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# Storytel AB (STORY.B.SE)

Q4 2019 Earnings Call

## CORPORATE PARTICIPANTS

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

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## OTHER PARTICIPANTS

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## MANAGEMENT DISCUSSION SECTION

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

Thank you very much. Yes. This is Jonas Tellander, CEO and Founder of Storytel. And with me on this call, I have our Interim CFO, Jörgen Gullbrandson; and our CCO, Chief Commercial Officer, Ingrid Bojner.

So if you go to the next slide, we can see that we have a very, very strong revenue growth. It's 45% now in Q4 2019 compared to Q4 2018. I mean, this is – most of this is driven from the Nordic market. I think 38% of this is from the Nordic market and 7% from the non-Nordic market, and the subscriber growth that drives a lot of this, but then also we have an ARPU improvement that has really boosted revenue. So this is a high – really high number for us.

Next slide, please. If you look at the other highlights in the report, I mean, again, the leading targets for us is subscriber growth and revenue growth for our streaming business, and that's looking very, very strong now. And then we can see that the contribution margin is also moving upwards to 14% now from 10% a year ago. And EBITDA margin, we have communicated a range of minus 14% to 16% for 2019 already early last year, and then we corrected that range to minus 16% in the Q3 report. And now we ended the year on minus 15.7%. So that's all in line and the Q4 was even a little bit better than that. And then, we also refinanced our bank loans and extended the credits at Swedbank during the quarter, which we're very happy about.

So I now hand over to Jörgen to talk about the details of these numbers.

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**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

Thank you, Jonas. Next slide, please. So looking at the details of the report, you can see it's a beautiful development quarter-on-quarter for the last five quarters. As Jonas said, the revenue came in at SEK 421 million, up from the SEK 291 million a year ago. Good development, but even better when you look at the contribution profit almost at SEK 59 million, which is almost doubling the contribution profit we had a year ago. With the growth in revenue, you don't get a doubling of the contribution margin but it's up to 14% compared to 10.4% year ago.

The paying subscribers, you see that and we have communicated that before as well, 1.083 million as an average for the quarter and we reached 1.1 million, as you know, on Christmas Day [indiscernible] (00:02:49). The ARPU development, you can definitely, in the numbers and in the graph, see the positive improvement coming from the VAT decrease in Q3 2019. We maintained this higher level for Q4 2019 as well coming in on a group level of SEK 130 for the group there.

If you break it down and look into the segments that we present, the Nordic countries, the bigger and the more profitable regions, you can see that we come in at SEK 352 million compared to the SEK 259 million, also a good contribution profit, this is where we make the money, and a margin of almost 33%. I believe we can say this is the highest we've seen in the group. This [ph] is also for (00:03:40) the ARPU SEK 155 in the Nordic countries which I believe is [ph] important by far (00:03:45).

Looking at the non-Nordic countries, the ones that grows a bit quicker than the, let me say mature markets in the Nordic, but more mature markets we believe, where we saw a doubling in the revenue from Q4 last year until Q4 this year. The contribution profit is a negative one, because this is [ph] how (00:04:07) we invest in many EU [ph] started (00:04:09) markets. But, however, the big contribution – the negative contribution profit is on the same level as it was a year ago, which means that the margin is much, much better, half the loss that we did last year.

Also great to see that we have a customer base in the non-Nordic countries now up to 326,000. It's a big number. It's really growing and becoming substantial in the group. Looking at the ARPU as well, the ARPUs in these countries are lower, as you know, and it is great to see that actually the ARPU is increasing over time and that the price increases that we do and continue to do actually do have an effect.

Our guidance for the Q1, the forecast, new for this report, as you might have seen, we believe we will continue to grow our revenue to SEK 438 million in Q1. The good development here is when you compare to Q1-Q4, last year shift, we had almost no growth on the group level on the SEK 4 million growth, because Q1 is usually a weaker quarter. However, this year, we definitely think that we will grow another SEK 17 million. So it's a positive shift, and we have a good speed in the group.

