



The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

ITEM 16 – SHAREHOLDERS’ PROPOSAL FOR RESOLUTION ON A WARRANT PROGRAM FOR CERTAIN DIRECTORS OF THE BOARD

Background and motive

Roxette Photo NV (the **”Proposer”**), which represent approximately 16.71 percent of the shares and votes in Storytel AB (publ), reg. no 556575-2960, (the **”Company”**), propose that the annual general meeting of 6 May 2020, provided that Stefan Blom, Malin Holmberg and Helen Fasth Gillstedt are elected as members of the Board of Directors of the Company at the general meeting in accordance with the nomination committee’s proposal, resolves to implement a warrant based incentive program for the mentioned directors of the board (**”Warrant Program 2020/2024”**) by (A) resolution on an issue of warrants of series 2020/2024 to the Company’s wholly-owned subsidiary Storytel Sweden AB (the **”Subsidiary”**), and (B) resolution on approval of transfer of warrants of series 2020/2024 from the Company to the directors of the board in accordance with section B below.

The purpose of the proposed program and the reason for the deviation from the shareholders’ preferential rights, is to offer the mentioned directors of the board a possibility to take part in a value growth in the Company’s share of series B, which is expected to increase the long-term commitment to the Company’s operation and earnings development and to raise the motivation and sense of belonging with the Company. The Proposer considers that the program may have a positive impact on the Company’s continued development to the benefit of the Company and its shareholders.

A. Proposal for resolution on a directed issue of warrants of series 2020/2024

The Proposer proposes that the general meeting of 6 May 2020 resolves to issue a maximum of 70,000 warrants of series 2020/2024 on the following terms and conditions:

1. With deviation from the shareholders’ preferential rights, the warrants may only be subscribed for by the Subsidiary, with right and obligation for the Subsidiary to transfer the warrants to Stefan Blom, Malin Holmberg and Helen Fasth Gillstedt in accordance with what is stated under section B below. The Subsidiary shall not have the right to dispose of the warrants in any other way than as stated under section B below.
2. The reason for the deviation from the shareholders’ preferential rights is that the warrants shall be used within the framework of Warrant Program 2020/2024.
3. The warrants shall be issued at a price equal to the warrant’s fair market value at the time of subscription. Calculation of the warrants’ market value shall be performed by an independent valuation institute, applying the Black & Scholes formula.
4. Subscription of the warrants shall be made on 1 June 2020 at the latest. The Board of Directors is entitled to prolong the subscription period.
5. Payment of the warrants shall be made on 5 June 2020 at the latest. The Board of Directors is entitled to prolong the payment period.
6. Each warrant entitles the holder to subscribe for one new share of series B in the Company against cash payment at a subscription price corresponding to 150 percent of the volume weighted average price for the Company’s share of series B on Nasdaq First North Premier Growth Market during the period from 18 May 2020 up to and including 29 May 2020. The subscription price shall be rounded

off to the nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up.

7. The warrants may be exercised for subscription of shares during the period from 1 June 2024 up to and including 30 June 2024.
8. Shares issued upon exercise of the warrants confer right to dividends for the first time on the next record date for dividends which occurs after subscription is effected.
9. The full terms and conditions for the warrants are set forth in the enclosed terms for warrants of series 2020/2024, Exhibit A (the “**Warrant Terms and Conditions**”). According to the Warrant Terms and Conditions the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, reverse share split or share split, new issue, issue of warrants or convertibles and under some other circumstances. Further, the period for exercising the warrants may change to an earlier or later period/date under some circumstances.
10. If all warrants are subscribed for, all warrants are transferred to the directors of the board in accordance with the proposal under section B below and all warrants are exercised for subscription of shares, the Company’s share capital will increase by SEK 35,000 (with reservation for any recalculation in accordance with Warrant Terms and Conditions).
11. The Board of Directors, or anyone appointed by the Board of Directors, shall be authorized to make such minor formal adjustments in the issue resolution that may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket) or, as applicable, Euroclear Sweden AB.

B. Proposal for resolution on approval of transfer of warrants of series 2020/2024 to certain directors of the board

The Proposer proposes that the annual general meeting resolves to approve that the Subsidiary, within the framework of Warrant Program 2020/2024, transfers a maximum of 70,000 warrants of series 2020/2024 to certain directors of the board on the following terms and conditions.

1. Right to acquire warrants from the Subsidiary shall accrue to the board directors Stefan Blom, Malin Holmberg and Helen Fasth Gillstedt (below jointly defined as the “**participants**”). Stefan Blom shall be entitled to – personally or through a wholly-owned company – acquire a maximum of 35,000 warrants, Malin Holmberg shall be entitled to – personally or through a wholly-owned company – acquire a maximum of 25,000 warrants and Helen Fasth Gillstedt shall be entitled to – personally or through a wholly-owned company – acquire a maximum of 10,000 warrants. A participant can give notice of acquisition of a lower, but not a higher, number of warrants than he/she is entitled to acquire according to the above.
2. Transfer of warrants shall take place at market value at the time of the transfer. Calculation of the warrant’s market value shall be performed by an independent valuation institute, applying the Black & Scholes formula.
3. Notice of acquisition of warrants according to 1 above shall be received by the Company on 31 May 2020 at the latest. The Board of Directors shall be entitled to prolong the notification period. Transfer to the participants shall take place as soon as possible after the end of the notification period.
4. Payment for warrants to be acquired shall be made no later than 5 June 2020. The Board of Directors is entitled to prolong the payment period.
5. A prerequisite for being entitled to acquire warrants from the Subsidiary is (i) that the participant at the time of the acquisition is a member of the Board of Directors of the Company, (ii) that acquisition

