

# Year-End Report

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



# Highlights

## Q4 Financial Highlights

- Streaming revenue up 23% from Q4 2021 to 742 (605) MSEK, 27% excluding Russia
- Group net sales increased by 17% from Q4 2021 to 867 (741) MSEK
- Gross profit of 322 (282) MSEK, equaling a 37.2% margin (38.1%)
- EBITDA of 39 (-86) MSEK equaling a 4.4% (-11.6%) margin
- *EBITDA excluding items affecting comparability of 53 (-86) MSEK equaling a 6.1% (-11.6%) margin*
- Basic and diluted earnings per share amounted to -1.26 (-1.99) SEK
- Successfully completed a directed share issue and thereby raised gross proceeds of approximately 400 MSEK

## Q4 Other Highlights

- Kristin Widell appointed Chief People Officer
- An Extraordinary General Meeting was held on 28 November at which Tranche 2 of the directed share issue resolved by the Board of Directors on November 9 was approved

## Highlights after the End of the Quarter

- The Board of Directors resolved to reschedule the Annual General Meeting to May 4, 2023. The Annual General Meeting was originally planned to be held on 2 May 2023
- Anna Etzler appointed SVP Operations
- Peter Messner appointed Chief Financial Officer, assumes role no later than August 11

# Letter to Our Shareholder

The fourth quarter of 2022 served as a bookmark to a truly remarkable year for Storytel. We completed the transformation of our strategy, a significant restructuring of our activities and organization, strengthened our balance sheet, and implemented our focus on profitable growth. We achieved another strong EBITDA margin in Q4 and positive EBITDA for the entire year. And, we ended 2022 as a more focused company with clear priorities on profitability and growth in our core markets, and a strong strategic commitment to expanding our content leadership and marketing capabilities.

Dear Shareholders,

The fourth quarter of 2022 served as a bookmark to a truly remarkable year for Storytel.

We completed the transformation of our strategy, a significant restructuring of our activities and organization, and strengthened our balance sheet, and implemented our focus on profitable growth. We achieved another strong EBITDA margin in Q4 and positive EBITDA for the entire year. And, we ended 2022 as a more focused company with clear priorities on profitability and growth in our core markets, and a strong strategic commitment to expanding our content leadership and marketing capabilities.

As a leader in the spoken-word audio entertainment space, our mission is to move the world through story. Accordingly, we are increasingly focused on Content as one of the core pillars of our strategy. With a dedicated global Content team in charge, we aim to bring more and widely appealing content to our audiences, and we are expanding our activities in the areas of Original and exclusive content.

In 2022, Storytel Books and our leading world-class audiobook and ebook publisher StorySide released over 10,000 titles, with more than 80% of these being

StorySide releases including 150+ Storytel Original audiobooks. Crime, Fiction, Romance and Thrillers remain the most coveted genres among our customers, with Romance, Thrillers and Non-Fiction showing the strongest growth. We were also happy to see the 2022 Nobel laureate for Literature, Annie Ernaux, capture the hearts and minds of Storytel customers, delivering strong sales for our publishers in Sweden and Finland, where Storytel Books holds exclusive rights to her works.

We are committed to constantly improve our audiences' ability to discover the genres and stories that are perfect for them by upgrading our data infrastructure, technology platform and our approach to content discovery and curation; all while paying close attention to the overall cost of content, which remains the largest driver of our overall cost of doing business.

In Q4, we brought all Marketing functions from across the company together as one of our global functional pillars. Working in tight collaboration with our regional teams, this unit continuously implements and optimizes our full-funnel marketing strategy, and is responsible for every stage of the Storytel customer lifecycle. In addition, this team also plays an

instrumental role in the company's promotional strategy now focused on fewer, but significantly more impactful promo campaigns, optimized product tiering, and refined pricing strategy. This new approach was behind our Q4 2022 – Q1 2023 launch of the new time-capped listening (100h/month) subscription tier Premium, and the corresponding price increase for our Unlimited product in Finland, Sweden and Denmark. Together with our Basic product, we believe that Storytel now offers the right product at the right price for all of our customers, and appeals equally to occasional listeners, passionate readers, and audiobook super-fans.

Q4 also saw the formation of a new Partnerships team that is dedicated to bringing Storytel to more listeners through partners ranging from mobile app stores and OEMs to telcos, financial services and e-commerce players. We are encouraged by how positive some of these early conversations have developed, and look to such opportunities as one additional way of driving profitable growth in the future.