This growth, money-wise, comes mainly from the non-Nordic countries where you see the more substantial growth. Positive as well to see the increasing ARPU levels that we foresee, get and expect for Q1 in the non-Nordic countries of SEK 73, mainly driven by the price increases that were done in Q4 and also done in Q1 2020.

Next slide, please.

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## Per Jonas Tellander

*Chief Executive Officer & Independent Director, Storytel AB*

Yeah. So let me summarize the guidance that Jörgen told you about, that adds up to 48% annual revenue growth for Q1 and a 38% subscriber growth. So that's extremely strong. It's not something we expect to keep throughout the year. We expect still to land closer to the 35% guidance we have. And the reason we've currently very high is the substantial VAT decreases or reductions that we saw in Q3 last year. But, again, a very, very strong guidance and I'm very proud of that.

So let's take a look at the other financial targets and how that develops over time on the next slide.

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## Jörgen Gullbrandson

*Interim Chief Financial Officer, Storytel AB*

Thank you, Jonas. So, just looking back to the financial targets we had for 2019, and I'm pleased to say that we delivered on all of them, reaching the 1.1 million subscribers as we did on Christmas Day. The revenues are in line in Europe as well, and the even though negative EBITDA came in below what we guided at 16%, we came in at 15.7%; also worth noting that Q4 was actually 14.6%. So better than the yearly average. We did reach streaming probability on more than one market and we did our launches, as Ingrid will tell you about.

So, looking at the target for 2020, what we know now and the target we did for Q1 does not make us rethink that. We believe in it. So these are the same numbers you've seen before. We should reach our 1.5 million paying subs. We should reach between SEK 1.9 billion and SEK 2 billion in revenue and the EBITDA margin will improve from this minus 15.7% now to between 10% and 12% negative. This is using same accounting methods as we've done in the past. So it's like-for-like numbers. And we'll, for sure, reach profitability in at least 2 markets, maybe four and launch in the fifth one, maybe three markets. And our long-term plan is also the same as we've done before. So we believe we will reach 40% on paying subs at least, 35% in revenue. And we'll do this with [indiscernible] (00:08:11) acquisition costs and launching in another 20 markets.

Next slide, please.

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## Ingrid Bojner

*Chief Compliance Officer, Storytel AB*

Okay. So, how are we going to reach our target? We look primarily at the CLV/SAC calculation. And what are we doing then really to reach the guidance that we have put forward? Well, we're going to do a heavy improvement on the gross profit continuously with four markets having increased prices during January and February. And we have also been helped by a recent reduction in VAT in both Holland and Germany starting this year. The tech team and departments combined with the customer team are working towards the long-time value for the customers in terms of lifetime, with large improvements on the feature side that are coming out during the year. So we hope to improve also the CLV [indiscernible] (00:09:13) rate. Last – and not least, we have the tech development which is a continuous improvement and optimization of our marketing efforts.

Next slide, please. And then looking at what we did last year in terms of new market launches, we launched five markets compared to 2018 when we launched six markets, and we are projecting to launch the 20 markets during the next coming three years. Next slide, please.

If we look at the historic launches of different countries, you can see that over time, we reached profitability. And this is a combination, of course, by scale effects in the market as well as improvements and virality effects there in the customer side, and also improvements on the lifetime of customers that keep on staying with us and our service.

So looking forward, we have Holland, Finland, and Russia that are markets that we are seeing that we are going for profitability for this year and the next year. So, we have had a guidance of one to three more profitable markets for this year. And that's it.

## Per Jonas Tellander

*Chief Executive Officer & Independent Director, Storytel AB*

Very exciting. Thank you, Ingrid. Go to the next slide, please. So looking at market opportunity for Storytel, we are very bullish. We see that the audio revolution and audio trend continues to be incredibly strong and helpful for us. For the coming 10 years, we expect the overall audio book market in the world to grow by 15% annually, and Storytel should be able to take a good market share on that growing market. We currently have a market share of 5% globally. But if you look at the non-US markets, we have a market share above 15%. So we expect most of the growth to come from outside of the US and hereby having sort of capturing a 15% to 20% share of that market growth.

