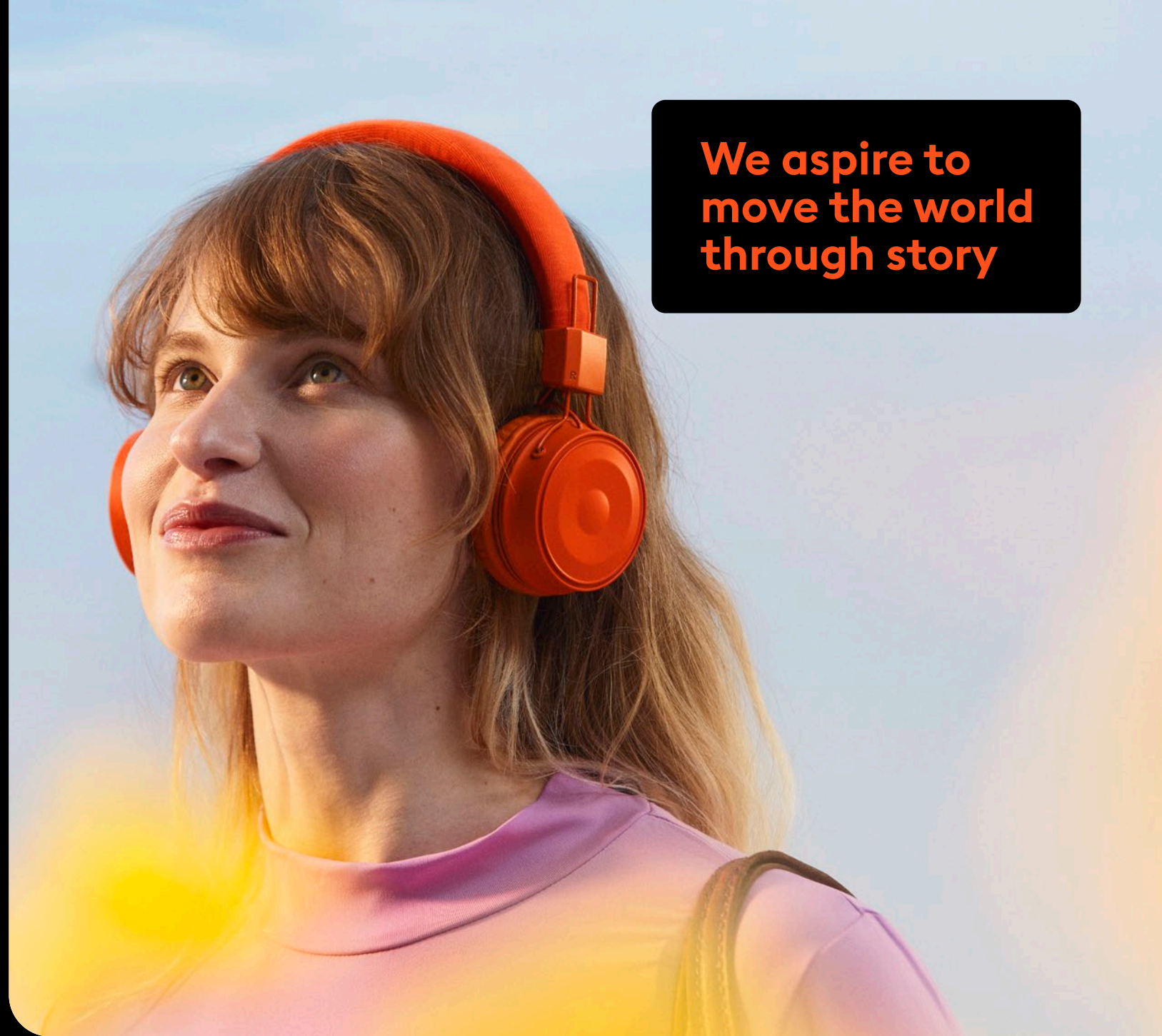




**We aspire to  
move the world  
through story**

Annual  
and Sustainability  
Report 2023



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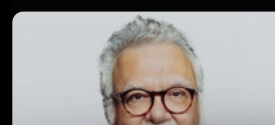
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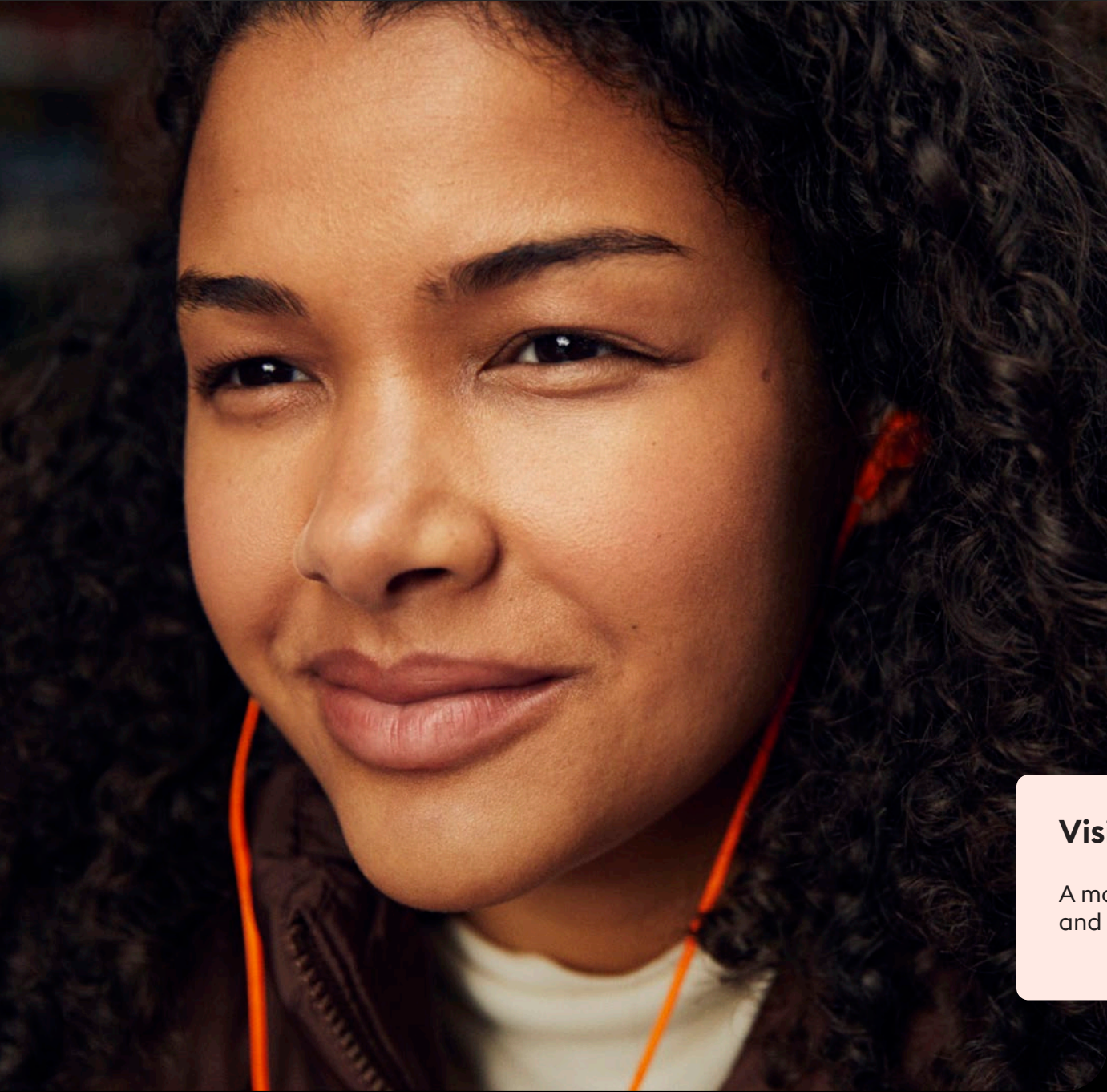
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# There is no more powerful thing in the world than a good story, well told

Stories have the ability to entertain, to educate and inform, to challenge dearly held beliefs. They can help people escape their world. Or dive deeper into it. They can motivate people to do things. Or convince them not to do them. They can inspire, engage, and change people like no other force in the world. And that's why our company is all about audio stories, as is reflected in our name.

