



*The Board of Directors' complete proposal in accordance with the below is adjusted compared to the proposal in the notice to the Annual General Meeting 2022, published by the Company on 4 April 2022. The revised proposal entails that the resolution on extension of the outstanding Employee Stock Option Program 2019/2022, 2020/2023 and 2021/2024 shall not be made as a joint resolution but instead as three separate resolutions.*

### **Item 13: The Board's proposed resolution on extension of Employee Stock Option Program 2019/2022, 2020/2023 and 2021/2024**

The Annual General Meeting 2019, 2020 and 2021 resolved to implement Employee Stock Option Program 2019/2022, 2020/2023 and 2021/2024 for employees and key consultants in the Company and the subsidiaries operating within the business area Streaming. All these employee stock option programs have the same overall structure. The stock options were offered to the employees/key consultants proportionally in relation to their respective annual fixed gross salary/consultancy fees converted to SEK. The allotted stock options are vested over a three-year period. Each stock option confers the holder a right to acquire one new share of series B in the Company against an exercise price corresponding to 120 per cent of the average volume weighted price for the Company's share of series B as quoted on Nasdaq First North Growth Market during the period of approximately ten trading days following the general meeting.

In order to hedge the Company's obligations under the employee stock option programs and hedge the ancillary costs, each Annual General Meeting also resolved on a directed issue of warrants, as well as an approval of transfer of the warrants.

#### **Background and motive**

The purpose of the above stated employee stock option programs 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. The Board of Directors proposes that the Annual General Meeting resolves on a one-year extension of the above stated employee stock option programs in accordance with below.

The Board of Directors has evaluated the Company's previous incentive programs and resolved to propose that the Annual General Meeting resolves on the introduction of a new incentive program based on restricted share units, in accordance with item 12 above. The proposed incentive program includes fewer employees than the above-mentioned employee stock option programs. In light of the recent development in the Company's Series B share price affected to large extent by external factors outside the Company's control, such as COVID-19 and the ongoing war in Ukraine and its impact on Storytel's operations in Russia, and to continue to enable the fulfilment of the purpose of the above-mentioned employee stock option programs, the Board of Directors proposes a one-year extension of the period for when participants in the above-mentioned employee stock options can exercise allotted and vested employee stock options. No corresponding extension of the vesting period is proposed. The reason why the time between the start of the extended option right and the new exercise period is less than three years (for the options that according to the terms of the programs are vested within this three-year period) is that an extension of one year of each program within, according to the Board, a reasonable time continues to enable the participants in the employee stock option programs to take part in a potential value growth in the Company's Series B share.

The proposals in accordance with 13a, 13b and 13c constitute separate proposals and shall be resolved upon as three separate resolutions.

### **Item 13a – Resolution on change of terms for Employee Stock Option Program 2019/2022 and related warrants of series 2019/2022**

The Board of Directors proposes that the Annual General Meeting resolves to change the terms of the Employee Stock Option Program 2019/2022 and related warrants of series 2019/2022 resolved by the Annual General Meeting on 15 May 2019 in order for the exercise period of the employee stock options and the period for when the subscription right of the warrants may be utilized to be adjusted in accordance with the following.

The Annual General Meeting on 15 May 2019 resolved to implement an employee stock option program for employees and key consultants in the Company and the subsidiaries operating within the business area Streaming as of 1 June 2019. The allotted stock options are vested over a three-year period. 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 per share (corresponding to 120 per cent of the average volume weighted price for the Company's share of series B as quoted on Nasdaq First North during the period of ten trading days following the general meeting 2019).

For a more detailed description of the Employee Stock Option Program 2019/2022, please refer to the full proposal and annual report for the financial year 2021, note 9, which are available on the Company's website, <https://investors.storytel.com/en/>.

The following main changes to the terms and conditions are proposed:

The period for when the holder can exercise allotted and vested stock options shall be adjusted to the period from 1 June 2022 to 15 December 2023 (previously 15 December 2022).

The period for when the subscription right of the warrants of series 2019/2022 may be utilized shall be adjusted to the period from and including the registration of the warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) to and including 31 December 2023 (previously 31 December 2022);

Further, it is proposed that the first paragraph of item 4 of the "Terms and conditions for warrants 2019/2022 in Storytel AB (publ)" is changed to in accordance with the following:

#### **Current wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December 2022.

#### **Proposed wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December **2023**.

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

In case all warrants issued within the Employee Stock Option Program 2019/2022 (including those for hedge of ancillary costs in the form of social security contributions), i.e. in total 687,500 warrants, are utilized for subscription of new shares, the number of shares and votes in the Company will increase with 687,500 (with reservation for any recalculation in accordance with the Warrant Terms and Conditions), which corresponds to a dilution of approximately 1.22 per cent of the Company's share capital and votes. In the calculation, no adjustment has been made for the employee turnover that has taken place during the term of the outstanding programs or the number of allocated stock options. The actual dilution will thus be lower.