So this looks for a bright future. We do hard work every day to make sure that we have people loving, enjoying audiobooks around the world, and hope to be doing that for many, many years to come.

So, next slide. That's it for our presentation and we now move over to a Q&A.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] The first question comes from the line of Derek Laliberte from ABG. Please go ahead.

### Derek Laliberte

*Analyst, ABG Sundal Collier AB*

Q

Yes, good morning and congratulations on a strong end to 2019 and also a very good start to 2020. My first question, I was wondering if you could give some more details around the factors affecting the positive development in the contribution margin in the quarter in the Nordics. If you could break it down on how the market share of listens has developed as well as the reduced VAT effects from that and the marketing spend? Thanks.

### Per Jonas Tellander

*Chief Executive Officer & Independent Director, Storytel AB*

A

Yes. So thank you, Derek. I think you are correct. I mean the contribution margin improvements come from – I mean one part of it is of course the price increases or intensive price increases that came from the VAT reductions in Q3. And then we've seen some improvements also on the gross margin and the content cost driving from a better product mix and a better profitability on some of our accounts. And then we've seen also that in the summer season of Q3, our marketing costs are very, very high and then they dropped down a bit in Q4. So it's natural to see a little bit lower marketing spend in Q4. That's overall very positive and also comparing to last year, very, very positive.

### Derek Laliberte

*Analyst, ABG Sundal Collier AB*

Q

Okay. Thank you. And then secondly, could you give some more flavor around how each of the individual Nordic markets are performing [indiscernible] (00:13:32) Norway, Finland, and Denmark, and Iceland?

### Ingrid Bojner

*Chief Compliance Officer, Storytel AB*

A

Yes. I think I will start with Denmark. As we presented last year, we did a consolidation of our platforms that we have in Denmark with the Mofibo being our strongest brand and also our platform change towards the Storytel tech platform. So, we are continuing to have strong results in our Danish market and we see a continued strong development in the Icelandic market as you can see that is a recent market we launched. That is already a profitable market to us. So I would say that we have a strong performance across the whole Nordic group.

**Derek Laliberte**

*Analyst, ABG Sundal Collier AB*

Q

Okay. Thank you very much. And finally, from me then more on a general note there, what would you say are like the biggest risks to this long-term financial targets that you have? Is it related mainly to competition landscape or being able to access content in the same way as now or more or less general audiobook penetration sort of where that would have? Thank you.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

I mean, I think if you look really long-term, we see, I mean, mostly opportunities in the sense that we are heavily weighted towards the audio consumption and audio revolution. But in that space, there's also competition. I mean, you have podcasts platforms are growing stronger and stronger and lot of the creative talent being invested into those – the confluence of those platforms. I think that for the book industry in general is important to stay relevant and focused on the top talent, creative top talent, which always have come to the book industry. But it may not be given that they continue to do that, but come go elsewhere to podcasting platforms. So for us it's important to be also somehow present in that space, in the storytelling part of that space and make sure that we keep having a relevant content and good work.

**Derek Laliberte**

*Analyst, ABG Sundal Collier AB*

Q

Okay. Thank you very much. It's very clear.

**Operator:** The next question comes from the line of Oscar Erixon from Carnegie. Please go ahead.

**Oscar Erixon**

*Analyst, Carnegie Investment Bank AB*

Q

Thank you. Good morning, guys. First question is on Sweden. I know we discussed the Nordics more in general terms. But could you sort of describe a bit how subscriber growth is developing in Sweden given quite strong growth and increasing size for your local competitors? Thank you.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Yes. Thank you for the question. Yeah. I mean, we can continue to have a very strong market position in Sweden. There's been some statistics coming out from the Publishers Association and from Booksellers Association, and we keep being a strong market leader with about two-thirds of the overall market. So I think that's very positive. We'll see also that the book market is now really pivoting from a physical market into a digital market, in particular in the adult fiction segment. So the growth – there is underlying subscriber growth still in Sweden for Storytel. It's double-digits growth still and we're hoping to keep it that way. But need to stay very relevant and focused to make that happen also.