## Vision

A more empathetic and creative place.

## Mission

To move the world through story.

# This is Storytel

Storytel aspires to be a leader in digital storytelling. By leveraging technology, Storytel democratizes stories through a platform for content creators and users. Today, Storytel is both a digital platform provider of stories and a print publishing group, allowing the company to bring together the best of publishing and distribution. Storytel has its headquarters in Stockholm. The Storytel Group currently comprises two business areas: Streaming and Publishing.

## Streaming

Storytel is one of the world's leading subscribed audiobook and e-book streaming services, with more than 2.2 million paying subscribers under the brands Storytel, Mofibo and Audiobooks.com in more than 25 markets, where the Nordics represent the largest proportion of revenue. The streaming platform offers listening and reading of more than 1.5 million titles in 40+ languages on a global scale.

## Publishing

Storytel Books includes renowned publishing houses and imprints such as Norstedts, Printz Publishing, Rabén & Sjögren, B. Wahlströms, Lind & Co, the Danish publisher People's and the Finnish publishers Gummerus and Aula & Co. The Streaming segment also includes audiobook publishing, which is run through the audiobook publisher Storyside. Through its publishing houses and imprints, Storytel is a well-known publisher and literary agency in Europe, not least in the Nordic countries.

2.2 mil

paying subscribers for Storytel's audiobook and e-book streaming services

+40%

of paying subscribers listen to Storytel everyday

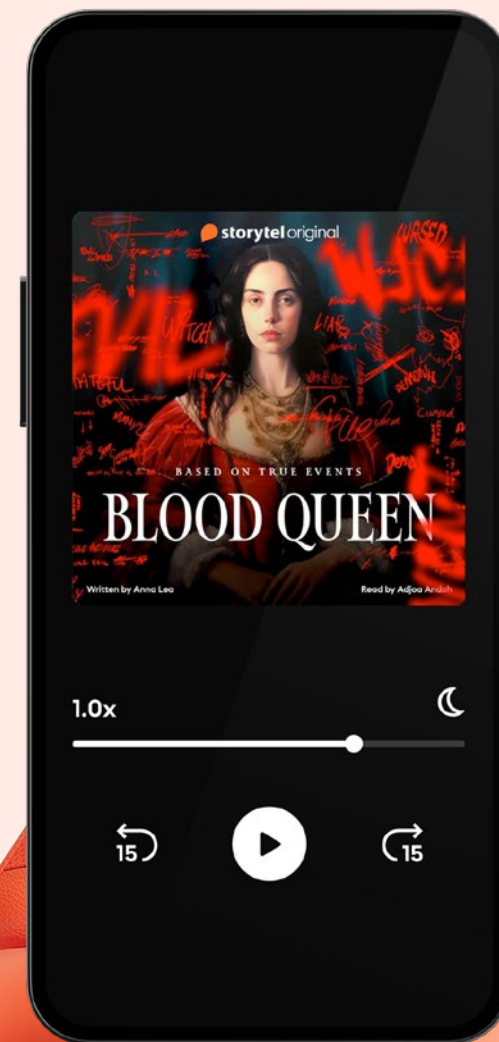
>1 mil

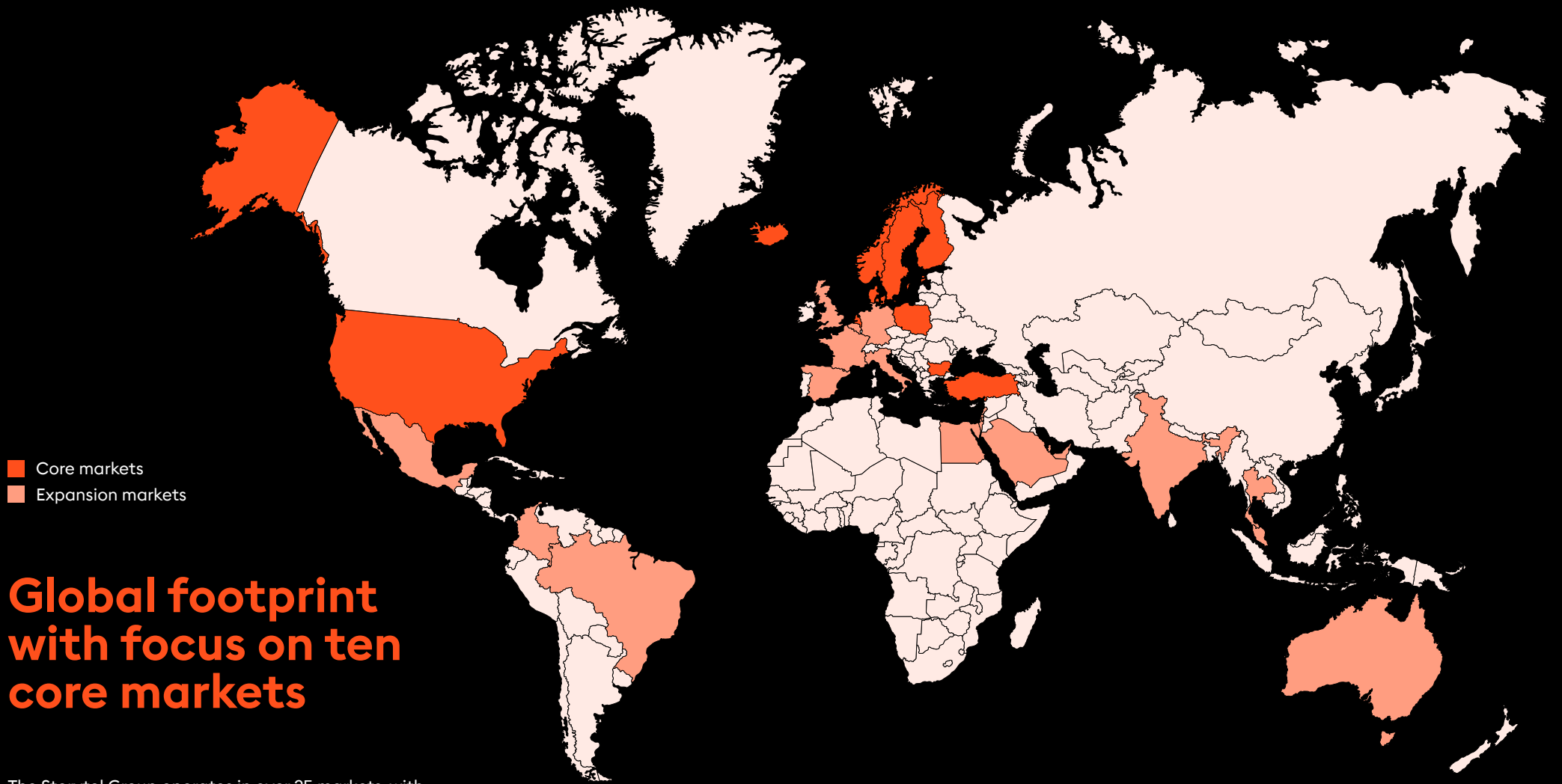
paying subscribers listen to at least one book\* per month

+82%

(of people) read more often since subscribing to Storytel

\* Equivalent to more than 10 hours per month





## Global footprint with focus on ten core markets

The Storytel Group operates in over 25 markets, with focus on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA.

