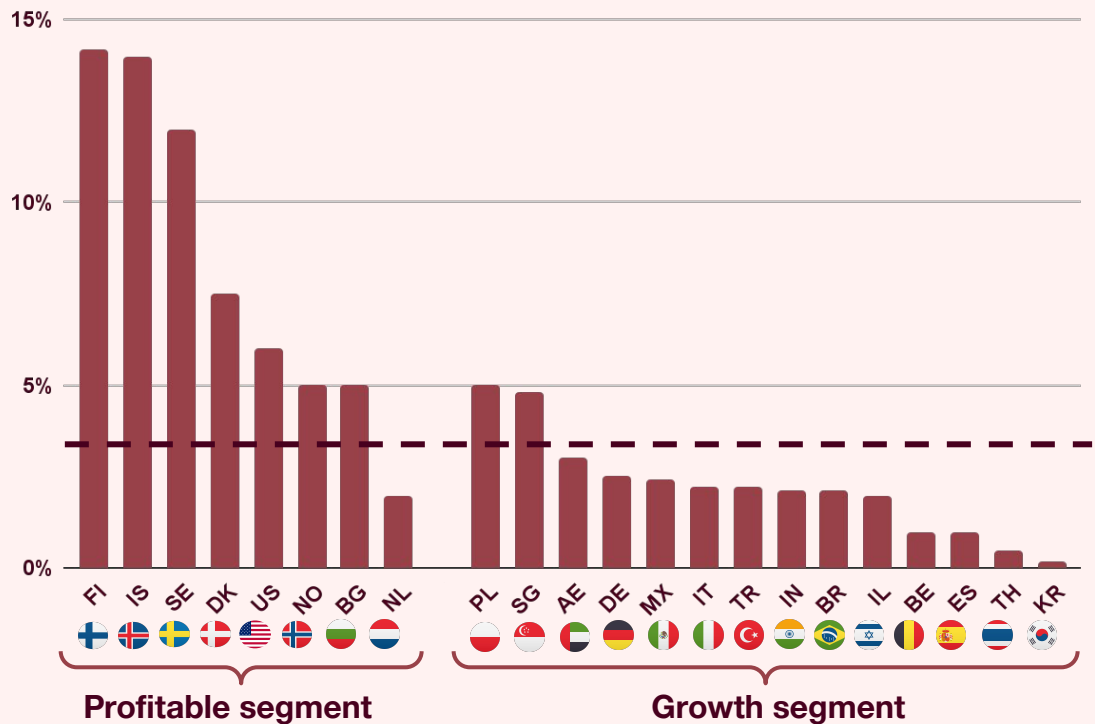
We have started to successfully apply our Playbook outside the Nordics.



We are building a world class organization to achieve our full potential.

Audiobook penetration has significant upside

Audiobook penetration* by market, 2020

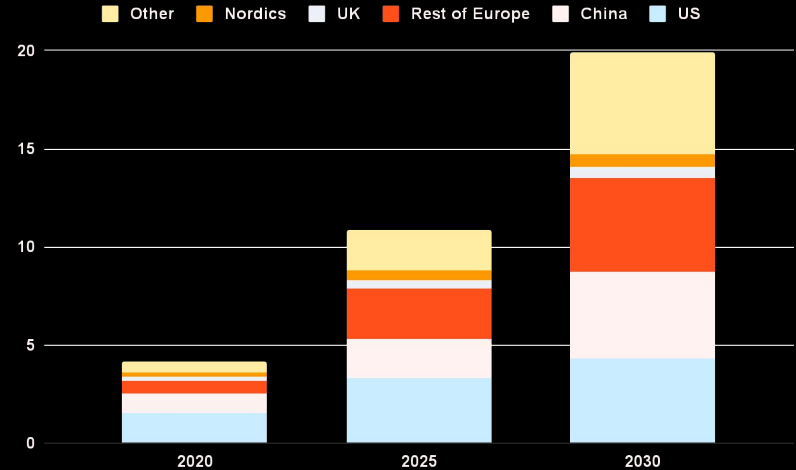


- Media streaming in mature market (Sweden) significantly ahead of audiobooks**:
 - Podcast penetration at ~40%
 - Music penetration at ~70%
 - Video penetration at ~80%
- Audiobook penetration globally at lower levels with a weighted average of ~3-4%