So I think Ingrid has some other thoughts on this.

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

A

Yes. So I think we have actually reached a very important milestone during the [ph] fall, (00:17:26) with 400,000 subscribers in that Swedish market. So we continue to see a positive growth and we know it's a more competitive market that we have, but we have a strong presence and we continue to work with our content to develop it at continuous pace.

**Oscar Erixon**

*Analyst, Carnegie Investment Bank AB*

Q

Great. Thank you. And two other market-related questions. Can you discuss how the launch has been in Germany, which is quite a particular market, I guess? And also, just very quickly describe what markets are performing the best outside of the Nordics. Is it still Turkey, Mexico, those that have performed well previously? Thank you.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Yes. I mean, we don't normally comment too much on the details of all our markets. But with regards to Germany, I think it's at a similar [ph] state (00:18:29) to South Korea that's where building up the markets right now and the content offering and preparing for a bigger rollout. But we haven't really gotten to that big marketing spend time point yet. And in terms of the best top performing markets, maybe Ingrid could share some interesting flavor on that.

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

A

Yes. I think as we also wrote in our yearly report, it's all about the local product market fit that we continuously work on. For us, it's very important to start with a content, making sure that we have something that's relevant for the local customers and then [ph] pairing (00:19:07) that with the payment system that works best in their countries. And then, when we start exploring our marketing opportunities, we can see that in some countries that we also spoke about on the Capital Markets Day, the way people consume our product is very local. And secondly, they may differ a little bit between markets.

So, for example, in Russia and Turkey that we spoke about on the Capital Markets Day, [ph] they sort of have this shift (00:19:37) towards really wanting to learn something from listening to books and audio books. So that's something also we then worked with on the local level to [ph] pair (00:19:47) the content on the best [ph] way. (00:19:48) And this is how we work with every market that we go into. And I think we will not be able to comment even more deeply, but – yeah.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Yeah. But I mean, you should basically look to our more – I mean, the markets with – that we are in profitability on or expects to come into profitability and then those are the locomotives for most of our top line growth in the coming year.

**Oscar Erixon**

*Analyst, Carnegie Investment Bank AB*

Q

Great. Very clear. And a final question and I'll leave it. But a final question. Penguin Random House, you've discussed before at the CMD, but also they withdrew their – its Anglophone and Spanish content from unlimited streaming services. Do you consider English content important in market launches, specifically, or do you see it as a non-event? Would be great with some more insight there. Thank you.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Yeah. Good question. I mean, Penguin Random House, yeah, they withdraw from all the streaming services globally here a month ago. To ask for their English content catalog, it's very small, small impact and effect on the consumption, because 85% of their consumption is local language and only 10% to 16% is English language, and Penguin Random House is a small subset of the English part. So it doesn't really have a huge effect.

But in the Spanish region, of course, they have a strong position. And a lot of the content that's being consumed there, it's from on one of their publishers. And so, I think the – just like with Netflix six or seven years ago, when you saw some of the major labels withdrawing from their service, you saw them investing more heavily into their own content catalog. I think that's kind of where you're pushed as a streaming company to go in terms of investing more. So we'll see more investments in Storytel original content in the Spanish region going forward.

**Oscar Erixon**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Great. Thank you.

**Operator:** The next question comes from the line of Hjalmar Ahlberg from Kepler Cheuvreux. Please go ahead.

**Hjalmar Ahlberg**

*Analyst, Kepler Cheuvreux SA (Sweden)*

Q

Thank you. Maybe follow-up on – you discussed the local content [ph] building activity, (00:22:08) again, when launching a new market and be successful, how do you see competition developing there? Are they trying to replicate this, or is it difficult to do that?