As we communicated in 2022, our activities and investments remain geographically focused on growth in a set of core, profitable markets. These encompass Sweden, Denmark, Finland, Norway, Iceland, the Netherlands, Turkey, Bulgaria, Poland and the United States. I was happy to see Storytel closing the year with continued strong momentum in these Top 10 markets. Having switched our focus from Growth only to Profitable Growth, we are making limited investment beyond the core ten countries and are taking time in 2023 to evaluate and prioritize our activities outside the core markets. We will update you on our geographic focus and go-forward strategy later this year.

The global audiobook market is still in the early phase of its evolution and poised for continued strong growth as more and

more consumers around the globe discover the benefits of this dynamic medium. Overall, including Core and Growth markets, Storytel achieved 11% organic, FX-adjusted growth in 2022, which is the trend we expect to remain for the coming quarters until the strategy has been fully deployed. As a market leader in our core profitable markets, we are in a good position to benefit from this continued positive market evolution, and I am excited about all the opportunities for profitable growth our strategic initiatives will help unlock.

Since I started as CEO of Storytel back in September, I've been impressed with the dedication and passion of the Storytel team. As a content driven organization powered by great technology that operates in a highly competitive space, Storytel aims to attract and retain the best talent in the market. Over recent months, we have welcomed, amongst many other talented new additions to Storytel, Anna Etzler (formerly with Klarna, General Electric) as SVP Operations; and our new Chief People Officer, Kristin Widell (formerly HiQ, SAAB, Tieto). We've also announced the arrival later this year of Peter Messner (formerly Catena Media, MTG) as our new, permanent CFO. While we remain disciplined with respect to personnel cost and group headcount, we will continue to make changes and critical additions to our team in support of our strategy and priorities.

In November, Storytel announced the successful raising of 400 million SEK from existing and new shareholders. This directed share issue was significantly oversubscribed and led by new investor Otava Ltd. from Finland, with large contributions also coming from many of our existing shareholders including EQT and Roxette. Otava is a leading book publishing, media and retail company in Finland, and our relationship there has been long standing.

We are pleased with their investment and the deepening of the connection it represents.

My focus is now on the years to come, and how we can build upon the successes of the previous year. I am working closely with the management team and the Board on our continued strategic agenda to accelerate our profitable growth trajectory, and I am thrilled that we remain well positioned to remain one of the global leaders in the fast-growing audiobook industry. I look forward to sharing further details with you, including our long-term financial vision, at a Capital Markets Day, to be held later this year.

Given an upcoming CMD later this year, which will encompass in-depth plans including financial targets, we will not be guiding specifically for 2023.

Until we see each other at the Capital Markets Day, the Company and I remain

focused on maintaining the trend for the past two quarters, with breakeven operational cash flow\* and sustained positive EBITDA margins.

**Johannes Larcher**  
CEO



\*Operational cash flow = EBITDA excluding items affecting comparability - operational capex

**Table 1: Key Performance Indicators**

TSEK	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
<b>Streaming Total<sup>1</sup></b>					
Revenue	605,128	698,599	704,454	742,426	742,283
<i>Revenue excl Russia</i>	584,495	679,654	693,464	732,837	742,374
Gross profit	220,003	283,868	278,554	307,463	304,594
Gross margin	36.4%	40.6%	39.5%	41.4%	41.0%
Avg. Paying Subscribers	1,784,600	2,051,000	2,031,000	2,064,000	2,036,000
ARPU (SEK/month)	113	114	116	120	122
<b>Streaming Nordics<sup>1</sup></b>					
Revenue	459,018	458,555	469,390	492,765	498,336
Gross profit	171,791	165,788	177,354	189,289	184,767
Gross margin	37.4%	36.2%	37.8%	38.4%	37.1%
Avg. Paying Subscribers	1,047,900	1,061,000	1,078,000	1,129,000	1,132,000
ARPU (SEK/month)	146	144	145	145	147
<b>Streaming Non-Nordics</b>					
Revenue	146,110	240,044	235,064	249,662	243,947
<i>Revenue excl Russia</i>	125,477	221,099	224,074	240,073	244,038
Gross profit	48,212	118,080	101,190	118,173	119,828
Gross margin	33.0%	49.2%	43.0%	47.3%	49.1%
Avg. Paying Subscribers	736,700	990,000	953,000	935,000	904,000
ARPU (SEK/month)	66	81	82	89	90
<b>Books</b>					
Revenue	204,316	149,305	156,999	147,199	193,069
Gross profit	128,737	84,399	78,185	81,916	85,141
Gross margin	63.0%	56.5%	49.8%	55.6%	44.1%
<b>Group total<sup>2</sup></b>					
Revenue	740,805	747,170	780,730	805,819	866,663
Gross profit	281,977	288,498	290,363	311,907	322,377
Gross margin	38.1%	38.6%	37.2%	38.7%	37.2%
Revenue Growth YoY	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
<b>Streaming Total<sup>1</sup></b>					
Revenue	20.2%	35.1%	29.2%	27.3%	22.7%
<i>Revenue excl Russia</i>	19.1%	35.3%	31.0%	29.5%	27.0%
Revenue – CER	19.8%	32.6%	25.6%	22.0%	16.6%
<b>Streaming Nordics<sup>1</sup></b>					
Revenue	14.9%	14.1%	10.9%	10.2%	8.6%
Revenue – CER	13.7%	11.0%	8.5%	6.9%	4.8%
<b>Streaming Non-Nordics</b>					
Revenue	40.7%	108.3%	92.5%	83.7%	67.0%
<i>Revenue excl Russia</i>	37.7%	120.3%	111.6%	102.2%	94.5%
Revenue – CER	43.3%	107.9%	85.1%	71.7%	53.5%
<b>Books</b>					
Revenue	3.5%	19.3%	4.7%	-18.3%	-5.5%
Revenue – CER	3.8%	17.8%	3.6%	-19.4%	-7.0%