#### **Valuation and costs**

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. The calculations have been based on an assumed share price of SEK 89.60 per share, a risk-free interest rate of 0.57 percent and an assumed volatility of 42.5 percent. In accordance with this valuation, the value of the options in the Employee Stock Option Program 2019/2022 is, after the change of terms, approximately SEK 10.94 per option, corresponding to an increase of the theoretical value of the options of SEK 6.73 per option, as a result of the change of terms. Limitations in the disposal rights have not been taken into consideration in the valuation.

Based on the outstanding 406,087 options in Employee Stock Option Program 2019/2022 the estimated accounting costs as a result of the extension of the options in Employee Stock Option Program 2019/2022 amounts to approximately a total of MSEK 2.7. The calculated cost is based on the increase of the theoretical value of the options resulting from the extension of the exercise period. The change of the theoretical value of the options has been calculated by Öhrlings PricewaterhouseCoopers AB in accordance with the Black & Scholes formula.

The Company's costs for the proposed extension of the Employee Stock Option Program 2019/2022 are expensed at the time of the resolution, as regards already vested options, and over the remaining exercise period, as regards not yet vested options.

It shall be noted that all calculations above are preliminary, based on assumptions and are only intended to provide an illustration of what costs of an extension of the Employee Stock Option Program 2019/2022 may entail. Actual costs may therefore deviate from what has been stated above.

Information on the original costs for the Employee Stock Option Program 2019/2022 is available on the Company's website in the proposal to the Annual General Meeting 2019, <https://investors.storytel.com/en/>.

### **Item 13b – Resolution on change of terms for Employee Stock Option Program 2020/2023 and related warrants of series 2020/2023:1**

The Board of Directors proposes that the Annual General Meeting resolves to change the terms of the Employee Stock Option Program 2020/2023 and related warrants of series 2020/2023:1 resolved by the Annual General Meeting on 6 May 2020 in order for the exercise period of the employee stock options and the period for when the subscription right of the warrants may be utilized to be adjusted in accordance with the following.

The Annual General Meeting on 6 May 2020 resolved to implement an employee stock option program for employees and key consultants in the Company and the subsidiaries operating within the business area Streaming as of 1 June 2020. The allotted stock options are vested over a three-year period. 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 231.96 per share (corresponding to 120 per cent of the average volume weighted price for the Company's share of series B as quoted on Nasdaq First North during the period from 18 May 2020 up to and including 29 May 2020).

For a more detailed description of the Employee Stock Option Program 2020/2023, please refer to the full proposal and annual report for the financial year 2021, note 9, which are available on the Company's website, <https://investors.storytel.com/en/>.

The following main changes to the terms and conditions are proposed:

The period for when the holder can exercise allotted and vested stock options shall be adjusted to the period from 1 June 2023 to 15 December 2024 (previously 15 December 2023).

The period for when the subscription right of the warrants of series 2020/2023:1 may be utilized shall be adjusted to the period from and including the registration of the warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) to and including 31 December 2024 (previously 31 December 2023);

Further, it is proposed that the first paragraph of item 4 of the "Terms and conditions for warrants 2020/2023:1 in Storytel AB (publ)" is changed to in accordance with the following:

#### **Current wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December 2023.

#### **Proposed wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December **2024**.

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

In case all warrants issued within the Employee Stock Option Program 2020/2023 (including those for hedge of ancillary costs in the form of social security contributions), i.e. in total 781,250 warrants, are utilized for

subscription of new shares, the number of shares and votes in the Company will increase with 781,250 (with reservation for any recalculation in accordance with the Warrant Terms and Conditions), which corresponds to a dilution of approximately 1.24 per cent of the Company's share capital and votes. In the calculation, no adjustment has been made for the employee turnover that has taken place during the term of the outstanding programs or the number of allocated stock options. The actual dilution will thus be lower.

### **Valuation and costs**

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. The calculations have been based on an assumed share price of SEK 89.60 per share, a risk-free interest rate of 0.87 percent and an assumed volatility of 42.5 percent. In accordance with this valuation, the value of the options in the Employee Stock Option Program 2020/2023 is, after the change of terms, approximately SEK 4.06 per option, corresponding to an increase of the theoretical value of the options of SEK 2.66 per option, as a result of the change of terms. Limitations in the disposal rights have not been taken into consideration in the valuation.

Based on the outstanding 499,416 options in Employee Stock Option Program 2020/2023 the estimated accounting costs as a result of the extension of the options in Employee Stock Option Program 2020/2023 amounts to approximately a total of MSEK 1.3. The calculated cost is based on the increase of the theoretical value of the options resulting from the extension of the exercise period. The change of the theoretical value of the options has been calculated by Öhrlings PricewaterhouseCoopers AB in accordance with the Black & Scholes formula.