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

A

Yes. Thank you. I think having a strong position and a strong brand name also in the publishing industry is something really good for us, and also owning publishing houses, that makes us relevant and trustworthy as a partner for building up content locally. I don't want to comment exactly on how the competition is thinking, but I can clearly say that we are the most local streaming service when it comes to audio, and this is a road that we believe is the right road to go.

**Hjalmar Ahlberg**

*Analyst, Kepler Cheuvreux SA (Sweden)*

Q

Okay. Thanks. And you mentioned publishing there which had a quite good quarter, at least from my perspective. What was driving the growth on margin there? And was there something – I mean, I know Q4 is also a strong quarter, but do you think the pickup in growth and contribution margin was something sustainable, looking into 2020 and beyond?



**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

You mean – you refer to our publishing houses...

A

**Hjalmar Ahlberg**

*Analyst, Kepler Cheuvreux SA (Sweden)*

Yeah, yeah.

Q

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

... [ph] and the site. (00:23:22) Yeah. No. I mean, that's typically what you see is the seasonality effect of the Christmas season which is always very strong in that area. It used to be stronger. It's more leveling out now. But overall, I think the growth that we see in print publishing is more driven by a couple of acquisitions we made [indiscernible] (00:23:42) Massolit and B. Wahlströms [ph] around (00:23:48) Printz Publishing into the Norstedts publishing house which is largely driving that growth. But otherwise, I think the – I mean, the book markets in both Sweden, Denmark, and Finland are largely flat or low-single-digit growth.

A

**Hjalmar Ahlberg**

*Analyst, Kepler Cheuvreux SA (Sweden)*

Yes. Thanks. And the last question on the ARPU levels in your forecast. Do you see it coming down a bit in the Nordic and then coming up a bit in the non-Nordics? Can you give some more flavor, that's just mix between countries or something else is driving that?

Q

**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

Yeah, starting with the positive news, looking at increasing revenue in the non-Nordic countries, that's mainly driven by the price increases that we do ourselves. As you see with the growing catalogues that we have in the countries [ph] we dare to (00:24:33) increase the prices and the customer [ph] stake, (00:24:34) opening some markets we have seen VAT rates going down, like we mentioned in Germany and the Netherlands resulting [ph] impact positively. (00:24:43) So, that's good news.

A

Looking at the Nordic market, I mean, we were impacted partly by [indiscernible] (00:24:54) And we have actually one day less in Q1 than we had in Q4 which affects it by SEK 1 [indiscernible] (00:25:01). So that's one impact into this one. And the main part is, I mean, it will be a mix of the countries coming into this one.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

And also I think the family – there are more family accounts being signed up which are lower ARPU. So that drives [ph] our – down ARPU (00:25:22) slightly.

A

**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

While being very positive when we look into the customer lifetime value, because the family subscription models, even though lower ARPU, they will bring more money [ph] per payer (00:25:33) and also makes the customer stay for a longer time.

A

**Hjalmar Ahlberg**

*Analyst, Kepler Cheuvreux SA (Sweden)*

Q

Okay. Perfect. That was all from me. Thank you.

**Operator:** The next question comes from the line of Joachim Gunell, from DNB. Please go ahead.

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

Thank you. Good morning.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Good morning, Joachim.

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

So, I came in a bit late here to the call, but if you've touched upon this, perhaps you could clarify once again. I've noticed price hikes in both Russia and Turkey since the [indiscernible] (00:26:03). I think you already mentioned Poland and Mexico back then. So perhaps you can talk a bit about the timing of this hike? How much is driven by say inflation versus markets becoming more mature and your ambition basically to improve the customer lifetime value? And then a follow-up would obviously be if you have seen any impact on churn?

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

A

Well, thank you. Yes, any pricing decision, it's a combination of different factors. But we start by the customer side and make sure that we have a catalogue that we have and really put money into and invested in. And then we feel that it's time for a price increase.

