



## Notice of Annual General Meeting in Storytel AB (publ)

The shareholders of Storytel AB (publ), reg. no. 556575-2960, (the "**Company**"), are hereby convened to the annual general meeting to be held on Tuesday 4 May 2021.

### Information with respect to the coronavirus

The Company is mindful of the health and well-being of its shareholders and employees. It's important for the Company to take a social responsibility and contribute to reduce the risk of transmission of the Covid-19. Due to the extraordinary situation the annual general meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. Thus, it will not be possible to attend in person or through proxy at the annual general meeting.

Information on the decisions of the annual general meeting will be published as soon as the outcome of the postal voting is finally compiled on 4 May 2021.

### Right to attend the annual general meeting and notice

Shareholders wishing to attend the annual general meeting must:

- i. on the record date, which is Monday 26 April 2021, be registered in the share register maintained by Euroclear Sweden AB; and
- ii. notify the participation at the general meeting by casting their advance votes in accordance with the instructions under the heading "Advance voting" below so that the advance voting form is received by [poströsta.se](https://poströsta.se) no later than on 3 May 2021.. Upon notification, the shareholder must follow the instructions at [poströsta.se](https://poströsta.se).

### Nominee registered shares

Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee must, no later than on Monday 26 April 2021, via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Wednesday 28 April 2021 will be considered in preparations of the share register.

### Proxy etc.

A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("**Registration Certificate**") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be submitted with the advance voting form and should be at the Company's disposal through [poströsta.se](https://poströsta.se) no later than on 3 May 2021. A form proxy will be available for downloading on the Company's website [www.investors.storytel.com](http://www.investors.storytel.com). Please note that advance voting forms are only available at [poströsta.se](https://poströsta.se).

### Advance voting

In view of the recent developments of the spread of the corona virus (Covid-19), the Company has taken certain precautionary measures in relation to the annual general meeting. The shareholders may exercise their voting rights at the general meeting only by voting in advance, so called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on [poströsta.se](https://poströsta.se). A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be at the Company's disposal through [poströsta.se](https://poströsta.se) no later than on Monday 3 May 2021. The completed and signed form shall be sent to [poströsta.se](https://poströsta.se). If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

Further instructions and conditions is included in the form for advance voting.

## **Proposed agenda**

1. Opening of the meeting
2. Election of the chairman of the general meeting
3. Election of one or two persons to approve the minutes
4. Preparation and approval of the voting register
5. Approval of the agenda for the meeting
6. Determination as to of whether the meeting has been duly convened
7. Presentation of the annual report and the auditor's report and the consolidated annual report and auditor's report in respect thereof
8. Resolution regarding:
  - a. approval of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet,
  - b. allocation of the Company's net income according to the adopted balance sheet; and
  - c. discharge from liability of the members of the board of directors and the managing director.
9. Resolution regarding remuneration to be paid to the directors and to the auditor
10. Determination of number of directors and deputies and auditors
11. Election of directors and deputies and auditors
12. Resolution regarding authorization for the board to issue shares, convertibles and/or warrants
13. Resolution regarding amendments of the articles of association
14. Resolution on employee stock option program
  - A. Resolution regarding implementation of Employee Stock Option Program 2021/2024
  - B. Resolution on directed issue of warrants of series 2021/2024:1 as well as approval of transfer of warrants
15. Resolution on a warrant based incentive program for executive management and key individuals
  - A. Resolution on a directed issue of warrants of series 2021/2024:2
  - B. Resolution on approval of transfer of warrants of series 2021/2024:2 to executive management and key individuals
16. Closing of the meeting

## **Proposals for resolutions:**

### **Item 2: Election of the chairman of the general meeting**

The nomination committee proposes that Joakim Falkner, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting or, in his absence, the person appointed by him.

### **Item 3: Election of one person to approve the minutes**

The board of directors proposes that Ian Gulam, LL.M., at Baker & McKenzie Advokatbyrå or, in his absence, the person or persons instead appointed by him, to be elected to certify the minutes of the general meeting. The task of certifying the minutes of the general meeting also includes verifying the voting list and that the advance votes received are correctly reflected in the minutes of the general meeting.

### **Item 4: Preparation and approval of voting list**

The voting list proposed for approval by the general meeting is the voting list prepared by the Company, based on the Company's share register received by Euroclear Sweden AB and the advance votes received, and as verified by the person elected to approve the minutes.

**Item 8.b: Resolution regarding allocation of profit or loss in accordance with the adopted balance sheet**

The Board of Directors proposes that all funds available for the annual general meeting shall be carried forward.

**Item 9-11: Resolution regarding remuneration to be paid to the directors and to the auditor, determination of number of directors and deputies and auditors, election of directors and deputies and auditors**

The nomination committee proposes that the board shall consist of seven directors. The nomination committee further proposes that the number of auditors shall be one registered audit firm.

The nomination committee proposes that the remuneration is to be SEK 2,600,000 in total, including remuneration for committee work (SEK 1,860,000 previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 250,000 (SEK 200,000) for each of the non-employed directors (Jonas Sjögren, Nils Janse, Stefan Blom, Malin Holmberg and Helen Fasth Gillstedt) and SEK 750,000 (SEK 600,000) to the chairman;
- SEK 50,000 (SEK 30,000) for each of the non-employed members of the audit committee and SEK 200,000 (SEK 200,000) to the chairman of the committee who is not also an employee; and
- *SEK 50,000 (SEK 0) for each of the non-employed members of the remuneration committee and SEK 200,000 (SEK 0) to the chairman of the committee who is not also an employee.*

Remuneration to the auditor is to be paid according to approved invoice.