# 2023 in brief

REVENUE (MSEK) **3,489** ADJ. EBITDA (MSEK) **248** ADJ. EBITDA MARGIN (%) **7.1** SUBSCRIBERS (MILLIONS) **2.2**

In 2023, Storytel continued on the transformative journey that was initiated the previous year. Under the new leadership, and with a clear strategic focus on profitable growth in our ten core markets, the company is well positioned for a successful 2024 and beyond. By the end of 2023 Storytel was doing substantially better financially than the year before, with several initiatives relating to strategic direction and efficiency optimization in motion.

Given the pace of the transformation, bolstered by a strong operational and financial performance in 2023, the mid-term financial targets for 2026 have been updated. The aim is to reach 4.5 billion SEK in group revenue, streaming revenue CAGR of 10-12 percent, an adjusted EBITDA-margin above 15 percent and operational cash flow above 10 percent of revenue. Already in 2024 we expect to see results which demonstrates that we are heading in the right direction.

On an operational level the focus has been streamlined into two core business areas; Streaming and Publishing. While operations in these business areas are executed differently, we prioritize certain aspects attributable to both business areas: a localized approach to our markets, an organization and culture fit for our mission and, of course, the essence of Storytel – our stories.

## Operational highlights in 2023

- Strengthened Management Team: Several key recruitments.
- ARPU Increase: The average revenue per user has increased by 6.5% compared to last year, driven primarily by updated pricing and packaging in the Nordics.
- Lower Global Paid Churn: A decrease by 1.5 percentage points from last year. More users stay subscribed for longer.
- Better CLV/SAC Ratio: This measure of marketing efficiency improved throughout the year and is 25% higher in the Q4 compared to last year.
- Strong content/rights acquisitions including collaborations with acclaimed writers Denise Rudberg and Seppo Jokinen.
- Partnership with Telcos: Accounting for more than 10% of our net paid subscriber additions over the year.
- Voice Switcher feature launch: Through strategic partnership with Eleven Labs, making listening more customizable with AI voices

### REVENUE Q/Q PER SEGMENT

AMOUNTS IN TSEK	Q1	Q2	Q3	Q4	FY22	FY23
Revenue Streaming Nordics*	496,630	543,765	571,625	573,674	1,919,046	2,185,694
Revenue Streaming Non-Nordics	245,451	255,117	270,782	284,535	968,717	1,055,885
Revenue Streaming Total*	742,081	798,882	842,407	858,209	2,887,763	3,241,579
Revenue Books	130,083	128,668	139,970	170,946	646,572	569,667

\* Streaming revenue includes all of Storytel Norway's revenue.

### GROUP EBITDA MARGIN OVER TIME\*



\* Subject to a change in accounting practices during 2021.

— EBITDA MARGIN (%) — EBITDA MARGIN (R12, %)



# Letter from the CEO

Dear shareholders,

In 2023 we successfully continued our transformation journey.

Our strategy of profitable growth translated into strong performance and we are doing substantially better financially than a year ago. We continued our growth with an 8 percent increase in average subscribers and a 10 percent increase of group revenues. And we further improved our adjusted Group EBITDA by 169 percent to 248 MSEK, equaling a margin of 7.1 percent.

As a group, we have a unique business model. Our mission is to move the world through story, whether such a story is released by one of our publishing houses, and/or enjoyed on our streaming platform. The shared passion for storytelling unites the two sides of our business, and we are dedicated to nurturing and elevating this commitment. As we progress into 2024, we have a clear sense of our priorities and what we need to achieve in the years ahead.

## Unique content and first-class user experience driving loyalty

In our most penetrated markets, the Nordics, users are both highly engaged and increasingly loyal. Today, almost 50 percent of our Nordic users have been continuously subscribed to Storytel for more than three years. In fact, monthly churn levels are currently at the lowest point ever, which speaks to the great price to value equation our subscribers experience.

While the vast majority of our catalogue is not exclusive to Storytel, we are creating a differentiated and personalized product and customer audio-story experience through unique Storytel content and improved use of data and analytics. Storytel Originals serve as one of our core differ-



The shared passion  
for storytelling  
unites the two sides  
of our business

Johannes Larcher  
CEO, Storytel

entiaters and strengthen our ability to attract new users. In 2023, we released more than 270 Storytel Originals, such as Danish biography *To party with the Elite*, Dutch erotic story *Eargasm*, Finnish true story *Jesus loves skinny Girls* and *Becoming Sherlock: The Red Circle*, the debut story of the grand new Sherlock Holmes adaptation. Our Swedish publisher Norstedts also entered an extensive publishing agreement with multi-bestseller author Denise Rudberg, granting rights to both her frontlist and backlist.

During the year, we proudly celebrated several awards spanning the literary landscape. Rabén & Sjögren's authors Oskar Kroon and Hanna Klinthage won the August Prize in the Swedish children's and youth book category, while Gummerus' author Antti Järvi was awarded the Finlandia Prize in the non-fiction category.

2023 also marked the launch of Voice Switcher – a feature developed exclusively for Storytel that lets users personalize their listening experience by seamlessly switching the narrator voice to an alternative one more to their liking. This is made possible through the use of generative AI and speech synthesis, and is currently available for a selection of titles in English, Polish and Swedish, with more languages and titles to be introduced in 2024.

## Heightened efficiency through optimized operations

We recognize significant potential in improving gross margin by investing in our own content and by responsibly managing content expenses in alignment with our revenue. We have seen content costs as percentage of revenue decline meaningfully in 2023 as a result of these efforts.

In 2023, our subscriber growth regained momentum. From the spring onwards, we achieved positive net addition of subscribers on a weekly basis in 39 out of 40 weeks, despite managed subscriber decreases in non-core markets. This trend supported an 8 percent increase in paying subscribers, reaching a total of over 2.2 million paid subscribers by year-end.

Thanks to a myriad of improvements in our marketing practice, we now attract customers more cost efficiently. This resulted in an improved average customer lifetime val-

# 2023 was a record-breaking year in our Non-Nordic growth markets

ue relative to the customer acquisition cost compared to 2022. In simple terms, we are acquiring more subscribers, with higher lifetime revenue, for less marketing investment than previously.

Furthermore, 2023 was a record-breaking year in our Non-Nordic growth markets; The Netherlands, Turkey, Poland and Bulgaria, experiencing revenue growth above 30 percent year on year and increases in paybase, despite reduced marketing investments. While these markets are still in the early stages of audiobook adoption, the pace of development is accelerating. In the US, Audiobooks.com continued to emphasize profitability with its customer acquisition strategy and continued to 'do more with less' while also improving the customer experience.

While we continue to invest appropriately in our product, technology and data efforts, we remain focused on developing the company long term, which amongst other efficiency efforts has resulted in a restructuring to our Streaming Content and Storytel Books organizations in the second half of 2023.

## Accelerated path to profitability

The audiobook market is experiencing rapid growth and presents a compelling opportunity. To adapt to the evolving industry landscape and better serve our stakeholders, we've intensified our focus on our ten core markets – the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. This has allowed us to accelerate our path to profitability and bolster our capacity to generate significant cash flow, beyond the previously outlined guidance.

Our emphasis on efficiency remained paramount throughout 2023 and will persist into 2024. In January 2024, we announced an efficiency initiative aimed at optimizing our cost structure to align with the revised strategic focus and evolving business needs. This optimization effort reduced the Storytel workforce by around 80 team members, representing a 13 percent decrease.

Building upon our solid operational and financial performance in 2023, we anticipate achieving our mid-term financial targets earlier than projected, with an adjusted EBITDA margin above 12 percent and strong operational cash flow now already expected in 2024. Additionally, we foresee organic revenue growth in 2024 of around 10 percent.

Sustainability and corporate responsibility are fundamental to our operations, as reflected by our commitment to the United Nations Global Compact (UNGC) program. Notably, 82 percent of our users report increased reading habits since subscribing to Storytel. As we pursue our mission to move the world through story, one of our sustainability goals for 2024 is to help more than 1.15 million people consume one book per month.