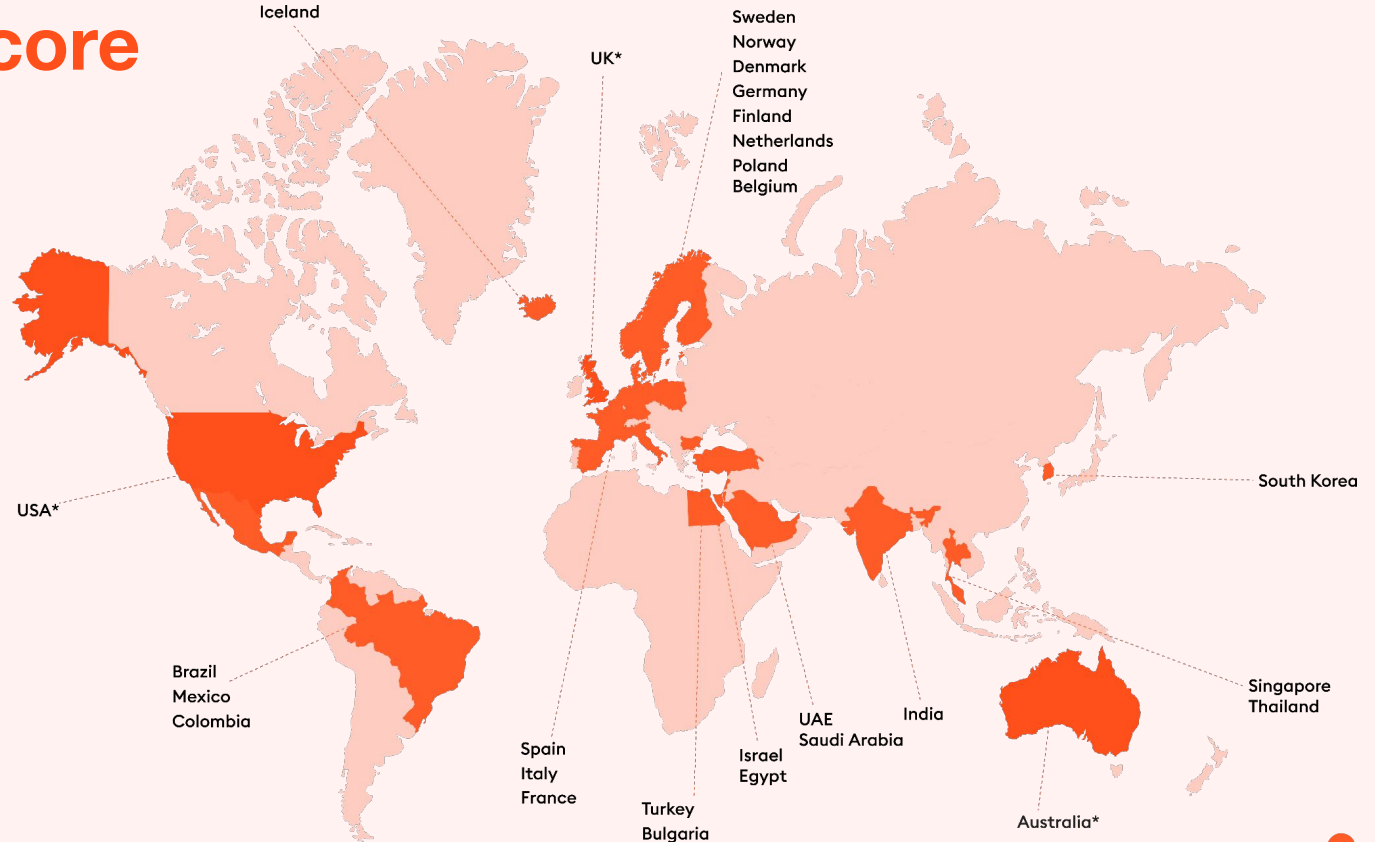
Global audiobook market is growing rapidly