The nomination committee proposes the re-election of Stefan Blom, Helen Fasth Gillstedt, Malin Holmberg, Nils Janse, Rustan Panday, Jonas Sjögren and Jonas Tellander. It is also proposed to re-elect Rustan Panday as chairman of the board.

The nomination committee further proposes the re-election of the registered audit firm Ernst & Young Aktiebolag as the Company's auditor for a period up until the end of the next annual general meeting. Ernst & Young Aktiebolag has announced that Beata Lihammar will be the main responsible auditor.

*Principles for the nomination committee*

It is noted that the principles for the nomination committee adopted by the annual general meeting 2020 shall apply until the nomination committee proposes new principles.

The nomination committee's complete proposal and motivated opinion as well as further information regarding the directors proposed for re-election is available at the company's website [www.investors.storytel.com](http://www.investors.storytel.com).

**Item 12: Resolution regarding authorization for the board to issue shares, convertibles and/or warrants**

The Board of Directors of the Company proposes that the annual general meeting of the shareholders shall resolve to authorize the board, on one or more occasions, with or without preferential rights for shareholders, to issue in total a maximum of shares, regardless of share class, warrants and/or convertibles, with the right to subscribe and convert to the respective share class in the Company, corresponding to not more than 10 percent of the share capital of the Company after dilution based on the number of shares at the time when the authorization is used for the first time, to be paid in cash, by set-off or in-kind.

The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is primarily for the purpose to carry out acquisitions or financing.

Issuances of new shares under the authorization shall be made on customary terms and conditions based on current market conditions. If the board of directors finds it suitable in order to enable delivery of shares in connection with a share issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The Board of Directors or a person appointed by the board of directors shall be authorized to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

### **Item 13: Resolution regarding amendments of the articles of association**

The board of directors of the Company proposes that the annual general meeting resolves to amend the Company's articles of association as follows:

It is proposed to change § 1, whereby the Swedish term "firma" is changed. The articles of association § 1 will thereby have the following wording:

*"The name of the company is Storytel AB (publ)."*

It is proposed that the articles of association's limits for the share capital is amended from a minimum of SEK 15,000,000 and a maximum of SEK 60,000,000 to a minimum of SEK 33,950,000 and a maximum of SEK 135,800,000. It is also proposed that the limits for the number of shares is amended from a minimum of 30,000,000 and a maximum of 120,000,000 to a minimum of 67,900,000 and a maximum of 271,600,000. The articles of association, § 5, will thereby have the following wording:

*"The share capital shall be at least SEK 33,950,000 and no more than SEK 135,800,000.*

*The number of shares shall be at least 67,900,000 and no more than 271,600,000.*

*The company may issue shares of two classes, class A and class B. Class A shares shall entitle to ten votes and class B shares shall entitle to one vote. No more than 10,000 class A shares and no more than 271,600,000 class B shares can be issued."*

It is also proposed that the clause regarding attendance at general meetings is amended due to changes in the Swedish Companies Act. The articles of association, § 11, will thereby have the following wording:

*"A shareholder that wishes to participate in a general meeting must be recorded in a printout or other transcript of the share register on the date as specified on the Swedish Companies Act, and notify the company of his/her, and any advisors (no more than two), intention to attend the meeting no later than on the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.*

*A person who is not a shareholder of the company shall, on the terms decided by the board of directors, have the right to attend or in any other way be able to monitor the decisions taken on general meetings."*

It is also proposed to introduce the possibility to collect proxies and postal voting. The articles of association will thereby have a new § 12 with the following wording (whereby the following clauses have changed numbering):

*"The board of directors may collect proxies at the company's expense in compliance with the procedure set out in chapter 7 section 4 paragraph 2 of the Swedish Companies Act (2005:551).*

*The board of directors may resolve, ahead of a general meeting of the shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the meeting."*

It is also proposed a few technical adjustments of the clause regarding agenda at the annual general meeting.

It is also proposed a few technical adjustments of the clause regarding central securities depository register.

The board of directors or a person appointed by the board of directors shall be authorized to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

#### **Item 14: Resolution on employee stock option program**

##### **Background and motive**

Storytel AB (publ), reg. no. 556575-2960 (the “**Company**”), operates, through subsidiaries, within two business areas – Streaming and Print Publishing. The business area Streaming includes, in addition to Streaming, also Digital Publishing.

The Board of Directors of the Company proposes that the annual general meeting of 4 May 2021, resolves to implement an employee stock option program for employees and key consultants in the Company and the subsidiaries operating within the business area Streaming (“**Employee Stock Option Program 2021/2024**”) in accordance with item 14 A below. The proposed program has the same overall structure as the employee stock option programs resolved on at the annual general meetings in 2019 and 2020, but has, after consideration, been supplemented with a performance condition related to the annual and the compound annual revenue growth rate within the business area Streaming during the financial years 2021-2023.