of warrants can take place in accordance with applicable laws, and, according to the Board of Directors' assessment, can be executed with reasonable administrative costs and financial efforts, and (iii) that the participant and/or, in applicable cases, the participant's company has entered into an agreement with the Company, according to which the Company, or the one the Company assigns, under certain circumstances has the right to repurchase the warrants from the participant/company if the participant's assignment as a board member ceases or if the participant/company wishes to transfer the warrants before they can be exercised for subscription of shares, in some cases to an amount equal to the lower of the participant's/company's acquisition price and the market value, in other cases to market value. The Board of Directors has the right to make the reasonable changes and adjustments of the terms and conditions in the agreement that are deemed suitable or appropriate as a result of local civil law or tax law or administrative conditions.

Dilution and previous incentive programs

Per the day of this proposal there are 62,072,562 shares in the Company, whereof 635 shares of series A and 62,071,927 shares of series B. Share of series A entitles to ten votes and share of series B entitles to one vote.

If all warrants that can be issued under Warrant Program 2020/2024 are exercised for subscription of shares of series B, the number of shares of series B and the number of votes in the Company will increase with 70,000 (with reservation for any recalculation in accordance with the Warrant Terms and Conditions), which corresponds to a dilution of approximately 0.11 per cent of the number of shares and votes in the Company.

The Company currently has one ongoing share-based incentive program – Employee Stock Option Program 2019/2022. Per the day of this proposal there was approx. 440,000 outstanding stock options in the mentioned program. The stock options are held by employees and key consultants in the Company and the subsidiaries operating within the business area Streaming. Each stock option confers the holder a right to acquire one new share of series B in the Company against an exercise price of SEK 119.69. The stock options are vesting during three years with 1/3 per year and can be exercised from 1 June 2022 until 15 December 2022. The delivery of shares under the program, as well as ancillary costs (primarily social security contributions), has been hedged by 687,500 warrants held by the Subsidiary.

Besides the proposer's proposal of Warrant Program 2020/2024, the Board of Directors proposes that the general meeting of 6 May 2020 resolves to implement an employee stock option program ("**Employee Stock Option Program 2020/2023**") and a warrant program for executive management and key individuals ("**Warrant Program 2020/2023**") (see separate proposals).

If (i) all outstanding warrants issued in connection to Employee Stock Option Program 2019/2022 are exercised in full for subscription of shares of series B, (ii) the general meeting resolves on the implementation of Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024 in accordance with the proposals, and (iii) all warrants that can be issued in or in connection to Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024 are exercised for subscription of shares of series B, the number of shares of series B and votes in the Company will increase with 2,058,750 (with reservation for any recalculation in accordance with the respective program's terms and conditions), which corresponds to a total dilution of approximately 3.2 per cent of the number of shares and votes in the Company.

The dilution effect has been calculated as the number of additional shares and votes in relation to the number of existing shares and votes plus the number of additional shares and votes.

Costs and effects on key figures

The market value of a warrant of series 2020/2024 has, according to a preliminary valuation applying the Black & Scholes formula, been calculated as SEK 25.05 per warrant. The calculations have been based on an assumed share price of SEK 143 per share, a risk-free interest rate of -0.37 percent and an assumed

volatility of 39 percent. The preliminary valuation is based on assumptions. When transferring the warrants to the participants, the market value will be determined based on updated assumptions and then known parameters.

Upon a positive development of the share price, Warrant Program 2020/2024 will entail costs in the form of social security contributions with regards to the participant resident in the US. The total cost for social security contributions will depend on the number of warrants the participant will acquire and exercise for subscription of shares, the market value of the Company's share of series B at the time of exercise of the warrants in 2024, but also what rates that apply for social security contributions in the US. Based on the assumption that the participant resident in the US acquires the total 35,000 warrants that he is entitled to acquire, the assumption that all warrants are exercised, an assumed share price of SEK 250 at the time the warrants are exercised and an assumed applicable rate of social security contributions in the US of 1.45 per cent, the total cost for social security contributions is calculated to amount to less than MSEK 0.1. Even based on the same assumptions as above but with an assumed share price of SEK 350 when the warrants are exercised instead of SEK 250, the total cost for social security contributions is calculated to amount to less than MSEK 0.1. Since the costs incurred for social security contributions are calculated as such a marginal amount, no hedge of these costs is proposed.

The total cost for social security contributions will be distributed over the years 2020-2024 based on the market value of the warrant.

Given the above assumptions and that the program had been introduced in 2018 instead, it is calculated that the key figure earning per share for full year 2019 would remain unchanged from SEK -5.59.

It shall be noted that all calculations above are preliminary and are only intended to provide an illustration of what costs Warrant Program 2020/2024 may include. Actual costs may therefore deviate from what has been stated above.

Preparation of the proposal

The proposal for resolution on the implementation of Warrant Program 2020/2024 and the proposals of resolutions according to section A and B above, have been prepared by the Proposer together with external advisors.

Majority requirements

The Proposer's proposal to implement Warrant Program 2020/2024 and the proposals of resolutions according to section A and B above, constitutes an overall proposal, which shall be resolved upon as one resolution. The resolution is subject to the provisions in Chapter 16 of the Swedish Companies Act, and a valid resolution hence requires that the proposal is supported by shareholders with at least nine-tenth of both the votes cast and the shares represented at the meeting.

Stockholm in April 2020

Roxette Photo NV