<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 the quarter, Group

*Comparative figures pertain to Q4 2021*

## Gross profit

Net sales for the period increased by 17% compared to the comparative period and totaled 866.7 (740.8) MSEK. This 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 -544.3 (-458.8) MSEK. Gross profit amounted to 322.4 (282.0) MSEK, which equals a gross margin of 37.2% (38.1%). This adverse change is primarily driven by increased unit-sale and distribution costs within the Books segment.

## Operating profit

The period includes decreased sales and marketing expenses amounting to -207.4 (-293.0) MSEK. The period includes items affecting comparability totaling -1.2 (0) MSEK. Q4 2021 includes significant growth investments whereas investments in the current period have been focused on top markets and profitable growth.

Technology and development expenses totaled -71.4 (-71.7) MSEK, which includes continuous investments in the platform, striving to increase subscriber engagement. The period includes items affecting comparability totaling -1.6 (0) MSEK related to strategic shift and reorganization.

General and administrative expenses totaled -97.8 (-57.4) MSEK in the period. The period includes items affecting comparability totaling -11.7 (0) MSEK. Excluding items affecting comparability, the underlying increase is largely driven by the acquisition of Audiobooks.com.

Total items affecting comparability for the period amounts to -14.5 MSEK and relate to the strategic shift and reorganization.

Operating profit for the period totaled -46.8 (-124.6) MSEK. Operating profit excluding items affecting comparability for the period amounted to -32.2 (-124.6) MSEK, where the improvement to a large extent is derived from the above outlined strategic shift to focus on profitable growth and the acquisition of Audiobooks.com.

## EBITDA

EBITDA for the period totaled 38.5 (-86.2) MSEK, which equals an EBITDA margin of 4.4% (-11.6%). EBITDA excluding items affecting comparability for the period totaled 53.0 (-86.2) MSEK, which equals a margin of 6.1% (-11.6%), and the significant improvement is driven by the strategic shift to focus on profitable growth, and the acquisition of Audiobooks.com.

## Profit before tax

Profit before tax for the period amounted to -91.7 (-115.1) MSEK. Profit before tax excluding items affecting comparability totaled -77.2 (-115.1) MSEK.

Net financial items for the period totaled -44.9 (9.6) MSEK. The amount includes an unrealized negative FX effect from a USD denominated commitment derived from the acquisition of Audiobooks.com, amounting to -33.1 MSEK. Excluding 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 and the partial utilization of the RCF.

Taxes for the period amounted to 0.7 (-18.0) MSEK.

Earnings per share for the period totaled -1.26 (-1.99) SEK, before and after dilution.

Group total	Q4 2022	Q4 2021
Net sales	866.7	740.8
Cost of sales	-544.3	-458.8
<b>Gross profit</b>	<b>322.4</b>	<b>282.0</b>
Selling and marketing expenses	-207.4	-293.0
Technology and development expenses	-71.4	-71.7
Administrative expenses	-97.8	-57.4
Other operating income	12.1	13.6
Profit from participations in associates	-4.6	1.8
<b>Operating profit/loss</b>	<b>-46.8</b>	<b>-124.6</b>
Net financial items	-44.9	9.6
<b>Profit before tax</b>	<b>-91.7</b>	<b>-115.1</b>

## Cash flow

Cash flow from operating activities before changes in working capital was 12.1 (-93.8) MSEK, with the improvement driven by the strategic shift to focus on profitable growth. The change in working capital was -31.7 (-49.2) MSEK, resulting in cash flow from operating activities of -19.6 (-142.9) MSEK for the period. Cash flow from investing activities was -57.4 (-77.0). Cash flow from financing activities was 382.7 (1.8) MSEK and relates to the directed share issue with gross proceeds of 400 MSEK completed during the quarter. Total cash flow for the period was 305.6 (-218.1) MSEK.