The purpose of the proposed program is to offer the employees and key consultants in the group active within the business area Streaming an opportunity to take part of a value growth in the Company’s share of series B, which is expected to lead to an increased commitment to the Company’s operation and earnings development, and to raise the motivation and sense of belonging with the Company. Furthermore, it is expected to increase the possibility of recruiting and retaining competent personnel. Through the new performance condition, the outcome of the program is partly linked to the grade of fulfilment of one of the Company’s communicated long-term goals, i.e. the outcome is not only depending on continued employment/assignment and the share price development. The Board of Directors considers that the program may have a positive impact on the Company’s continued development and that it promotes the Company’s long-term value creation, to the benefit of the Company and its shareholders. The subsidiaries in the group operating within the business area Print Publishing currently have a different compensation structure in place.

In order to hedge the Company’s obligations under the Employee Stock Option Program 2021/2024 and hedge the ancillary costs, the Board of Directors also proposes that the general meeting resolves on a directed issue of warrants, as well as an approval of transfer of warrants in accordance with item 14 B below.

#### **14 A - Resolution regarding implementation of Employee Stock Option Program 2021/2024**

The Board of Directors proposes that the annual general meeting resolves to implement Employee Stock Option Program 2021/2024 in accordance with the following substantial guidelines:

1. Employee Stock Option Program 2021/2024 shall consist of a maximum of 630,000 stock options.
2. Each stock option confers the holder a right to acquire one share of series B in the Company against an exercise price corresponding to 120 per cent of the volume weighted average price for the Company’s share of series B on Nasdaq First North Growth Market during the period from 17 May 2021 up to and including 28 May 2021. The calculated exercise price shall be rounded off to nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up. The exercise price and number of shares that each stock option confers right to acquire may be recalculated in the event of a bonus issue, reverse share split or share split, new issue and under some other circumstances, whereupon the recalculation terms in the complete terms and conditions for Warrants 2021/2024:1 shall apply (please refer to item 14 B below).
3. Employee Stock Option Program 2021/2024 shall be offered to (i) all employees who are employed by the Company and the subsidiaries of the group operating within the business area Streaming as of 1 June 2021, and (ii) the key consultants that (personally or through companies) work in the mentioned companies as of the mentioned date and who are appointed by the Board of Directors based on their

importance for the group. Employees refers to full-time and part-time employees, including probationary employees but not hourly employees. A person who has entered into an employment agreement with the Company or a subsidiary of the group that operates within the business area Streaming but has not taken up his/her employment as of the mentioned date, shall not be regarded as an employee. An employee who has terminated his/her employment or has been dismissed by the mentioned date but is still employed, shall not be regarded as an employee. The Company's CEO shall be offered to participate in the program in the same way as other employees. The number of employees and key consultants that the program shall be offered to is estimated to a maximum 720.

The stock options shall be offered to the employees/key consultants proportionally in relation to their respective annual fixed gross salary/consultancy fees converted to SEK.

Notwithstanding what a calculation as above results in, no employee or key consultant shall be offered more than 7,000 stock options.

4. Notice of participation in Employee Stock Option Program 2021/2024 shall be received by the Company on 11 June 2021 at the latest, with a right for the Board of Directors to prolong the time limit. Allotment of stock options to participants shall take place as soon as possible after the expiration of the notification period.
5. The stock options shall be allotted without consideration.
6. The allotted stock options will be vested over a three-year period in accordance with the following:
  - (a) 1/3 of the allotted stock options, or a proportion thereof, will be vested on 1 June 2022, provided that the participant is still active within the group as of the mentioned date and that the annual revenue growth rate for the business area Steaming (the “**annual revenue growth rate**”) for the financial year 2021 reaches or exceeds 25 per cent. If the annual revenue growth rate reaches 25 per cent (threshold level) 50 per cent of the mentioned stock options will be vested, if it reaches 30 per cent (medium level) 80 per cent of the mentioned stock options will be vested and if it reaches or exceeds 35 per cent (maximum level) 100 per cent of the mentioned stock options will be vested. In between the threshold level and the medium level and the medium level and the maximum level, respectively, the number of stock options that vest increases linearly;
  - (b) 1/3 of the allotted stock options, or a proportion thereof, will be vested on 1 June 2023, provided that the participant is still active within the group as of the mentioned date and that the annual revenue growth rate for the financial year 2022 reaches or exceeds 25 per cent. As regards threshold level, medium level and maximum level, and the level of vesting at each level and between levels, respectively, what is stated under (a) shall apply; and
  - (c) 1/3 of the allotted stock options, or a proportion thereof, will be vested on 1 June 2024, provided that the participant is still active within the group as of the mentioned date and that the annual revenue growth rate for the financial year 2023 reaches or exceeds 25 per cent. As regards threshold level, medium level and maximum level, and the level of vesting at each level and between levels, respectively, what is stated under (a) shall apply.

The annual revenue growth rate for the business area Streaming for a certain financial year shall mean the reported exchange rate adjusted revenue growth rate for the business area Streaming for that financial year compared with the previous financial year. All revenue growth, i.e. both organic growth and growth through mergers and acquisitions, shall be included in the calculation.

If a participant ceases to be an employee or a consultant before a vesting date, the already vested stock options may be exercised at the ordinary time for exercise as described below, but further vesting will not take place, unless otherwise stated in the next paragraph. If the employee's employment ceases due to dismissal from the employer's side or if the consultancy agreement is terminated due to corresponding reasons, however, also vested options will lapse, unless the Board of Directors decides otherwise on a case-by-case basis.