- **Global audiobook market is a 40-45 SEKbn** market of which Storytel's footprint equals ~60%
- Strong growth driven by penetration gains driven by **strong local content**
- Further gains from **growing addressable share of population** as disposable income and connectivity / smartphone penetration continues to rise
- In Sweden, digital books (90% audiobooks) passed print books in sales value in the fiction categories already in 2019 - **HY1 2022, digital books at 75% of fiction sales**

Audiobook Market Size, by Region (EURb)



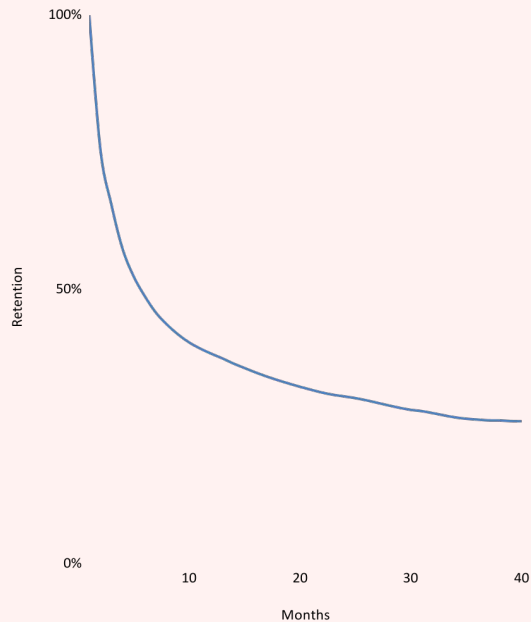
Global presence and profitable core



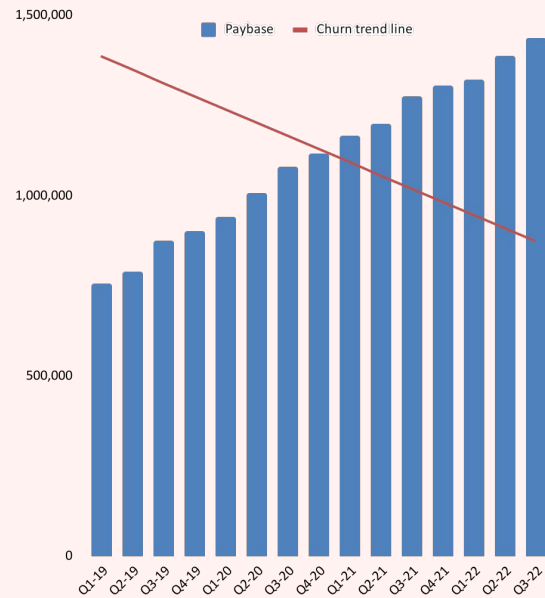
Underpinned by very solid metrics

The Nordics, Poland, Netherlands and Bulgaria

Healthy long term retention...

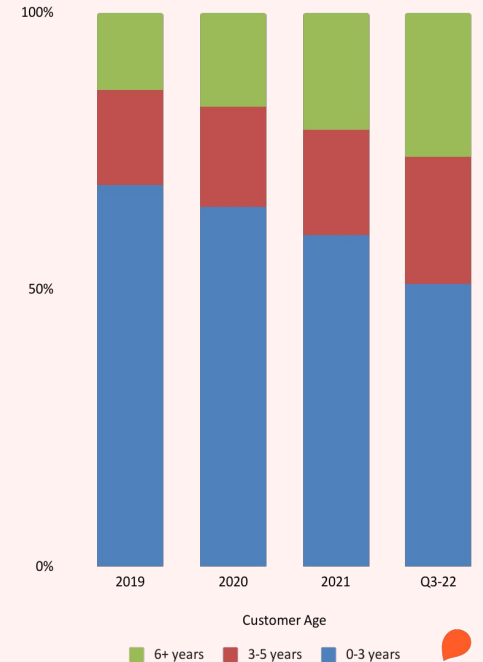


...and improving churn...