# Developments during January–December 2022, Group

*Comparative figures pertain to Jan–Dec 2021*

## Gross profit

Net sales for the period increased by 22% from the comparative period and totaled 3,200.4 (2,620.8) MSEK. The increase is primarily driven by the acquisition of Audiobooks.com, favorable FX movements and solid growth across our top markets, especially the Nordic region.

Cost of sales for the period totaled -1,987.2 (-1,607.7) MSEK. The period includes items affecting comparability totaling -35.6 (0) MSEK, and the underlying increase is primarily driven by continued expansion and focused investments in our top markets, including recently acquired Audiobooks.com.

Gross profit amounted to 1,213.1 (1,013.1) MSEK, which equals a gross margin of 37.9% (38.7%). Excluding items affecting comparability, gross profit amounted to 1,248.7 (1,013.1) MSEK which equals a margin of 39.0% (38.7%). The improvement is to a large extent driven by the acquisition of Audiobooks.com and the strategic shift to focus on profitable growth.

## Operating profit

The period includes decreased sales and marketing expenses amounting to -942.8 (-957.4) MSEK. The period includes items affecting comparability totaling -26.8 (0) MSEK. The decrease is largely attributable to the strategic shift to focus on profitable growth, and related reorganization completed in early 2022, somewhat offset by the acquisition of Audiobooks.com.

Technology and development expenses totaled -322.7 (-206.9) MSEK and include

investments into the technical platform. The period includes items affecting comparability totaling -59.0 (0) MSEK. Excluding items affecting comparability, the increase is mainly driven by a write-off to the technical platform of -10.5 MSEK, and the acquisition of Audiobooks.com. Another effect albeit affecting the change to a lesser extent is that investments are being capitalized at a somewhat lower degree and that the useful life of certain assets have decreased compared to previous years.

General and administrative expenses amounted to -370.0 (-221.4) MSEK. The period includes items affecting comparability totaling -72.2 (0) MSEK. Excluding items affecting comparability, the increase is to a large extent driven by the strategic shift to centralize certain functions and the acquisition of Audiobooks.com.

Total items affecting comparability for the period totaled -193.6 (0) MSEK, allocated to the strategic shift and reorganization at -108.9 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 -389.0 (-350.8) MSEK. Operating profit excluding items affecting comparability for the period amounted to -195.5 (-350.8) MSEK, where the improvement is driven by the shift to profitable growth outlined above and the operational restructuring

completed in line with the strategic shift conducted during the first half of 2022.

## EBITDA

EBITDA for the period totaled -56.5 (-172.5) MSEK, which equals an EBITDA margin of -1.8% (-6.6%). EBITDA excluding items affecting comparability for the period amounted to 92.2 (-172.5) MSEK which corresponds to a margin of 2.9% (-6.6%).

## Profit before tax

Profit before tax for the period amounted to -383.7 (-352.3) MSEK. Profit before tax excluding items affecting comparability for the period amounted to -190.1 (-352.3) MSEK, where the improvement is driven by the strategic shift to focus on profitable.

Net financial items for the period totaled 5.3 (-1.6) MSEK. The amount includes an unrealized positive FX effect from a USD denominated loan exposure derived from the acquisition of Audiobooks.com, amounting to 48.7 MSEK. Adjusted for this amount, the underlying interest expense has increased due to the 500 MSEK bridge loan taken in connection with the acquisition of Audiobooks.com and the partial utilization of the RCF.

Taxes for the period amounted to 3.4 (-20.8) MSEK.

Earnings per share for the period totaled -5.51 (-5.68) SEK, before and after dilution.