If full vesting of stock options does not take place on 1 June 2022, 1 June 2023 or 1 June 2024 according to above, additional stock options may be vested at the end of the program, i.e. on 1 June 2024, provided that the reported exchange rate adjusted compound annual revenue growth rate for the business area Streaming during the financial years 2021-2023 (the “**compound annual revenue growth rate**”) reaches or exceeds 25 per cent. To calculate if, and how many, additional stock options that will vest, it shall first be calculated how many of the participant’s stock options that would have been vested if the calculation was made in accordance with the below principles, thereafter a deduction shall be made for the number of stock options that the participant has already vested.

If the compound annual revenue growth rate reaches or exceeds 25 per cent (threshold level) all allotted stock options, or a proportion thereof, will be vested. How many stock options that will be vested depends on the compound annual revenue growth rate reached and at how many vesting occasions the participant has still been active within the group. If the compound annual revenue growth rate reaches 25 per cent (threshold level) 50 per cent of 1/3, 2/3 or 3/3 of all allotted stock options will be vested, if it reaches 30 per cent (medium level) 80 per cent of 1/3, 2/3 or 3/3 of all allotted stock options will be vested and if it reaches 35 per cent (maximum level) 100 per cent of 1/3, 2/3 or 3/3 of all allotted stock options will be vested. In between the levels, i.e. between the threshold level and the medium level and the medium level and the maximum level, respectively, the number of stock options that vest increases linearly.

7. The holder can exercise vested stock options during the period from 1 June 2024 up to and including 15 December 2024. The Board of Directors has the right to limit the number of dates for delivery of shares during the exercise period.
8. The stock options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of a participant’s death, the rights constituted by vested stock options shall accrue to the beneficiaries of the holder of the stock options.
9. Participation in Employee Stock Option Program 2021/2024 requires that such participation is in accordance with applicable laws, as well as that such participation can be executed with reasonable administrative costs and financial efforts according to the Company’s assessment.

The stock options shall be governed by separate agreements with each participant. The Board of Directors shall be responsible for the preparation and management of Employee Stock Option Program 2021/2024 within the above-mentioned substantial guidelines. The Board of Directors has the right to, within the framework of the agreement with each participant, make the reasonable changes and adjustments of the terms and conditions of the stock options that are deemed suitable or appropriate as a result of local employment law or tax law or administrative conditions. This may mean, among other things, that continued vesting of stock options may take place in some cases when otherwise would not have been the case. The Board of Directors also has the right to advance vesting and the timing of exercise of stock options, as well as to adjust or waive the performance condition, in certain cases, such as in the case of a public takeover bid, certain changes in ownership of the Company, liquidation, merger and similar measures. Finally, the Board of Directors has the right to, in extraordinary cases, limit the scope of, or prematurely terminate, Employee Stock Option Program 2021/2024 in whole or in part.

#### **14 B - The Board of Directors' proposal for resolution on directed issue of warrants of series 2021/2024:1 as well as approval of transfer of warrants**

In order to enable the Company’s delivery of shares under Employee Stock Option Program 2021/2024 as well as to hedge ancillary costs, primarily social security contributions, the Board of Directors proposes that the annual general meeting resolves on a directed issue of warrants of series 2021/2024:1 as well as an approval of transfer of warrants of series 2021/2024:1.

The Board of Directors therefore proposes that the general meeting resolves on an issue of a maximum of 787,500 warrants on the following terms:

1. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the Company (Storytel AB (publ)).
2. The reason for the deviation from the shareholders' preferential rights is that the warrants are a part of the implementation of Employee Stock Option Program 2021/2024.
3. Subscription of the warrants shall be made on 31 May 2021 at the latest. The Board of Directors shall be entitled to prolong the subscription period.
4. The warrants shall be issued without consideration.
5. 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 120 per cent of the volume weighted average price for the Company's share of series B on Nasdaq First North Growth Market during the period from 17 May 2021 up to and including 28 May 2021. The calculated subscription price shall be rounded off to nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up. Upon subscription of shares, the part of the subscription price that exceeds the quotient value at the time of the then outstanding shares, shall be allocated to the non-restricted share premium fund.
6. The warrants may be exercised for subscription of shares during the time period from the registration of the warrants with the Swedish Companies Registration Office (*Sw. Bolagsverket*) up to and including 31 December 2024.
7. 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 the subscription is effected.
8. The full terms and conditions for the warrants are set forth in the terms and conditions for warrants 2021/2024:1, which are available at the Company and on the Company's website, (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 be postponed in some cases.
9. If all warrants are subscribed for and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 393,750 (with reservation for any recalculation in accordance with the Warrant Terms and Conditions).
10. The Board of Directors, or anyone appointed by the Board of Directors, shall be authorized to make such minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*) or, if applicable, Euroclear Sweden AB.

The Board of Directors further proposes that the annual general meeting resolves to approve that the Company may transfer warrants to the participants in Employee Stock Option Program 2021/2024 without consideration in connection with exercise of the stock options in accordance with the terms set out in item 14 A, or in another way dispose of the warrants in order to be able to secure the Company's commitments and costs in relation to Employee Stock Option Program 2021/2024. The Board of Directors shall not have the right to dispose of the warrants for any other purpose than to secure the Company's commitments and costs in connection with Employee Stock Option Program 2021/2024.