We have a strong team in place to proceed on our transformation journey and made notable additions to our Group Management team in 2023 by welcoming Peter Messner as CFO, Luis Duran as President of Streaming, along with several other experienced leaders. I wish to express my gratitude to our entire team; your dedication, resilience, and teamwork have been the driving force behind our accomplishments. I also want to thank our shareholders for your continued trust and investment in Storytel. Over the past year, Storytel has undergone substantial transformation, fortifying our position within the growing audiobook industry, and I am very excited about the potential and opportunities ahead.

CEO, Storytel



# Investment case

01

## Proven business model

Pioneer with a proven business model that has established itself as one of the world's leading audiobook streaming services.

02

## Strong revenue and cash flow generation

Attractive finance profile with large portion of recurring revenues, strong unit economics, scalable business model and self-sufficient cash generation.

03

## Untapped potential in core markets

Large and early stage addressable market with potential for strong long-term underlying growth over time.

04

## Internal synergies between business areas

Combination of Publishing and Streaming businesses creates synergies and strengthens competitive position.

05

## Strong brand reputation

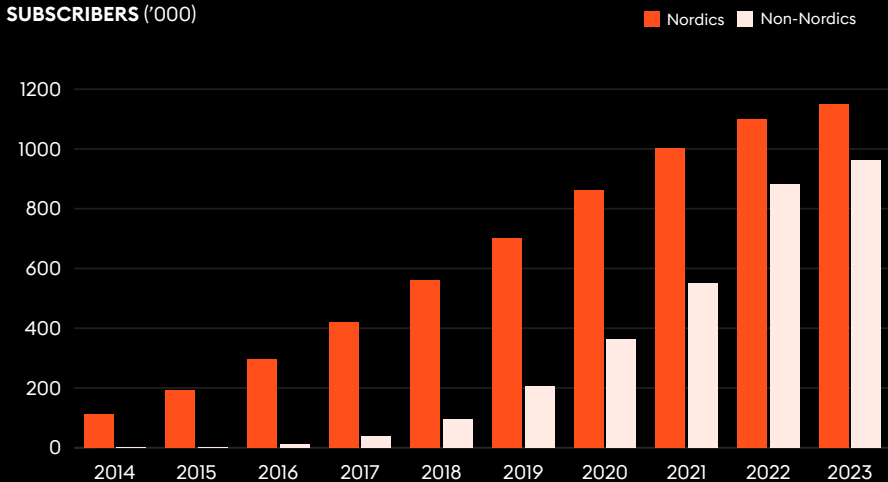
Attracting the best creative talent to building a unique platform and subscriber experience.

06

## Streamlined organization and experienced management team

A leadership team with deep industry knowledge who have done it before.

SUBSCRIBERS ('000)



STREAMING REVENUE GROWTH (MSEK)



# Our story

**2005**

Jonas Tellander and Jon Hauksson founded the Bokilur audiobook service with its Unlimited subscription. This subsequently becomes Storytel.

**2011**

The first Storytel-produced audiobook is launched on the Swedish market.

**2015**

Storytel launches in Denmark which soon becomes one of our core markets.

**2016**

Storytel acquires Norstedts publishing group, the second largest publishing group in Sweden. Storytel also acquires its Danish audiobook competitor Mofibo. Storytel launches audiobook service in Finland and Poland.

**2017**

Broadening operations by opening shop in Spain, India and United Arab Emirates.

**2023**

Norstedts Förlagsgrupp celebrates its 200th anniversary. Time-limited Family and Family+ subscriptions were launched. Storytel surpassed 2 billion SEK in streaming revenues in the Nordics and 1 million subscribers outside the Nordics.

**2022**

Storytel finalizes acquisition of US-based streaming service Audiobooks.com. New milestones were reached when passing 2 million paying subscribers, the global catalogue passed 1 million titles, and more than 150 Storytel Originals were produced. The time-limited Basic and Premium subscriptions were launched.

**2021**

Storytel surpassed the milestone 1 million paying subscribers in the Nordics.

**2019**

Storytel passes a new milestone: one million paying subscribers. Launching in Germany, Singapore, Brazil and South Korea.

**2018**

Storytel is listed on Nasdaq Stockholm First North. The Family subscription and our own e-reader launches.



## Our strategy

Throughout our transformation journey initiated in 2022, we've taken significant steps to build a solid foundation for a strong and resilient company. We've focused on achieving profitable growth, ensuring that our strategies and tactics align with the evolving market dynamics.

Additionally, we've prioritized improved cost management and successfully achieved efficiency and scalability across our organization, systems, and processes in order to redefine our operations within the digital storytelling landscape.

Great stories are the at core of Storytel. We are dedicated to offering an extensive selection of audio stories that cater to every user, situation, and need.

Our steadfast focus remains on our ten core markets. At the same time, we will maintain presence in our Expansion markets at current levels, while remaining open to the possibility of re-accelerating investment and growth in the future.

Throughout the year, we have placed particular emphasis on ensuring that our strategy fosters synergies between the Streaming and Publishing business areas, while cultivating a data-driven culture focused on efficiency and operational excellence.

Ultimately, these principles will guide us on our mission to move the world through story.





# Operating strategy

**Storytel Group fuses the excellence of publishing with the versatility of streaming. Our mission is to move the world through story, by making stories available for everyone to discover. Anytime. Anywhere.**

As the pioneer of unlimited listening for audiobooks, our streaming service provides users with a risk-free, 'no-regret' way to discover new authors, and listen to as many books as they like, without having to pay for titles they don't enjoy. Storytel Group structures its business into two business areas: streaming, which refers to our digital platform, and our publishing business. Combined, the group offers premium content and premium distribution to a growing audience united by stories.

Our strategy of operating both D2C Streaming services and leading publishing houses – combined with our investments in differentiating and original audio-story content – provides us with valuable benefits. The streaming side of the business can help our publishing houses to attract and retain the best authors; and the publishing side can help the streaming business develop content advantages that improve subscriber acquisition and retention.

The publishing business consists of leading publishing houses such as Norstedts and Gummerus, and the audio publisher Storyside. We work together with creators – such as authors, narrators, directors and producers of audiobooks – to bring to life the most amazing stories in print books, e-books, audiobooks or pod books, characterized as books condensed into a shorter format which also may include interviews, sound recordings, or excerpts from other media.

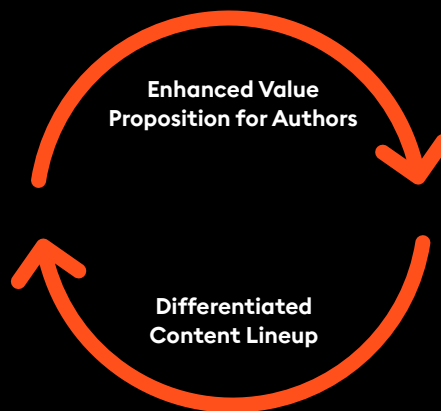
## Streaming

- Access to large and growing subscriber bases
- Diverse international marketplaces to expand an author's global reach
- Monetization opportunities beyond traditional book format (e.g Originals)
- Powerful awareness generation ability and marketing support for creators
- Longevity for titles that have long left bookstore shelves



## Publishing

- Direct relationships with authors and other creators
- Storytel Originals, owned-IP and licensing windows
- Curatorial expertise driven by customer data
- Access to broad catalogue with attractive economics and flexible distribution



# Market position

The audiobook industry is experiencing rapid growth, and offers attractive prospects for new players, both locally and globally. We embrace competition and remain confident in our ability to continue on our successful path to compete effectively over the long term.