When it comes to Turkey, yes, you may also think about the inflation being of course a part in this game. So it's a combination of factors. You asked about the churn and we have actually not seen any real effect on the churn side. And we have for some of these markets introduced a price to new subscribers. And we can continue to say that we see a good growth. And we also have then kept a lower price for our remaining customers for a while. So that's a nice way of introducing a price increase to the market and also taking care of the customers you already have.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Again, a grandfathering principle that Netflix has used for many, many years is what Ingrid refers to.

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

Sure. So, I mean, the regions where you seem to accelerate your international expansion seems to be, I mean, further down the line, Latin America and perhaps Middle East, giving the scalability of the content catalog. But, I mean, your push into LatAm seems to be paying off in terms of, I mean, popularity, in terms of your app, but that's not so much in, say, the United Arab Emirates. So any thoughts on why that is?

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

I think we've found the local product market fit, I think it speaks about in Mexico and also looking – feeling very bullish about the rest of the LATAM region. I think we haven't quite found that yet in Arabic. In India, it's also taken us some time, but we expect to solve that this year by introducing a new type of subscription for the Indian customer. So step by step, we try to solve it for each of these markets.

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

A

And our approach to United Arab – Arabia, that we have also invested heavily in our catalog there. So that's also what we have really decided to do. So, the marketing hasn't really been the focus for us yet. And we're also positive to say that we have now introduced the Arabic font in our Nordics app in Sweden and...

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

All right. And for Jörgen then, so as 2020 will be somewhat of a consolidation year, with somewhat fewer markets launched. Can you talk about, I mean, cash flows going into 2020, say, versus 2019 level?

**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

A

Yes. Consolidation year, yes. In a way, we will continue to grow by 35%, as you know, it's consolidation in the historical way. So we haven't guided the detail on this one. But with the growth, we will continue to lose money; that is for sure. I think at the end of the quarter, we have plenty of cash and we have additional credit lines available with Swedbank as well. So I think we are in a good position to support this growth for the coming years.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

A

Great. Do we have any final question or do you want to close the call? A final question?

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

One final question. Just could you perhaps – yeah. When will you provide further details on the financial implications of the eventual capitalization of content and development costs?

**Jörgen Gullbrandson**

*Interim Chief Financial Officer, Storytel AB*

A

Oh, yeah. This will come during this year. We haven't set an exact date, but sometime during this year we will start to capitalize [indiscernible] (00:30:23). So, you will see it in one of the quarters during 2020. [indiscernible] (00:30:27).

**Joachim Gunell**

*Analyst, DNB Bank ASA (Sweden)*

Q

Thank you very much.

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

So final, final question then.

A

**Operator:** We have the last question from Dennis Berggren from Pareto Securities. Please go ahead.

**Dennis Berggren**

*Analyst, Pareto Securities*

Okay, good morning. Yes, quick question. Could you provide some color on the Ztory offering and how it's strengthening I think this new lifetime trends and specifically churn?

Q

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

We don't have any data on that yet. I mean, basically last summer we introduced Ztory the magazine subscriptions to our subscribers and we had good signups and then good conversion in October as people started to pay for that subscription. It costs SEK 50 extra on top of your historical subscription. But we only have like four months so far. So we don't have any firm data that can validate the improvement on the survival rate on the customer lifespan for the customers who sign up for that. So we need to get back to that in the next call.

A

**Dennis Berggren**

*Analyst, Pareto Securities*

Okay. Perfect. Looking forward to that.

Q

**Per Jonas Tellander**

*Chief Executive Officer & Independent Director, Storytel AB*

Yeah. So, thank you very much, everybody. Excellent questions and looking forward to talk to you again in three months from now. Until then, stay tuned, listen to more audio books, and stay as followers and investors of Storytel. So, thank you very much.

**Ingrid Bojner**

*Chief Compliance Officer, Storytel AB*

Thank you.

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