#### **Dilution and information about other incentive programs**

Per the day of this proposal there are 67,915,035 shares in the Company, whereof 635 shares of series A and 67,914,400 shares of series B. Share of series A entitles to ten votes and share of series B entitles to one vote.

If all warrants issued within Employee Stock Option Program 2021/2024 (including those for hedge of ancillary costs in the form of social security contributions) are exercised for subscription of shares of series B, the number of shares of series B and votes in the Company will increase with 787,500 (with reservation for



any recalculation in accordance with the Warrant Terms and Conditions), which corresponds to a dilution of approximately 1.15 per cent of the number of shares and votes in the Company.

The Company currently has four ongoing share-based incentive programs – Employee Stock Option Program 2019/2022, Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024. For further information about these programs, reference is made to the Company's annual report for the financial year 2020, note 6, which is available on the Company's website.

Besides Employee Stock Option Program 2021/2024, the Board of Directors proposes that the annual general meeting shall resolve to implement a warrant program for the executive management and key individuals ("**Warrant program 2021/2024**") (see separate proposal).

If (i) all outstanding warrants issued in or in connection to Employee Stock Option Program 2019/2022, Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024 are exercised for subscription of shares of series B, (ii) the general meeting resolves on the implementation of Employee Stock Option Program 2021/2024 and Warrant Program 2021/2024 in accordance with the proposals, and (iii) all warrants that can be issued in or in connection to Employee Stock Option Program 2021/2024 and Warrant Program 2021/2024 are exercised for subscription of shares of series B, the number of shares of series B and votes in the Company will increase with 3,254,220 (with reservation for any recalculation in accordance with the respective program's terms and conditions), which corresponds to a total dilution of approximately 4.57 per cent of the number of shares and votes in the Company. In the calculation, no adjustment has been made for the employee turnover that has taken place during the term of the outstanding programs. The actual dilution will thus probably be a bit lower.

The dilution effects have 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.

#### **Preliminary valuation, costs and effects on key figures**

The Board of Directors assesses that Employee Stock Option Program 2021/2024 will entail costs partly in the form of accounting salary costs and partly in the form of social security contributions.

Based on (i) the assumption that 100 per cent of the options in Employee Stock Option Program 2021/2024 will be allotted, (ii) an assumed annual employee turnover rate of 5 per cent, meaning that 540,146 stock options may vest and (iii) the assumption that the annual revenue growth rate for each one of the financial years 2021, 2022 and 2023, or the compound annual revenue growth rate during the financial years 2021-2023, will reach or exceed 35 per cent, meaning that full vesting take place, the estimated accounting costs for the options amounts to approximately a total of MSEK 26.1 during the time period 2021-2024, based on the actual value of the options at the time of calculation. The options do not have a market value since they are not transferable. However, Öhrlings PricewaterhouseCoopers AB has, as an independent valuation institute, calculated a theoretical value of the options in accordance with the Black & Scholes formula. Based on an assumed share price of SEK 238.50, an assumed exercise price of SEK 286.20, a term of 3.23 years, a risk-free interest rate of -0.18 per cent, an assumed volatility of 38 per cent and an assumed dividend of SEK 0, the value has been calculated to approximately SEK 48.23 per option. Limitations in the disposal rights have not been taken into consideration in the valuation.

Upon a positive development of the share price, Employee Stock Option Program 2021/2024 will entail costs in the form of social security contributions. The total costs for social security contributions will depend on the number of options that will be vested and exercised and on the value of the benefit that the participant ultimately will receive, i.e. on the value of the options when exercised in 2024, but also in which countries the participants are resident and what rates that apply for social security contributions in these countries. Based on the assumption that 540,146 of the options in Employee Stock Option Program 2021/2024 will be vested, that all vested options are exercised, an assumed share price of SEK 358.00 when the options are exercised, an assumed distribution between different countries and an assumed average rate for social security contributions of approximately 25 per cent, the total costs for social security contributions will amount to approximately MSEK 9.7. Based on the same assumptions as above but with an assumed share price of SEK 477.00 when the options are exercised instead of SEK 358.00, the total cost for social security contributions will amount to approximately MSEK 25.8.

The Company's entire costs for social security contributions are proposed to be hedged through a directed issue of warrants in accordance with item 14 B above.

The total cost for Employee Stock Option Program 2021/2024 will be distributed over the years 2021-2024. Since 1/3 of the options may vest per year, the cost will be distributed more towards the front of the three-year term.

Given the above assumptions, including an assumed share price of SEK 358.00 and SEK 477.00 respectively at the time of exercise of the options, and that the program had been introduced in 2019 instead, it is calculated that the key figure earnings per share for full year 2020 would have decreased from SEK -1.05 to SEK -1.33 and SEK -1.41 respectively.

It shall be noted that all calculations above are preliminary, based on assumptions and are only intended to provide an illustration of what costs Employee Stock Option Program 2021/2024 may entail. Actual costs may therefore deviate from what has been stated above.

### **Preparation of the proposal**

The proposal for resolution on the implementation of Employee Stock Option Program 2021/2024 and the proposals for resolutions according to items 14 A and 14 B above, have been prepared by the Board of Directors together with external advisors. It is noted that the CEO, who is also a member of the Board of Directors, has not participated in the Board of Directors' preparation of the proposal, as he, as an employee, is comprised by the proposal.