In many of our core markets, we have benefited from being the first mover, and have been able to establish a strong consumer brand that is synonymous with audiobooks and high quality. The know-how and experience that comes from being 100 percent focused on the audio-story business for almost two decades is substantial, valuable, and helps strengthen our consumer offer.

We are well-positioned in our most important markets as operator of not only a Streaming Service, but also owner of large Publishing Houses. Publishers such as Norstedts, Gummerus, Peoples, and Lind & Co are renowned for their ability to attract the best authors with the very best stories, and allow us to realize many synergies.

Storytel is also well positioned as a result of the high loyalty we continue to earn from our subscribers. More than a million subscribers listen to Storytel for at least ten hours per month, and more than 40 percent of paid subscribers listen to at least five minutes of Storytel every day. These numbers reflect just how well we're executing on our mission to move the world through story on behalf of our subscribers, and how much we mean to these subscribers.

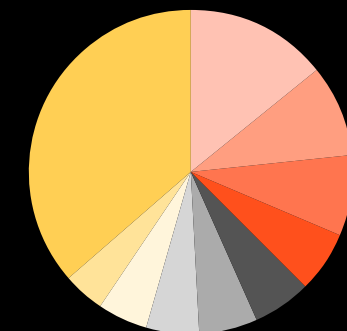
In aggregate, these factors make us confident that while we may not be immune from competitive forces, we are well positioned and enjoy a level of insulation that will allow us to compete effectively for the long term.

Unlike other media and entertainment businesses, the audiobooks business is highly localized. Around 85 percent of hours listened comes from local authors, and takes place in the local language. These authors are represented by a large number of publishers in every market and language, and it has taken us many years to establish the over 1,500 publisher relationships that provide us and our subscribers with access to more than 1.5 million titles.



## Total available in-house catalogue

100% = 341,476 hours of available catalogue



■ Swedish 
 ■ Spanish 
 ■ Arabic 
 ■ Dutch 
 ■ Finnish 
 ■ Turkish 
 ■ Bulgarian 
 ■ Danish 
 ■ Polish 
 ■ Other

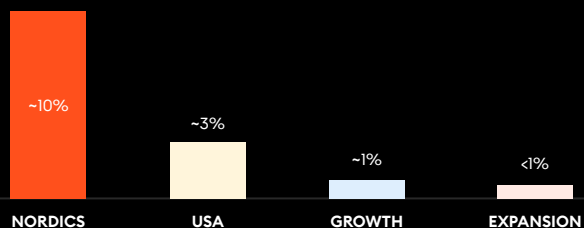
# Outlook and financial targets

Our goal is to bring the world's best audio stories to our subscribers, regardless of whether it's content we license from our 1,500+ publishers worldwide – or our own original content. These audio-stories are brought to listeners around the world through the Storytel app providing easy access to favourite stories anywhere, anytime, and on the device of choice.

Storytel operates in over 25 markets globally, with focus on building sustainable, scaled and defensible businesses in ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. In our Expansion markets, we plan to sustain our current business operations and do not anticipate significant revenue growth from 2024 to 2026.

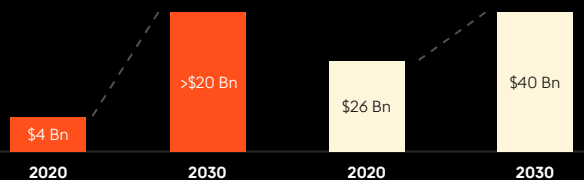
Until 2026, Storytel expects increasing EBITDA margins following reinvestments that enable the group to further leverage economies of scale. Over time, 20 percent EBITDA margins are potentially within reach. We are confident that going forward, we can run the company on a cash self-sufficient basis.

## AUDIOBOOK PENETRATION ACROSS REGIONS



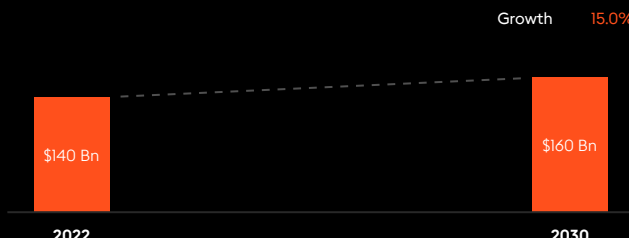
Source: Storytel Analysis; Storytel Market Research

## GLOBAL AUDIO MARKET (EXCLUDING MUSIC)



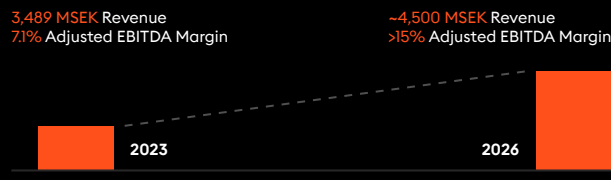
Source: PWC Global Media & Entertainment Outlook; Deloitte TMT Predictions

## GLOBAL BOOK PUBLISHING MARKET



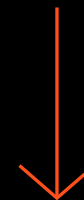
Source: Grand View Research

## KEY DRIVERS FOR SUSTAINABLE PROFITABLE GROWTH



**Growth Drivers:** Underlying Market Growth, Differentiated Content Offer Pricing, Packaging, Promotions, Funnel Optimization **Profitability Drivers:** Increasing LTV/SAC Ratio, Declining COGS % Revenue, Declining Overhead % Revenue

# Storytel in 2026



## Financial targets:

REVENUE (MSEK) **~4,500**

STREAMING REVENUE CAGR **~10-12%**

EBITDA MARGIN **>15%**

OPERATIONAL CASH FLOW\* **>10%**

\* Operational cash flow = EBITDA excluding items affecting comparability less operational capex

## Near term guidance for 2024

REVENUE GROWTH **~10%**

ADJ. EBITDA MARGIN **>12%**

OPERATIONAL CASH FLOW **>7%**



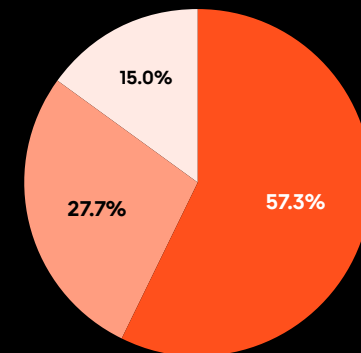


## Business areas

Over the past year the business was streamlined into two business areas, streaming and publishing, with a clear focus on ten core markets. In 2023, the strategic focus on profitable growth and cash flow generation resulted in group revenues of 3,489 million SEK, and adjusted EBITDA of 248 million SEK, up 9 and 169 percent respectively, compared to the previous year. Similarly, the measures taken related to efficiency paid dividends in our operational cash flow which amounted to 90 million SEK, up from negative 68 million SEK in 2022.

The results are attributable to our commitment to both our new strategic direction and our users which remains paramount. In 2024 we remain equally dedicated to deliver more engaging stories and experiences to our readers and listeners.