Group total	Jan-Dec 2022	Jan-Dec 2021
Net sales	3,200.4	2,620.8
Cost of sales	-1,987.2	-1,607.7
<b>Gross profit</b>	<b>1,213.1</b>	<b>1,013.1</b>
Selling and marketing expenses	-942.8	-957.3
Technology and development expenses	-322.7	-206.9
Administrative expenses	-370.0	-221.4
Other operating income	34.4	17.6
Profit from participations in associates	-1.1	4.2
<b>Operating profit/loss</b>	<b>-389.0</b>	<b>-350.8</b>
Net financial items	5.3	-1.6
<b>Profit before tax</b>	<b>-383.7</b>	<b>-352.3</b>

## Cash flow

Cash flow from operating activities before changes in working capital was -117.6 (-175.0) MSEK. The change in working capital was 17.1 (-43.7) MSEK, resulting in cash flow from operating activities totaling -100.5 (-218.7) MSEK for the period. Cash flow from investing activities was -1,141.4 (-371.3) MSEK, primarily driven by the acquisition of Audiobooks.com earlier in 2022, whereas the comparable period primarily includes the acquisitions of Lind & Co the smaller publisher Aula & Co.

Cash flow from financing activities was 1,085.4 (1,131.6) MSEK where the period includes the 600 MSEK utilization of the revolving credit facility (RCF) and was affected by the acquisition of Audiobooks.com, whereas the comparable period includes the directed share issue completed in Q1 2021. Financing activities were also positively affected by the directed share issue that was completed in November 2022. Total cash flow for the period was -156.5 (541.6) MSEK.

## Other information

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

At the end of the period, the Group had 776.3 (905.9) MSEK in cash and cash equivalents. The equity-to-asset ratio at the end of the period was 49.5% (63.5%).

Total equity for the quarter was 2,192.9 (1,910.6) MSEK.

Non-current liabilities totaled 866.4 (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 1,329.2 (841,5) MSEK and included a bridge loan facility of 500 MSEK utilized in connection with the acquisition of Audiobooks.com. The bridge loan is to be replaced with 200 MSEK term loan at the end of Q1-23.

Total available liquidity (cash and cash equivalents and unutilized RCF) totalled 1,026.3 MSEK at the end of the period.

### 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 18.2 (8.1) MSEK. Profit before tax amounted to 6.2 (25.0) MSEK, and profit/loss for the period amounted to 4.8 (27.2) MSEK. The condensed income statement and balance sheet for the Parent Company are presented on page 24.

### Risks and uncertainty factors

The Group is subject to significant risks and uncertainties. As noted in the most recent 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, moved 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, Storytel announced in Q1 its intent to pause its operations in Russia. This has been implemented, and the operations were phased out during the third quarter. As of December 31 2022, there is no significant balance sheet exposure related to Russia.

### Forecast

The quarterly streaming revenue forecasts will be discontinued as of Q1 2023.

# Financial Statements Summary

## Group

### Condensed Income Statement

TSEK	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Net sales	866,663	740,805	3,200,382	2,620,797
Cost of sales	-544,286	-458,828	-1,987,237	-1,607,690
<b>Gross profit</b>	<b>322,377</b>	<b>281,977</b>	<b>1,213,145</b>	<b>1,013,107</b>
Sales and marketing expenses	-207,442	-292,956	-942,799	-957,338
Technology and development expenses	-71,445	-71,671	-322,699	-206,913
General and administrative expenses	-97,799	-57,372	-370,020	-221,372
Other operating income	12,140	13,588	34,424	17,554
Result from participations in associates	-4,595	1,798	-1,070	4,208
<b>Operating profit/loss</b>	<b>-46,764</b>	<b>-124,636</b>	<b>-389,019</b>	<b>-350,754</b>
Net financial items	-44,913	9,581	5,347	-1,570
<b>Profit/loss before taxes</b>	<b>-91,677</b>	<b>-115,055</b>	<b>-383,672</b>	<b>-352,324</b>
Tax	669	-18,029	3,402	-20,761
<b>Profit/loss for the period</b>	<b>-91,008</b>	<b>-133,084</b>	<b>-380,270</b>	<b>-373,085</b>
<b>Profit for the period attributable to:</b>				
Parent Company shareholder	-91,714	-135,714	-382,957	-381,587
Non-controlling interest	706	2,630	2,687	8,502
	<b>-91,008</b>	<b>-133,084</b>	<b>-380,270</b>	<b>-373,085</b>
<b>Earnings per share, SEK</b>				
Group total, basic	-1.26	-1.99	-5.51	-5.68
Group total, diluted	-1.26	-1.99	-5.51	-5.68
<b>Statement of comprehensive income</b>				
Profit/loss for the period, after tax	-91,008	-133,084	-380,270	-373,085
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to profit/loss (after tax)</i>				
Translation difference	-62,570	-7,095	160,132	8,626
<i>Items that will not be reclassified to profit/loss (after tax)</i>				
Revaluation of defined-benefit pension plans	-7,773	-7,496	106,538	-389
Revaluation of hedging instruments	-	-10,031	8,580	-10,031