### **Item 15: Resolution on a warrant based incentive program for executive management and key individuals**

#### **Background and motive**

Storytel AB (publ), reg. no 556575-2960, (the "**Company**") operates, through subsidiaries, within two business areas – Streaming and Print Publishing. The business area Streaming includes, in addition to streaming, also Digital Publishing.

The Board of Directors of the Company proposes that the annual general meeting of 4 May 2021, resolves to implement a warrant based incentive program for executive management and key individuals in the Company and the subsidiaries operating within the business area Streaming and certain key individuals in the subsidiaries operating within the business area Print Publishing ("**Warrant Program 2021/2024**") by (A) resolution on an issue of warrants of series 2021/2024:2 to the Company's wholly-owned subsidiary Storytel Sweden AB (the "**Subsidiary**"), and (B) resolution on approval of transfer of warrants of series 2021/2024:2 from the Subsidiary to executive management and key individuals in accordance with item 15 B below.

The purpose of the proposed program and the reason for the deviation from the shareholders' preferential rights, is to offer executive management and key individuals to, through an investment in warrants, get a possibility/an increased possibility to take part in a value growth in the Company's share of series B, which is expected to further increase the commitment to the Company's operation and earnings development and to further raise the motivation and sense of belonging with the Company. The Board of Directors considers that the program may have a positive impact on the Company's continued development and that it promotes the Company's long-term value creation, to the benefit of the Company and its shareholders.

#### **15 A - Resolution on a directed issue of warrants of series 2021/2024:2**

The Board of Directors of the Company proposes that the annual general meeting resolves to issue a maximum of 520,000 warrants of series 2021/2024:2 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 executive management and key individuals in the Company and subsidiaries within the group in accordance with what is stated under item 15 B below. The Subsidiary shall not have the right to dispose of the warrants in any other way than as stated in the proposal under item 15 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 2021/2024.
3. The warrants shall be issued at a price equal to the warrant's fair market value the day before the time of subscription. The calculation of the warrant's market value shall be performed by Öhrlings PricewaterhouseCoopers AB, as an independent valuation institute, applying the Black & Scholes formula.
4. Subscription of the warrants shall be made on 31 October 2021 at the latest. Subscription may take place on one or more occasions.
5. Payment for warrants subscribed for shall be made on 31 October 2021 at the latest.
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 165 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 17 May 2021 up to and including 28 May 2021. The calculated subscription price shall be rounded off to nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up. Upon subscription of shares, the part of the subscription price that exceeds the quotient value at that time of the then outstanding shares, shall be allocated to the non-restricted share premium fund.
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 terms for warrants of series 2021/2024:2, which are available at the Company and on the Company's website (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 be brought forward or be postponed in some cases.
10. If all warrants are subscribed for, all warrants are transferred to executive management and key individuals in accordance with the proposal under item 15 B below and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 260,000 (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, if applicable, Euroclear Sweden AB.

**15 B - Resolution on approval of transfer of warrants of series 2021/2024:2 to executive management and key individuals**

The Board of Directors proposes that the annual general meeting resolves to approve that the Subsidiary, within the framework of Warrant Program 2021/2024, on one or more occasions, transfers a maximum of 520,000 warrants of series 2021/2024:2, to executive management and key individuals in the Company and the subsidiaries operating within the business area Streaming and certain key individuals in the subsidiaries operating within the business area Print Publishing on the following terms and conditions.

1. Right to acquire warrants from the Subsidiary shall accrue to the following individuals:

Members of the group executive management (5 individuals at present) shall be entitled to acquire a maximum of 25,000 warrants each.

Country managers within the business area Streaming (18 individuals at present), regional managers within the business area Streaming (3 individuals at present), members of the extended management team for the business area Streaming (18 individuals at present) and the other key individuals within the business areas Streaming and Print Publishing who are of particular importance for the Company's continued development (15 individuals at present) shall be entitled to acquire a maximum of 10,000 warrants each.

An individual who has entered into an employment or consultancy agreement with the Company or a subsidiary within the group regarding a position which qualifies for participation in the program according to above, may be offered to acquire warrants even if he/she has not yet taken up his/her employment/position.

The above-mentioned individuals (below jointly defined as the **"participants"**) shall be entitled to acquire the warrants personally or through a wholly-owned or controlled company. A participant can give notice of acquisition of a lower number of warrants than what is stated above, however not less than 1,000 warrants.

If the total number of warrants that the participants in aggregate wants to acquire exceeds the maximum number of warrants that can be transferred, taking into account the warrants that may be reserved for future recruitments as set out in 2 below, the number of warrants that each participant shall be allowed to acquire shall be reduced proportionately in relation to the maximum numbers set out for them above.

A participant may give notice to acquire additional warrants than stated above, however not more than additional 12,500 warrants (participant being a member of the group executive management) or 5,000 warrants (other participant), respectively, and can be allotted warrants based on such notice provided that there are warrants left to distribute after the first allotment in accordance with the above. If the total number of warrants that such notices comprise in aggregate exceeds the number of warrants that remain to allot, the number of additional warrants that each participant shall be allowed to acquire shall be reduced proportionally in relation to the maximum numbers of additional warrants set out for them above.