REVENUE PER BUSINESS SEGMENT FY2023



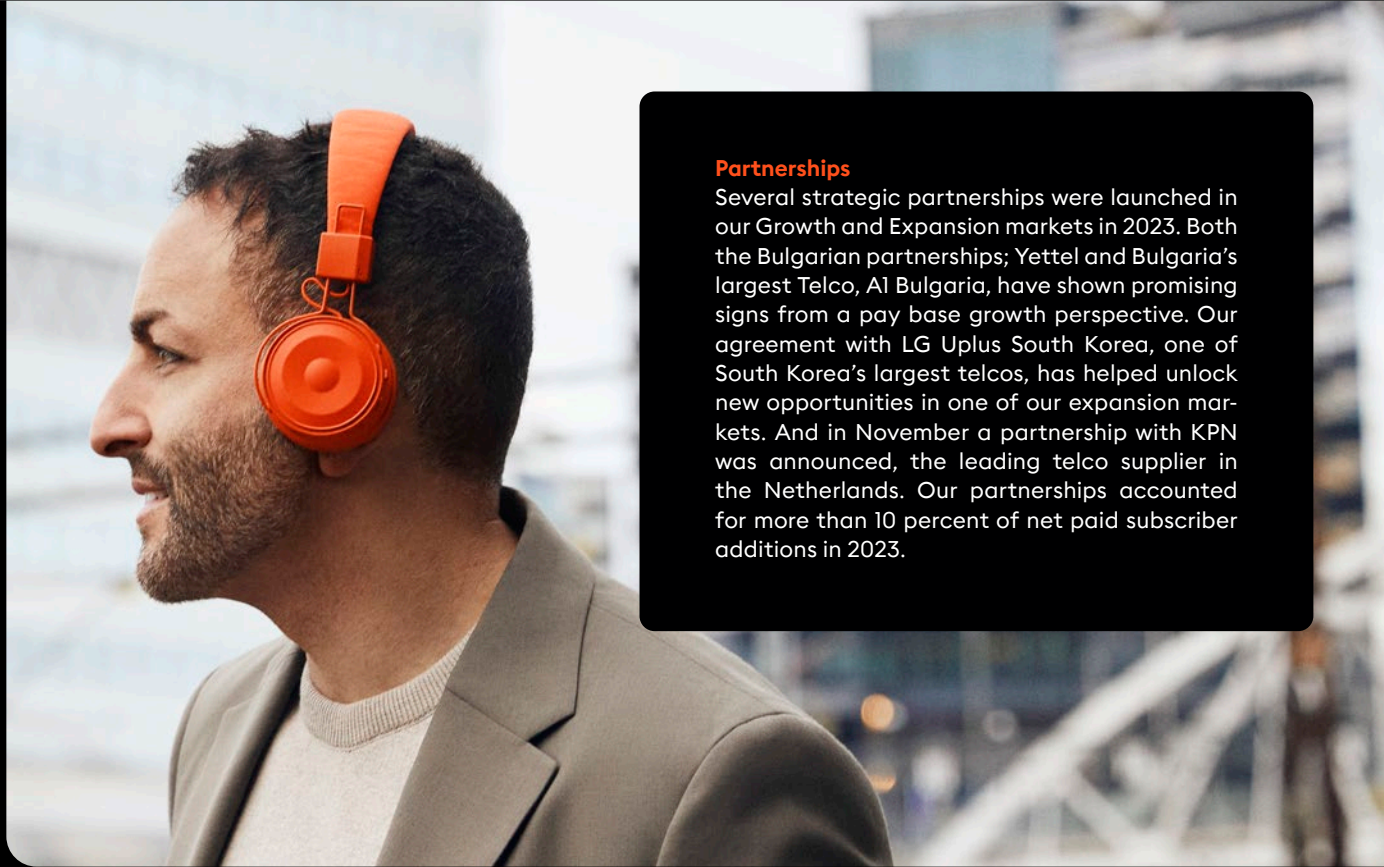
■ Nordic Streaming ■ Non-Nordics Streaming ■ Books

# Streaming

The streaming business within Storytel Group is conducted under the brands Storytel, Mofibo and Audiobooks.com. The streaming platform offers more than 1.5 million audiobooks and e-books in 41 different languages to more than 2.2 million paying subscribers.

Most of the investment in content, marketing and personnel is focused on Storytel's ten core markets; the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. These markets collectively represent an addressable market of 400 million customers including the US, and +130 million customers excluding the US. These markets also make up for more than 90 percent of the revenue. In all of these core markets, we are either clear leaders or strong challengers in the audiobook streaming sector.

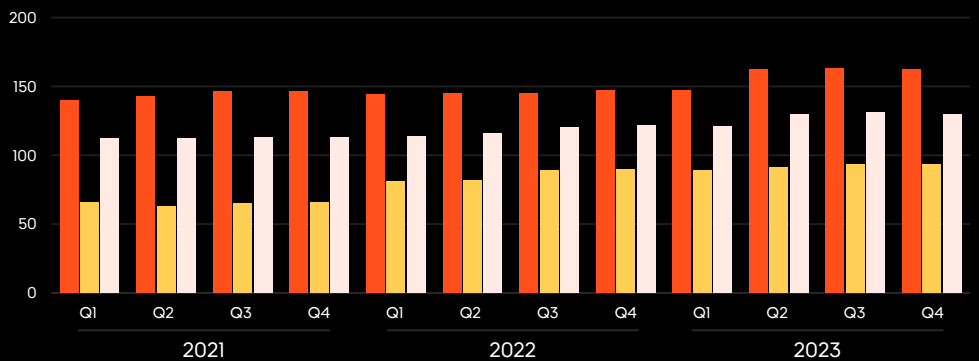
Besides these ten core markets, Storytel is offered in several additional countries, including South Korea, the Arabic-speaking Middle East, Brazil, Mexico, Italy, Spain, France and Germany. These are nascent businesses in their early development, and some of them may become more central to our growth going forward.



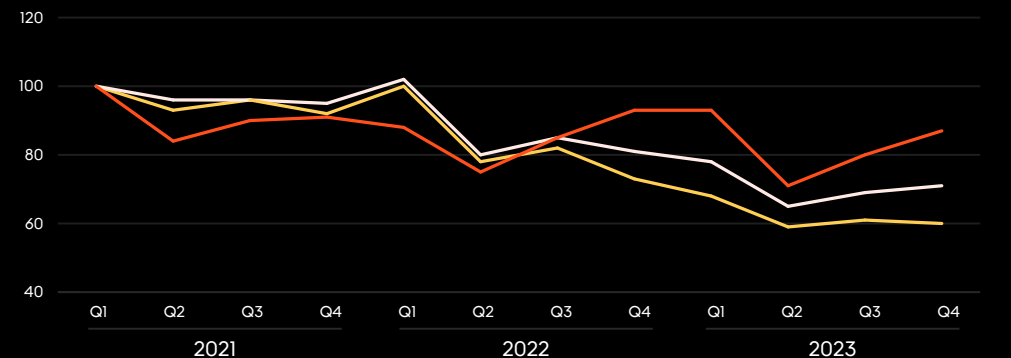
### Partnerships

Several strategic partnerships were launched in our Growth and Expansion markets in 2023. Both the Bulgarian partnerships; Yettel and Bulgaria's largest Telco, A1 Bulgaria, have shown promising signs from a pay base growth perspective. Our agreement with LG Uplus South Korea, one of South Korea's largest telcos, has helped unlock new opportunities in one of our expansion markets. And in November a partnership with KPN was announced, the leading telco supplier in the Netherlands. Our partnerships accounted for more than 10 percent of net paid subscriber additions in 2023.

**AVERAGE REVENUE PER USER (SEK)**



**CHURN, INDEXED (%)\***



\* Please note that churn in Nordics is lower than non Nordics in absolute numbers.



## Everything started in the Nordics...

... and we continue to lead after almost 20 years of operations.

The Nordics represent our most mature markets with the highest engagement, loyalty and retention rate – and additionally a high willingness to pay to enjoy an audio subscription.

Numerous strategic factors have contributed to this successful journey, including the expansion of local catalogues, the introduction of flexible subscription plans, and the creation of original content, all within the framework of an appealing brand. Together, these elements have propelled the widespread adoption and popularity of audiobooks throughout the region.

Looking ahead, our strategic direction in the region is on further enhancing content differentiation through innovative, original, and exclusive audio stories, crafted by local storytellers. Storytel Group's unique position to increasingly integrate the publishing and streaming units, serves as a key driver in executing this strategy.





# Non-Nordic streaming markets

## Non-Nordic growth markets

Our four Non-Nordic growth markets, The Netherlands, Poland, Bulgaria and Turkey, are less penetrated than the Nordics but are showing strong traction, achieving more than 25 percent revenue growth in 2023. Therefore, our strategy involves expanding the audiobook category while positioning Storytel as the best alternative for consumers. In this context, we will focus on reducing entry barriers for individuals who have not yet explored audiobooks.