<b>Total other comprehensive income for the period, after tax</b>	-70,343	-24,622	275,250	-1,794
<b>Total comprehensive income for the period, after tax</b>	-161,351	-157,706	-105,020	-374,879
<b>Total comprehensive income for the period attributable to:</b>				
Parent Company shareholder	-162,057	-160,336	-107,707	-383,381
Non-controlling interest	706	2,630	2,687	8,502

## Group

### Condensed Consolidated Statement of Financial Position

<b>TSEK</b>	<b>12/31/2022</b>	<b>12/31/2021</b>
Intangible assets	2,622,416	1,063,145
Tangible assets	28,990	27,675
Right-of-use assets	112,355	131,421
Non-current financial assets	87,690	46,114
Inventory	102,107	65,663
Current receivables	658,580	768,820
Cash and cash equivalents	776,341	905,882
<b>Total assets</b>	<b>4,388,479</b>	<b>3,008,720</b>
Equity	2,192,949	1,910,603
Non-current liabilities	866,369	256,642
Current liabilities	1,329,161	841,475
<b>Total equity and liabilities</b>	<b>4,388,479</b>	<b>3,008,720</b>

## Condensed Statement of Changes in Equity

TSEK	Q1-Q4 2022	Q1-Q4 2021
<b>Opening equity for the period</b>	<b>1,910,603</b>	<b>955,607</b>
Profit/loss for the period	-380,270	-373,085
Non-controlling interest	-3,762	65,340
<i>Other total comprehensive income for the year:</i>		
Translation difference	160,133	8,626
Revaluation of defined-benefit pension plans	106,537	-389
Hedge accounting	8,580	-10,031
Transfer of cash flow hedge to business combinations	1,451	-
<i>Transactions with owners:</i>		
Share issue	391,068	1,241,598
Share based incentive programs	-1,391	15,939
Warrant premium	-	6,998
<b>Closing equity for the period</b>	<b>2,192,949</b>	<b>1,910,603</b>

## Group

### Condensed Cash Flow Statement

TSEK	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Profit/loss after financial items	-91,677	-115,057	-383,672	-352,326
<i>Where of interest paid</i>	-4,906	4,325	-28,761	-3,819
Adjustments for non-cash items	113,147	35,292	288,6147	194,613
Taxes paid	-9,346	-14,023	-22,517	-17,286
<b>Cash flow from operations before changes in working capital</b>	<b>12,124</b>	<b>-93,787</b>	<b>-117,575</b>	<b>-174,999</b>
Change in working capital	-31,729	-49,161	17,130	-43,701
<b>Cash flow from operating activities</b>	<b>-19,605</b>	<b>-142,948</b>	<b>-100,445</b>	<b>-218,700</b>
Cash flow from investing activities	-57,438	-76,966	-1,141,390	-371,319
Cash flow from financing activities	382,671	1,806	1,085,351	1,131,569
<b>Cash flow for the period</b>	<b>305,628</b>	<b>-218,108</b>	<b>-156,486</b>	<b>541,550</b>
<b>Available funds at the beginning of period</b>	<b>457,411</b>	<b>1,124,547</b>	<b>905,882</b>	<b>361,646</b>
Cash flow for the period	305,628	-218,108	-156,486	541,550
Translation differences in available funds	13,302	-557	26,945	2,686
<b>Available funds at end of period</b>	<b>776,341</b>	<b>905,882</b>	<b>776,341</b>	<b>905,882</b>

## 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 the interim reports prior to 2022, 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. The provision has been consumed during 2022. The reorganization also includes write-downs of some technological assets that are not included in the provision amount. During 2022 Turkey was defined as a hyperinflationary economy and as such the Group applies IAS 29 related to its entity in Turkey.

There are no new IFRS standards or amendments of existing IFRS standards during 2022 that have had 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 ratios 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, this report presents 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 was no other significant changes in the scope or type of transactions with related parties to the Group other 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.

Oct-Dec 2022	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	498,336	243,947	193,069	935,352	-97,128	28,440	866,663
Internal revenue	-	-	43,049	43,049	-43,049	-	-
Cost of sales	-313,569	-124,119	-150,977	-588,666	61,748	-17,368	-544,286
<b>Gross profit</b>	<b>184,767</b>	<b>119,828</b>	<b>85,141</b>	<b>389,735</b>	<b>-78,429</b>	<b>11,071</b>	<b>322,377</b>

Jan-Dec 2022	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	1,919,046	968,717	646,572	3,534,335	-369,384	35,431	3,200,382
Internal revenue	-	-	165,477	165,477	-165,477	-	-
Cost of sales	-1,201,847	-511,446	-482,407	-2,195,701	257,950	-49,486	-1,987,237
<b>Gross profit</b>	<b>717,199</b>	<b>457,271</b>	<b>329,641</b>	<b>1,504,110</b>	<b>-276,910</b>	<b>-14,055</b>	<b>1,213,145</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 that 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.