The above means that no participant being a member of the group executive management may acquire more than a maximum of 37,500 warrants in total and no other participant may acquire more than a maximum of 15,000 warrants in total, through the first allotment and a possible second allotment.

2. The Board of Directors may (but does not have to) decide that a maximum of 65,000 warrants shall be reserved for future recruitments. The number of warrants that the Board of Directors decides shall be reserved for future recruitments and warrants not needed in the allotment according to 1 above (if any), shall be reserved for future recruitments of individuals within the categories referred to in 1 above, whereby the corresponding limits for maximum numbers of warrants and principles for allotment shall apply. However, a new recruited individual may never be allotted more warrants than an individual of the same category could have been allotted in the allotment according to 1 above (where applicable, after reduction). A new recruited individual may be offered to acquire warrants as from the day he/she enters into an employment or consultancy agreement with the Company or a subsidiary within the group, regardless of whether he/she is taking up his/her employment/position first on a later date.
3. Transfer of warrants shall take place at market value at the time of the transfer. The calculation of the warrant's market value shall be performed Öhrlings PricewaterhouseCoopers AB, as an independent valuation institute, applying the Black & Scholes formula.
4. Notice of acquisition of warrants in accordance with 1 above shall be received by the Company on 30 May 2021 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.

5. Notice of acquisition of warrants in accordance with 2 above shall be received by the Company within the time specified by the Board of Directors in connection with the offer. However, no transfer may take place later than on 15 October 2021. Upon transfers of warrants in accordance with 2 above, the period from the day the individual acquires the warrants until the day when warrants can be exercised for subscription of shares may fall short of three years by a maximum 4.5 months. The Board of Directors considers that it, from a recruitment perspective, can advantageous for the Company to be able to offer executive management and key individuals recruited short time after the implementation of the program the same incentive as other executive management an key individuals, which the Board of Directors considers justifies a slightly shorter term than three years in those cases.
6. Payment for warrants acquired in accordance with 1 above shall be made no later than 7 June 2021. The Board of Directors is entitled to prolong the payment period.
7. Payment for warrant acquired after an offer in accordance with 2 above shall be made within the time specified by the Board of Directors in connection with the offer, however never later than on 15 October 2021.
8. A prerequisite for being entitled to acquire warrants from the Subsidiary is (i) that the participant at the time of the acquisition has neither given notice or received notice of termination of his/her employment, or, in applicable cases, that the participant's consultancy agreement at the time of acquisition has not been terminated by either party (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, inter alia has the right to repurchase the warrants from the participant/company if the participant's employment/ consultancy assignment ceases and in some other situations, 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 to the terms and conditions of the agreement that are deemed suitable or appropriate as a result of local employment law or tax law or administrative conditions.

### **Dilution and information about other incentive programs**

Per the day of this proposal there are 67,915,035 shares in the Company, whereof 635 shares of series A and 67,914,400 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 2021/2024 are exercised for subscription of new shares of series B, the number of shares of series B and the number of votes in the Company will increase with 520,000 (with reservation for any recalculation in accordance with the Warrant Terms and Conditions), which corresponds to a dilution of approximately 0.76 per cent of the number of shares and votes in Company.

The Company currently has four ongoing share-based incentive programs – Employee Stock Option Program 2019/2022, Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024. For further information about these programs, reference is made to the Company's annual report for the financial year 2020, note 6, which is available on the Company's website.

Besides Warrant Program 2021/2024, the Board of Directors proposes that the annual general meeting shall resolve to implement an employee stock option program for employees and key consultants in the Company and the subsidiaries in the group operating within the business area Streaming ("**Employee Stock Option Program 2021/2024**") (see separate proposal).

If (i) all outstanding warrants issued in or in connection to Employee Stock Option Program 2019/2022, Employee Stock Option Program 2020/2023, Warrant Program 2020/2023 and Warrant Program 2020/2024 are exercised for subscription of shares of series B, (ii) the general meeting resolves on the implementation of Employee Stock Option Program 2021/2024 and Warrant Program 2021/2024 in accordance with the proposals, and (iii) all warrants that can be issued in or in connection to Employee Stock Option Program 2021/2024 and Warrant Program 2021/2024 are exercised for subscription of shares of series B, the number of

shares of series B and votes in the Company will increase with 3,254,220 (with reservation for any recalculation in accordance with the respective program's terms and conditions), which corresponds to a total dilution of approximately 4.57 per cent of the number of shares and votes in the Company. In the calculation, no adjustment has been made for the employee turnover that has taken place during the term of the outstanding programs. The actual dilution will thus probably be a bit lower.

The dilution effects have 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.