We will also focus on developing distribution partnerships to increase reach in a way that is highly efficient. And in the meantime, we will actively seek to maximize the output of our internal publisher, Storyside, to ensure a consistent flow of fresh and locally relevant content with strong economics.

## Audiobooks.com and the US market

In North America, Storytel operates under the brand Audiobooks.com, a niche player in the market. It is a profitable business and part of our set of high priority profitable growth markets.

As we move forward, we maintain a commitment to the US market. We intend to continue growing on the back of multiple organic initiatives around our go-to-market strategy, some of which we are already starting to test.

In the US, we operate on a credit-based model. We see a distinct opportunity to expand the success of this model to other markets where we believe it aligns well with commercial or content-related objectives.

## Expansion markets

Besides our ten core markets, we intend to drive a careful and capital-efficient expansion strategy in a small number of high-potential streaming markets selected from the company's earlier expansion efforts.

We have a disciplined investment approach in our Expansion Markets through organic and self-funded marketing efforts, combined with a disciplined focus on efficiency. Collectively, these markets account for less than 10% of our total revenue with an expectation to grow modestly.

Markets like South Korea, Italy, Brazil, and Germany will grow their subscriber bases with low but yet efficient investment. We believe that through strategic partnerships, self-funded marketing efforts, and a disciplined focus on efficiency we can maintain the revenue contribution these markets represent.

**Markets**

**Strategic role**

**Growth ambition**

10 Core Growth Markets			15 Markets
Nordics	USA	Netherlands, Turkey, Poland and Bulgaria	Expansion
Generate Substantial Profitability & Cash Flow			Preserve Growth Potential
~10%	~7.5%	~20%	+/- 0%



## Publishing

A majority of the Storytel catalogue comprises content from external publishers, including third-party publishers and other licensed content providers. Additionally, we have two internal publishing entities: Storyside and Storytel Books.

## Storyside

Storyside operates as a digital audio publishing house, securing audio rights from third parties while also creating Original Audio Content. Today Storyside offers a total of almost 50,000 audiobooks in 38 languages.

Storytel Originals stand out as a key differentiating factor for us. Many of our Storytel Originals generate significant media attention and bolster our ability to attract new users. Since 2016, we've been creating Storytel Originals, and will continue doing so going forward. In 2023 alone, we launched approximately 300 new Storytel originals.

In the US market, our strategy involves selecting successful Storytel Originals from our various markets and translating them into English for production.

In our expansion markets, where awareness of audiobooks is typically low, our focus is on educating audiences about the numerous benefits of audio content. Featuring local bestsellers is vital to demonstrate the value of a Storytel subscription, and we leverage both our in-house publishing capabilities and selected translations of Storytel Originals where strategically appropriate.



## Storytel Books: A home for leading authors

Our publishing houses are dedicated to offering high-quality works to our readers and users from renowned, critically acclaimed, and award-winning authors across various genres, while the streaming side of the business offers an attractive platform for authors to spread their work.

Storytel Books is the home of all print publishing houses within Storytel Group. The portfolio includes Swedish publishing house Lind & Co, the Danish publisher People's and the Finnish publishers Gummerus and Aula & Co, and Norstedts Publishing Group who celebrated 200 years in 2023. Norstedts Publishing Group comprises the renowned brands such as Norstedts, Printz Publishing, Rabén & Sjögren, B. Wahlströms and Brombergs.

Through its publishing houses and imprints, Storytel is a well-known publisher in Europe.

In 2023, Norstedts entered an extensive publishing agreement with Swedish author Denise Rudberg, granting rights to both her frontlist and backlist. In November 2023 the first book *Dancing Queen* was launched, and in spring 2024 Rudberg will debut her first Storytel Original, *Hennes sista steg* (*Her last step*), the first book in a trilogy *Nattens ondska* (*Evil of the night*) followed by the release of the fifth installment of her novel series *Kontrahenterna* (*The Counterparties*), published through Norstedts.

Rabén & Sjögren saw success with a series of best-selling children's book by the Swedish comedy trio IJustWantToBeCool. They kickstarted their writing career on Storytel and has now achieved widespread success across various platforms. In Finland, the Group acquired the rights to the entire digital book production of Seppo Jokinen's popular Koskinen series. Furthermore, a new Koskinen title is planned to release in Spring 2024.

The publishers' works are published in all formats, and approximately 50 percent of the revenue from Storytel Book's net sales are now digital. The internal sales from Books to Storytel Streaming saw a notable increase of 28.2 percent during 2023, while the external sales experienced a slight decrease.

The market for physical books is decreasing across the Nordic countries and the decrease in sales is consistent with the broader developments within the sector. Additionally, the physical sales for Storytel Books are somewhat influenced by one-time effects such as the closure of book clubs in Sweden.

The publishing industry has been impacted by macro-economic factors, including price increases and reduced consumer purchasing power. In response to this, Storytel

Group publishers have taken proactive steps by implementing a series of strategic measures to strengthen our position in 2024. By collectively negotiating contracts for printing and production across all publishers within the group, prices can be kept down. Furthermore, each publisher has increased retail prices for physical books. In the autumn, cost-cutting measures were implemented in order to reduce fixed expenses, anticipating a better performance in 2024.



# Storytel Sustainability Report 2023

## A Word from the CFO

In 2023 we continued on our profitable growth journey, with a sharpened focus on building a more sustainable business for the long-term. Our vision as a company is to make the world a more empathetic and creative place, and we believe it can be achieved by moving the world through story. In an unstable world and economy, we believe stories are more important than ever to help people relax, learn or simply escape for a moment. We are proud that 82 percent of all Storytel users report reading more overall since subscribing to Storytel.



We are committed to the UN Global Compact, and to work for the wellbeing of people and the planet, and a core focus for the Storytel Group is to prepare for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the reporting requirements in the ESRs. Having undergone significant downsizing of the workforce, resources are more scarce and the company needs to be extremely focused on the activities that have the largest impact. As such, we are concentrating our efforts on the areas related to social sustainability, which is where we believe the business can have the largest positive impact, and are recalibrating our efforts related to environmental sustainability. We have therefore decided to pause the development of Science-based targets until we have operationalized the CSRD requirements. In 2024, we look forward to conducting a double materiality assessment and gap analysis to future-proof our ESG operations and reporting practices accordingly.

**Peter Messner,**  
Chief Financial Officer



**Storytel's vision is to make the world a more empathetic and creative place.**

Stories are common references that bring us closer. They help us think bigger, see beyond ourselves, and build understanding for our fellow humans.

**Storytel's mission is to move the world through story.**

Stories evoke emotions. Stories change the way we view the world. And the world itself. We make stories available for everyone to discover. Anytime. Anywhere.

## About Storytel

Storytel aspires to be a leader in digital storytelling. The Storytel Group consists of two main divisions, Streaming and Publishing, which operate within the media & entertainment and print publishing industries, respectively. Being a digital platform provider of stories as well as a publishing group, allows Storytel to bring together the best of publishing and technology. By accessing stories via a digital platform, Storytel's subscribers can enjoy the benefits of reading and listening in a way that fits the modern lifestyle.

## About the report

The Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act.



# ESG at Storytel

ESG stands for Environmental, Social and Governance and makes up a well-established framework for corporate sustainability. Storytel has drawn from this framework and has divided its approach to ESG into Footprint, Brainprint and Fingerprint to create a better understanding and clearly showcase the impact Storytel has on society at large.

