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Storytel AB (publ)

20 February 2020

PRESS RELEASE

Storytel has completed a directed share issue and thereby raises approximately SEK 948m

INSIDE INFORMATION: The Board of Directors of Storytel AB (publ) (“Storytel” or the “Company”) has, in accordance with the announcement made in a press release earlier today, successfully completed a directed issue of 5,963,152 shares corresponding to approximately SEK 948m (the “Directed issue”). The subscription price in the Directed issue has been determined through an accelerated book building procedure performed by ABG Sundal Collier and Swedbank AB (publ) in cooperation with Kepler Cheuvreux. The Directed issue was significantly oversubscribed. A large number of Swedish and international institutional investors participated, such as Handelsbanken Fonder, Livförsäkringsbolaget Skandia, Skandia Fonder, Swedbank Robur, TIN Fonder and Vitruvian Partners, among others.

Summary of the Directed issue

The Board of Directors of Storytel has, based on the issue authorisation granted by the annual general meeting on 15 May 2019, and as indicated in the Company’s press release on 20 February 2020, resolved on a directed share issue.

- The Directed issue encompasses a total of 5,963,152 shares.
- The subscription price in the Directed issue was set at 159.0 SEK per share, and was determined through an accelerated book building procedure led by ABG Sundal Collier and Swedbank AB (publ).
- Through the Directed issue the Company will receive proceeds of approximately SEK 948m before transaction related costs
- The subscription price in the Directed issue is equivalent to a discount of approximately 2.2 percent in relation to the closing price on Nasdaq First North Growth Market on 20 February.
- The Directed issue entails a dilution of approximately 9.6 percent of the number of shares in the Company. Through the Directed issue, the number of shares outstanding and votes will increase by 5,963,152 from 56,109,410 to 62,072,562 (distributed as 62,071,927 B-shares and 635 A-shares, respectively). The share capital increase by approximately SEK 2,981,567 from SEK 28,054,705 to SEK 31,036,281.
- The Directed issue was directed to selected Swedish and international institutional investors, among others, Handelsbanken Fonder, Livförsäkringsbolaget Skandia, Skandia Fonder, Swedbank Robur, TIN Fonder and Vitruvian Partners.

The Board of Directors’ assessment, based on the accelerated book building process executed by ABG Sundal Collier and Swedbank AB (publ) in cooperation with Kepler Cheuvreux, is that the Directed issue was carried out on customary terms in accordance with market conditions. The reason for the



deviation from the shareholder's preferential rights was to allow the Company to raise capital in a time and cost-effective manner and with favourable conditions raise capital for the Company's continued expansion, as well as to diversify the shareholder base with Swedish and international investors. The proceeds are intended to, inter alia, finance the Company's accelerated investments in content production, sales and marketing in line with the Storytel's communicated expansion strategy.

Advisers

ABG Sundal Collier AB was Sole Global Coordinator and Joint Bookrunner, Swedbank AB (publ) in cooperation with Kepler Cheuvreux was Joint Bookrunner and Baker McKenzie was legal advisor to the Company in connection with the Directed issue.

Responsible person

This information is such information as Storytel AB (publ) is obliged to disclose under the EU Market Abuse Regulation 596/2014. The information has been 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. For further information, please contact:

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About Storytel

Storytel is the largest streaming service for audio books and e-books in Northern Europe, with more than 400 000 titles offered globally. Our vision is to make the world a more empathetic place, through amazing stories which can be shared and appreciated by anyone, anywhere and at any time. Storytel offers both a digital distribution solution and publishing service. The Streaming division functions as a subscription service for audio books and e-books under the brand names Storytel and Mofibo. The Publishing division consists of the publishers Norstedts, Massolit, Kontentan, Telegram, the Danish People's Press, Storytel Publishing, Rabén & Sjögren and B. Wahlströms, as well as Norstedts Kartor. Ztory – a streaming service for papers and magazines became a part of Storytel in January 2019. Today, Storytel is present in 20 markets and is headquartered in Stockholm.

IMPORTANT INFORMATION

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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 “**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 New Share Issue.

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 (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.