The Company's costs for the proposed extension of the Employee Stock Option Program 2020/2023 are expensed at the time of the resolution, as regards already vested options, and over the remaining exercise period, as regards not yet vested options.

It shall be noted that all calculations above are preliminary, based on assumptions and are only intended to provide an illustration of what costs of an extension of the Employee Stock Option Program 2020/2023 may entail. Actual costs may therefore deviate from what has been stated above.

Information on the original costs for the Employee Stock Option Program 2020/2023 is available on the Company's website in the proposal to the Annual General Meeting 2020, <https://investors.storytel.com/en/>.

### **13c – Resolution on change of terms for Employee Stock Option Program 2021/2024 and related warrants of series 2021/2024:1**

The Board of Directors proposes that the Annual General Meeting resolves to change the terms of the Employee Stock Option Program 2021/2024 and related warrants of series 2021/2024:1 resolved by the Annual General Meeting on 4 May 2021 in order for the exercise period of the employee stock options and the period for when the subscription right of the warrants may be utilized to be adjusted in accordance with the following.

The Annual General Meeting on 4 May 2021 resolved to implement an employee stock option program for employees and key consultants in the Company and the subsidiaries operating within the business area Streaming as of 1 June 2021. The allotted stock options are vested over a three-year period. 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 262.18 per share (corresponding to 120 per cent of the average volume weighted price for the Company's share of series B as quoted on Nasdaq First North during the period from 17 May 2021 up to and including 28 May 2021).

For a more detailed description of the Employee Stock Option Program 2021/2024, please refer to the full proposal and annual report for the financial year 2021, note 9, which are available on the Company's website, <https://investors.storytel.com/en/>.

The following main changes to the terms and conditions are proposed:

The period for when the holder can exercise allotted and vested stock options shall be adjusted to the period from 1 June 2024 to 15 December 2025 (previously 15 December 2024).

The period for when the subscription right of the warrants of series 2021/2024:1 may be utilized shall be adjusted to the period from and including the registration of the warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) to and including 31 December 2025 (previously 31 December 2024);

Further, it is proposed that the first paragraph of item 4 of the “Terms and conditions for warrants 2021/2024:1 in Storytel AB (publ)” is changed to in accordance with the following:

**Current wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December 2024.

**Proposed wording**

§ 4 Subscription can be made during the time period from the day of registration of the Warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) until 31 December **2025**.

**Dilution and information about other incentive programs**

In case all warrants issued within the Employee Stock Option Program 2021/2024 (including those for hedge of ancillary costs in the form of social security contributions), i.e. in total 787,500 warrants, are utilized for subscription of new shares, the number of shares 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 Company’s share capital and votes. In the calculation, no adjustment has been made for the employee turnover that has taken place during the term of the outstanding programs or the number of allocated stock options. The actual dilution will thus be lower.

**Valuation and costs**

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. The calculations have been based on an assumed share price of SEK 89.60 per share, a risk-free interest rate of 1.04 percent and an assumed volatility of 42.5 percent. In accordance with this valuation, the value of the options in the Employee Stock Option Program 2021/2024 is, after the change of terms, approximately SEK 5.65 per option, corresponding to an increase of the theoretical value of the options of SEK 2.73 per option, as a result of the change of terms. Limitations in the disposal rights have not been taken into consideration in the valuation.

Based on the outstanding 561,458 options in Employee Stock Option Program 2021/2024 the estimated accounting costs as a result of the extension of the options in Employee Stock Option Program 2021/2024 amounts to approximately a total of MSEK 1.5. The calculated cost is based on the increase of the theoretical value of the options resulting from the extension of the exercise period. The change of the theoretical value of the options has been calculated by Öhrlings PricewaterhouseCoopers AB in accordance with the Black & Scholes formula.

The Company's costs for the proposed extension of the Employee Stock Option Program 2021/2024 are expensed at the time of the resolution, as regards already vested options, and over the remaining exercise period, as regards not yet vested options.

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

Information on the original costs for the Employee Stock Option Program 2021/2024 is available on the Company's website in the proposal to the Annual General Meeting 2021, <https://investors.storytel.com/en/>.

**Preparation of the proposal**

The proposal for resolution on the change of terms and conditions of Employee Stock Option Program 2019/2022, 2020/2023 and 2021/2024 have been prepared by the Board of Directors together with external advisors. It is noted that the former CEO, Jonas Tellander, who is part of the program and also a member of the Board of Directors, has not participated in the Board of Directors’ preparation of the proposal. Other than the staff members who prepared the matter as instructed by the Board of Directors, no employee who might be covered by the programme participated in the drafting of the terms and conditions.

**Majority requirements**

The proposals in accordance with 13a, 13b and 13c constitute separate proposals and shall be resolved upon as three separate resolutions. Resolution in accordance with item 13 requires that the proposals are supported by shareholders with at least nine-tenth of both the votes cast and the shares represented at the meeting.

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Stockholm in April 2022

**Storytel (publ)**

The Board of Directors