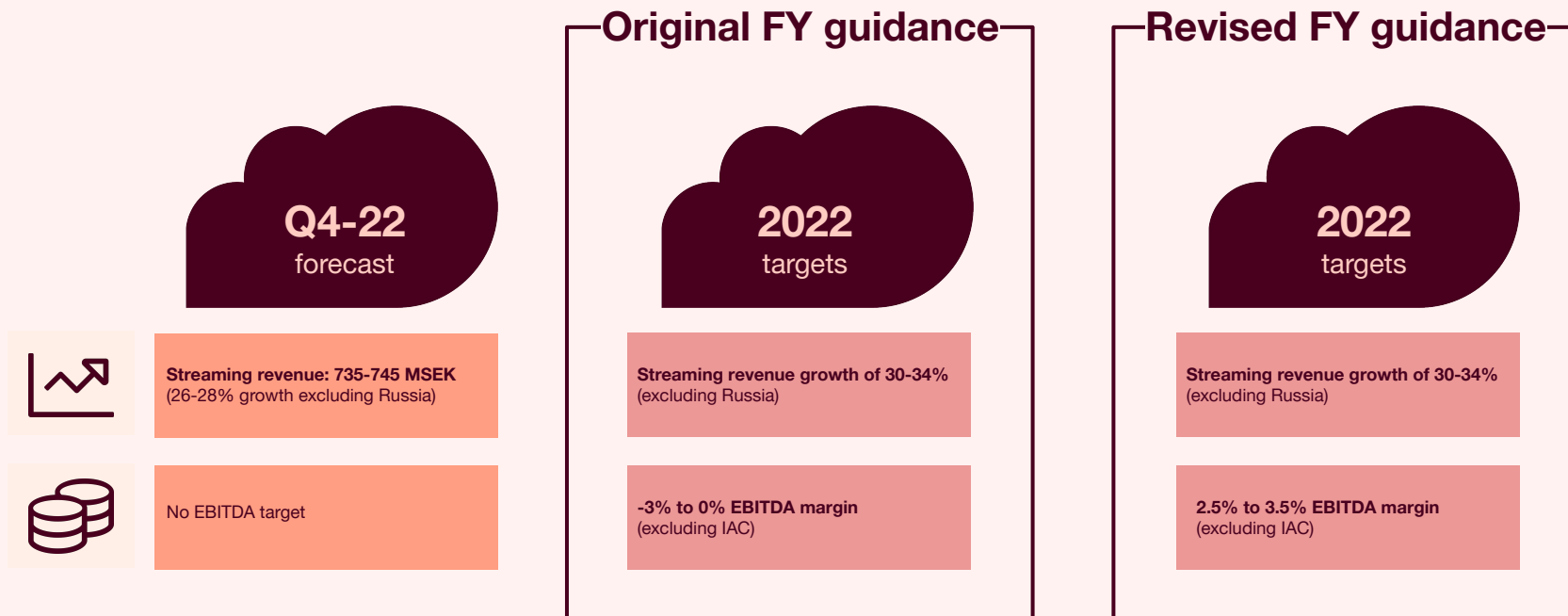


*Trend line based on monthly average churn

...driven by increasing share of mature cohorts



Financial targets



Closing remarks

A great quarter with a positive cash flow, strong EBITDA margin and positive profit before tax

Improved FY 2022 EBITDA margin target range to reflect strategic progress

Looking forward to our prospects in market poised for profitable growth



Q&A

Thank you!

