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Storytel AB (publ)

10 March 2021

PRESS RELEASE

Storytel intends to carry out a directed share issue through an accelerated book building process

INSIDE INFORMATION: Storytel AB (publ) (“Storytel” or the “Company”) intends to carry out a directed issue of up to approximately 5.4 million shares through an accelerated book building procedure (the “Directed Issue”). The Directed Issue will be directed to Swedish and international institutional investors. The proceeds from the Directed Issue will *inter alia* be used for the Company’s accelerated investments in content production, sales and marketing as well as to finance potential future acquisition opportunities in accordance with the Company’s communicated expansionary strategy. Storytel has engaged ABG Sundal Collier AB and Swedbank AB (publ) to explore the conditions to conduct the Directed issue.

The Directed Issue

Storytel has, based on the authorization given by Storytel’s Annual General Meeting on May 6, 2020, engaged ABG Sundal Collier AB and Swedbank AB (publ) to investigate the possibilities to conduct a directed issue of up to approximately 5.4 million shares directed to Swedish and international investors of institutional character through an accelerated book building procedure. The book building process will begin at 17.31 CET today on 10 March 2021. The Directed Issue is contingent on a resolution by the Board of Directors, which, alongside pricing and allocation is expected to occur prior to the beginning of trading on Nasdaq First North Growth Market at 09.00 CET on 11 March 2021. The Board of Directors may decide to extend or shorten the application period and can at any moment decide to terminate the book building process and thus refrain from conducting the Directed issue.

The proceeds from the Directed Issue will *inter alia* be used for the Company’s accelerated investments in content production, sales and marketing as well as to finance potential future acquisition opportunities in accordance with the Company’s communicated expansion strategy.

The reason for the deviation from the shareholders’ preferential rights is also to perform a capital raise in a time and cost-effective manner and to raise capital at favourable conditions for the Company’s continued expansion, as well as to diversify the shareholder base with Swedish and international institutional investors.

Advisers

ABG Sundal Collier AB and Swedbank AB (publ) are Joint Bookrunners and Baker McKenzie is legal advisor to the Company in connection with the Directed Issue.



This information is such information as Storytel AB (publ) is obliged to disclose under the EU Market Abuse Regulation 596/2014. The information was provided by the contact person below for publication at the point in time specified by Storytel's news distributor Cision at the publication of this press release.

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About Storytel

Storytel is one of the world's largest subscribed audiobook and e-book streaming services and offers listening and reading of more than 500 000 titles on a global scale. Our vision is to make the world a more empathetic and creative place with great stories to be shared and enjoyed by anyone, anywhere and anytime. Storytel's streaming business is conducted under the brands Storytel and Mofibo. Storytel's publishing business area is carried out through the audiobook publisher StorySide and acclaimed Nordic publishing houses such as Norstedts, People's and Gummerus. Storytel operates in over 20 markets around the globe and is headquartered in Stockholm, Sweden

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Storytel have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Storytel may decline and investors could lose all or part of their investment; the shares in Storytel offer no guaranteed income and no capital protection; and an investment in the shares in Storytel is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.



For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Storytel.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Storytel and determining appropriate distribution channels