Group total	Oct-Dec 2022	Jan-Dec 2022
Gross profit	322,377	1,213,145
Selling and marketing expenses	-207,442	-942,799
Technology and development expenses	-71,445	-322,699
Administrative expenses	-97,799	-370,020
Other operating income	12,140	34,424
Profit from participations in associates	-4,595	-1,070
<b>Operating profit/loss</b>	<b>-46,764</b>	<b>-389,019</b>
Net financial items	-44,913	5,347
<b>Profit/loss before tax</b>	<b>-91,677</b>	<b>-383,672</b>

Oct-Dec 2021	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	459,019	146,110	204,316	809,445	-86,783	18,143	740,805
Internal revenue	-	-	41,066	41,066	-41,066	-	-
Cost of sales	-287,228	-97,898	-116,645	-501,771	59,254	-16,310	-458,828
<b>Gross profit</b>	<b>171,791</b>	<b>48,212</b>	<b>128,737</b>	<b>348,740</b>	<b>-68,596</b>	<b>1,833</b>	<b>281,977</b>

Jan-Dec 2021	Streaming Nordics	Streaming Non-Nordics	Books	Total segment	Group-wide items and eliminations	Other adjustments	Group total
Revenue from external customers	1,731,375	519,480	659,583	2,910,438	-319,838	30,197	2,620,797
Internal revenue	-	-	147,439	147,439	-147,439	-	-
Cost of sales	-1,067,461	-327,952	-407,814	-1,803,227	221,604	-26,068	-1,607,691
<b>Gross profit</b>	<b>663,914</b>	<b>191,528</b>	<b>399,208</b>	<b>1,254,650</b>	<b>-245,673</b>	<b>4,130</b>	<b>1,013,107</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.

Group total	Oct-Dec 2021	Jan-Dec 2021
Gross profit	281,977	1,013,107
Selling and marketing expenses	-292,956	-957,338
Technology and development expenses	-71,671	-206,913
Administrative expenses	-57,372	-221,372
Other operating income	13,588	17,554
Profit from participations in associates	1,798	4,208
<b>Operating profit/loss</b>	<b>-124,636</b>	<b>-350,754</b>
Net financial items	9,581	-1,570
<b>Profit/loss before tax</b>	<b>-115,055</b>	<b>-352,234</b>

## Note 6 Revenue from contracts with customers

Oct-Dec 2022	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service	-	645,155	-	645,155
Revenue from publishing activities	193,069	-	-	193,069
Other	-	-	28,440	28,440
<b>Revenue from contracts with customers</b>	<b>193,069</b>	<b>645,155</b>	<b>28,440</b>	<b>866,663</b>

Jan-Dec 2022	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service	-	2,499,013	-	2,499,013
Revenue from publishing activities	646,572	-	-	646,572
Other	-	-	54,797	54,797
<b>Revenue from contracts with customers</b>	<b>646,572</b>	<b>2,499,013</b>	<b>54,797</b>	<b>3,200,382</b>

Oct-Dec 2021	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service	-	518,346	-	518,346
Revenue from publishing activities	204,316	-	-	204,316
Other	-	-	18,143	18,143
<b>Revenue from contracts with customers</b>	<b>204,316</b>	<b>518,346</b>	<b>18,143</b>	<b>740,805</b>

Jan-Dec 2021	Books	Streaming	Other	Group total
<b>Type of product or service</b>				
Revenue from subscriptions of streaming service	-	1,931,017	-	1,931,017
Revenue from publishing activities	659,583	-	-	659,583
Other	-	-	30,197	30,197
<b>Revenue from contracts with customers</b>	<b>659,583</b>	<b>1,931,017</b>	<b>30,197</b>	<b>2,620,797</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 of 10 MSEK as at 12/31/2021 that was attributable to the hedging of a payment of 130 MUS\$ related to the acquisition of Audiobooks.com. At 12/31/2022 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.