### **Preliminary valuation, costs and effects on key figures**

Öhrlings PricewaterhouseCoopers AB has, as an independent valuation institute, made a preliminary calculation of the market value of a warrant of series 2021/2024:2, applying the Black & Scholes formula. Based on an assumed share price of SEK 238.50, an assumed subscription price of SEK 393.53, a term of 3.09 years, a risk-free interest rate of -0.19 per cent, an assumed volatility of 38 per cent and an assumed dividend of SEK 0, the market value have been calculated to approximately SEK 25.67 per warrant. When transferring the warrants to 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 2021/2024 will entail costs in the form of social security contributions with regards to participants in some countries. The total costs for social security contributions will depend on the number of warrants that participants residing in different countries 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 these countries (where social security contributions are due). Based on the assumption that 100 per cent of the warrants that can be issued within the framework of Warrant Program 2021/2024 are transferred to participants, the assumption that all participants want to acquire as many warrants as possible, meaning that a proportional reduction needs to take place upon allotment, the assumption that all warrants are exercised and an assumed share price of SEK 429.30 at the time the warrants are exercised, the average rate of social security contributions is calculated to approximately 2.80 per cent and the total cost for social security contributions is calculated to approximately SEK 147,000. Based on the same assumptions as above but with an assumed share price of SEK 477.00 when the warrants are exercised, instead of SEK 429.30, the total costs for social security contributions is calculated to approximately SEK 842,000. Since the costs incurred for social security contributions are calculated as such a small amount, no hedge of these costs is proposed.

The total cost for social security contributions will be distributed over the term of the warrants based on the market value of the warrant.

Given the above assumptions, including an assumed share price of SEK 429.30 and SEK 477.00 respectively at the time of exercise of the warrants, and that the program had been introduced in 2019 instead, it is calculated that the key figure earning per share for full year 2020 would have remained unchanged respectively would have decreased from SEK -1.05 to SEK -1.06.

It shall be noted that all calculations above are preliminary and are only intended to provide an illustration of what costs Warrant Program 2021/2024 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 2021/2024 and the proposals of resolutions according to items 15 A and 15 B above, have been prepared by the Board of Directors together with external advisors. It is noted that the CEO, who is also a member of the Board of Directors, has not participated in the Board of Directors' preparation of the proposal, as he, as a member of the group executive management, is comprised by the proposal.

### **Majority requirements**

The proposal in accordance with 14 A - 14 B constitutes an overall proposal, which shall be resolved upon as one resolution. The proposal in accordance with 15 A - 15 B constitutes an overall proposal, which shall be resolved upon as one resolution. The resolutions regarding issue or warrants and approval of transfer of warrants are subject to the provisions in Chapter 16 of the Swedish Companies Act, and valid resolutions for

the respective proposal therefore require that the proposals are supported by shareholders with at least nine-tenth of both the votes cast and the shares represented at the meeting.

A resolution in accordance with item 12 and 13 is valid where supported by shareholders representing at least two thirds of the votes cast and the shares represented at the general meeting.

#### Number of shares and votes

The total number of shares in the Company as of the date hereof amounts to 67,915,035 shares and 67,920,750 votes divided on 635 A shares carrying 6,350 votes and 67,914,400 B shares carrying 67,914,400 votes. The Company holds no shares of its own.

#### Further information

Copies of the annual accounts, audit report, proxy form, complete proposals, including the complete articles of association, and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at Tryckerigatan 4 in Stockholm and at the Company's website [www.investors.storytel.com](http://www.investors.storytel.com), at least three weeks in advance of the annual general meeting and will be sent to shareholders who request it and provide their e-mail or postal address. The nomination committee's complete proposal including the nomination committee's motivated opinion is available on the Company's web site [www.investors.storytel.com](http://www.investors.storytel.com) as from today and will be sent to shareholders who request this report and provide their e-mail or postal address.

The board of directors and the managing director shall, if any shareholder so requests and the board of directors considers that it can be done without material harm to the Company, provide information at the general meeting on matters that may affect the assessment of an item on the agenda or the Company's financial information. Such duty to provide information applies also to the Company's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence. A request for such information shall be received by the Company in writing no later than ten calendar days prior to the meeting, i.e., 24 April 2021 by post to the Company's address AGM 2021 Storytel AB (publ), Attn: Sandra Forsberg, Legal Department, Box 24167, 104 51 Stockholm or by e-mail to [investorrelations@storytel.com](mailto:investorrelations@storytel.com). The information will be made available at the Company's website, [www.investors.storytel.com](http://www.investors.storytel.com) and at the head office no later than on 29 April 2021. The information will also be sent, within the same period of time, to any shareholder who so has requested and who has stated its e-mail or postal address.

#### Processing of personal data

In order to carry out the annual general meeting, the Company and its affiliate companies will before, in connection with and in the subsequent work of the annual general meeting, process your personal data. The personal data collected may be information from the share register, notice of participation at the annual general meeting and information on representatives and advisors who will be used for registration, preparation of the voting register for the annual general meeting and, if applicable, minutes of the meeting. The personal data will only be used for the annual general meeting 2021. We process your personal data because it is:

- necessary in order to meet legal obligations; or
- it is in our legitimate interest, for example to maintain adequate security and order during the meeting, and that interest is not subordinate to your interest against the processing of your personal data.

Personal data may be shared with third-party suppliers such as Baker & McKenzie Law Firm for the provision of services in connection with the annual general meeting. For more information about how the Company and its affiliate companies treat personal data, please read the privacy policy on the Company's website: <https://investors.storytel.com/en/privacy-policy-for-storytel/>

If you in the notice of participation or otherwise include personal data regarding representative or advisor you are responsible for informing the representative or advisor that their personal data will be processed by the Company.

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Stockholm in April 2021  
**Storytel (publ)**  
The Board of Directors

*FNCA Sweden AB is the company's certified adviser. FNCA can be reached at [info@fnca.se](mailto:info@fnca.se) or +46 8 528 00 399.*

**For further information, please contact**

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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.