Financial liabilities valued at fair value	Jan-Dec 2022	Jan-Dec 2021
<b>Opening balance</b>	23,095	12,512
Additional contingent consideration	-	552
Paid / Settled	-	-
Change in value recognized in profit/loss	48	-
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>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 has been 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	3,088
Deferred tax asset	33,838
Accounts receivable and other receivables	4,806
Cash and cash equivalents	39,063
Interest-bearing liabilities	-369,979
Lease liabilities	-3,088
Deferred tax liability	-145,273
Accounts payable and other operating liabilities	-40,283
<b>Identified net assets</b>	<b>167,518</b>
Goodwill	726,073
<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 726,073 TSEK arose in the form of a difference between the transferred compensation and the fair value of the acquired net assets. In Q4 there has been a reclassification between goodwill and deferred tax assets of 11,716 TSEK. 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 was reviewed during the second quarter in terms of IFRS 15 alignment and impact on fair value amounted 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
Less:	
Cash (acquired)	39,063
<b>Net cash outflow</b>	<b>854,528</b>

During the twelve months leading up to the balance sheet date, Audiobooks.com contributed 351,083 TSEK to consolidated revenues and 8,922 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 359,143 TSEK and the profit for the period 8,942 TSEK.

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

In the fourth quarter a contingent earn-out payment has been settled for the acquisition of Lind & Co with the amount of 23,760 TSEK.

## 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 1/1/2021–12/31/2021, the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of cash flows for the period 1/1/2021–12/31/2021. 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 did not have any effect on the Parent Company's statement of comprehensive income or cash flows for the period 1/1/2021–12/31/2021 or financial position as at December 31, 2021.

## Parent Company

### Condensed Income Statement

TSEK	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Net sales	18,207	8,079	43,096	20,896
Cost of revenue	-4,109	-	-4,109	-
<b>Gross profit</b>	<b>14,098</b>	<b>8,079</b>	<b>38,987</b>	<b>20,896</b>
Administrative expenses	-20,668	-7,288	-51,864	-17,002
Other operating income	3,132	-	3,132	-
Profit from participation in group company	15,608	-	15,608	-
<b>Operating profit</b>	<b>12,169</b>	<b>791</b>	<b>5,862</b>	<b>3,894</b>
Net financial items	-5,945	24,195	-6,416	31,565
<b>Profit/loss before taxes</b>	<b>6,225</b>	<b>24,986</b>	<b>-553</b>	<b>35,459</b>
Appropriations	-	3,460	-	3,460
Tax	-1,437	-1,283	-1,437	-1,283
<b>Profit/loss for period</b>	<b>4,788</b>	<b>27,163</b>	<b>-1,990</b>	<b>37,636</b>
<b>Parent company's condensed statement of comprehensive income</b>				
Profit for the period	4,788	27,163	-1,990	37,636
Other comprehensive income, after tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,788</b>	<b>27,163</b>	<b>-1,990</b>	<b>37,636</b>

## Condensed Balance Sheet

TSEK	31 Dec 2022	31 Dec 2021
Non-current financial assets	4,848,935	2,774,757
Current receivables	228,726	590,958
Cash and cash equivalents	365,813	470,232
<b>Total assets</b>	<b>5,443,474</b>	<b>3,835,947</b>
Equity	4,210,537	3,820,223
Non-current liabilities	598,416	-
Current liabilities	634,521	15,724
<b>Total equity and liabilities</b>	<b>5,443,474</b>	<b>3,835,947</b>



## Number of shares and share capital as of December 31, 2022

There were 77,073,120 (68,281,911) registered shares in issuance at the end of the period, divided between 635 Class A shares and 77,072,485 Class B shares. Share capital totaled 38,536,560 (34,140,956) SEK as of Dec 31, 2022. On average in Q4 2022 there were 73,002,135 registered shares divided between 635 Class A shares and 73,001,500 Class B shares. The shareholder structure is presented at [investors.storytel.com](https://investors.storytel.com).

## Auditor's review

This Q4 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

Interim Report January–March 2023	May 3, 2023
Annual General Meeting 2023	May 4, 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</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>Revenue – Books (Table 1)</b>	<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>
<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 and eventual wind down 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, February 16, 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

# Contacts

## Storytel AB (publicly traded)

- Mailing address: Box 24167, 104 51 Stockholm
- Office: Tryckerigatan 4/Norra Riddarholmshamnen 1, 111 28 Stockholm
- CIN: 556575-2960
- Email: [investorrelations@storytel.com](mailto:investorrelations@storytel.com)
- Website: [www.storytel.com](http://www.storytel.com), <https://investors.storytel.com>

### **For more information, please contact:**

Andreas Lindblom, Head of Investor Relations

Cell: +46 72 506 14 22

Email: [andreas.lindblom@storytel.com](mailto:andreas.lindblom@storytel.com)

Dan Panas, Senior Director Corporate Communications

Cell: +46 70 186 52 90

Email: [dan.panas@storytel.com](mailto:dan.panas@storytel.com)