- Brainprint – Wellbeing of customers
- Footprint – Wellbeing of the planet
- Fingerprint – Wellbeing of employees and partners

## Storytel's Materiality Assessment

Storytel carried out its first materiality assessment in 2018 to build a foundation for the initial sustainability strategy and focus areas. In 2022, Storytel updated the materiality assessment on a Group level. The goal was to identify material topics that are 1) value drivers for the Storytel Group, 2) closely aligned with the Group's most significant risks, 3) measurable and have clear ownership and accountability in the organization. As part of the process, the stakeholders were mapped, global sustainability trends were analyzed and 1,500 people across internal and external stakeholder groups, of which 959 were customers, were engaged. In 2024, to prepare for reporting in line with the CSRD, Storytel will perform a double materiality assessment.

## ESG & Risk Management

On an annual basis, a risk assessment is carried out within the Storytel Group to identify, evaluate and prioritize the risks that are most important for achieving set business objectives within the Group. Thereafter, appropriate activities are decided upon in order to either reduce the probability of the risk occurring, or to mitigate any consequences. Risks are assigned to an owner who is responsible for monitoring and following up on decided activities and their impact on lowering the risk as intended. A review and status reporting of the most significant enterprise risks are carried out at

least annually and included in reporting to the Audit Committee and Board of Directors. ESG-related risks are part of the Group-wide risk assessment, and a description of the significant risks and related risk responses for the Group can be found in the Governance Report.

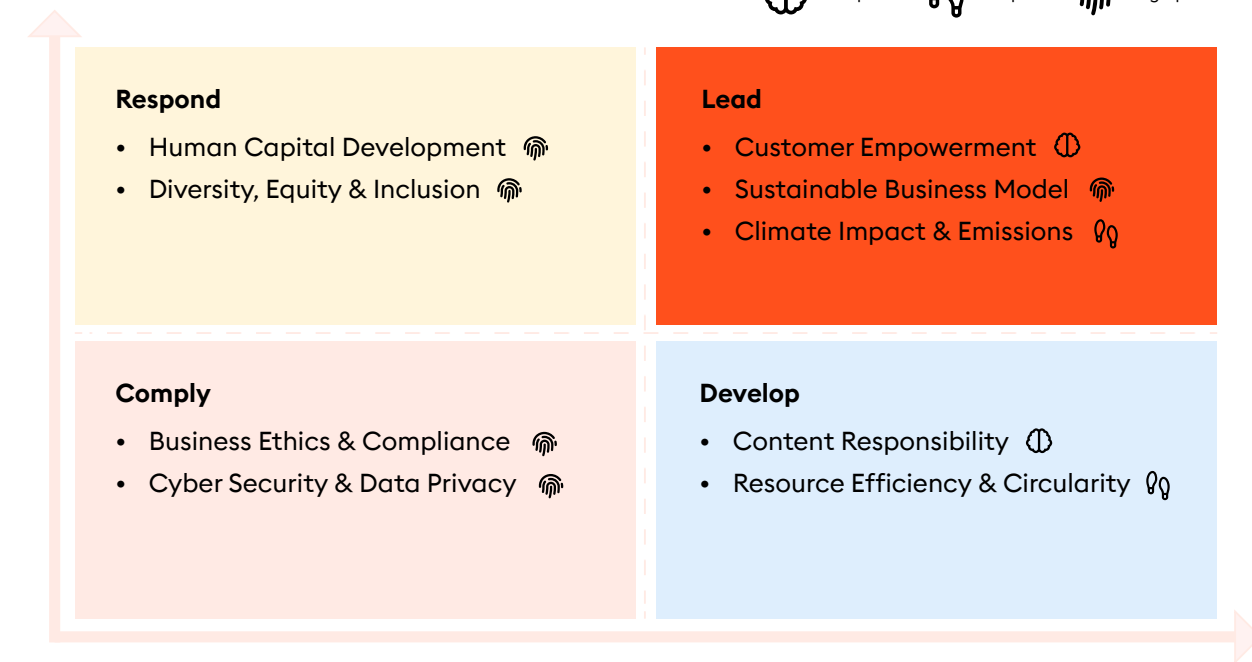
## Division of responsibilities

Once a year the goals, policies and processes connected to sustainability are reviewed by the Board of Directors. Storytel reports the progress towards the goals in the annual Sustainability Report, which the Board of Directors review

and approve. Storytel has a Strategy & ESG Committee within the Board of Directors. The purpose and objective of this Committee is to ensure the Board's fulfillment of the supervisory and reporting responsibility in relation to environmental, social, and governance (ESG) matters of the Company. The Strategy and ESG Committee shall ensure that the Company operates strategically and systematically with sustainability across the business, manages goal-setting and reporting processes, strengthens relations with external stakeholders, operates with high business ethics and supports the Board in fulfilling its responsibilities.

## Group View of Material ESG Topics

Materiality Assessment on Group Level



# Brainprint

Wellbeing of customers



## Objective in 2024

Help more than 1.15 million people consume one book per month.

### Customer Empowerment

Storytel is on a mission to help people discover the right stories at the right time, promote reading and make books more accessible and compatible with everyday life. Stories improve our wellbeing as the brain releases the “feel good hormone” oxytocin<sup>1</sup>, and can help people relax and unwind<sup>2</sup>. Stories also provide tools that empower people in emotionally and practically challenging times. Whether a person wants to learn something, find a moment of comfort, or just feel less bored, Storytel gives them the power to do so. Storytel wants to help people read more, and our purpose is to empower and enhance the wellbeing of people through stories.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Brand strength + Customer Attraction & Retention + Partnerships - Loss of subscribers	Customers Partners	Code of Conduct Brand Platform

**Storytel offers the best stories for me. It is time well spent.**

Whether you are looking for entertainment or simply want to learn something new, Storytel is the place to be. We create captivating original stories, and with over a million stories in all genres, we have something for everyone.

### Brand values

#### Progress

We constantly strive to change things for the better.

#### Passion

We love stories and are passionate about letting more people discover them.

#### Empathy

We build our relationships on empathy and respect.



<sup>1</sup> *How Stories Change the Brain* by Paul Zak in the Greater Good Magazine, 2013. [https://greatergood.berkeley.edu/article/item/how\\_stories\\_change\\_brain](https://greatergood.berkeley.edu/article/item/how_stories_change_brain)

*Storytelling increases oxytocin and positive emotions and decreases cortisol and pain in hospitalized children* by G. Brockington, A. Gomes Moreira, M. Buso, S. da Silva, E. Altszyler, R. Fischer and J. Moll, 2021. <https://www.pnas.org/content/118/22/e2018409118>

<sup>2</sup> *Reading can help reduce stress according to University of Sussex* by Any Chiles in The Argus, 2009. <https://www.theargus.co.uk/news/4245076.reading-can-help-reduce-stress-according-to-university-of-sussex-research/>

## A product that enables people to consume more books

Storytel's goal for the core user experience is to make it easy for as many people as possible in the world to consume at least one book per month. Our guiding metric is the number of people consuming stories for 10 hours or more per month, which roughly translates to one book.

Amounts in thousands	2020	2021	2022	2023	2024 Goal
Number of people consuming stories for 10 hours or more per month (Q4 average excluding Audiobooks.com)	680	828	909	994	1,150

On a global level, the average user spends ~30 hours per month on the Storytel platform, which means that Storytel is a truly integrated part of users' everyday lives. In the Nordic region, +40% of all paid subscribers listen to Storytel every day.

	2020	2021	2022	2023
Subscribers who read more books with Storytel	80%	81%	82%	82%
Subscribers who read books more often with Storytel	80%	81%	82%	81%
Subscribers who explore new genres with Storytel	60%	60%	62%	62%

The Storytel survey was sent out on an ongoing basis throughout 2023 to a total of 23,616 users across Storytel's geographic markets.

## Product Missions

Storytel's product teams have two missions for the core experience: To help users find the right stories, and to help users enjoy those stories. The product missions guide Storytel's product development, and assure prioritization is in line with the overarching missions.

To help users find the right stories, Storytel works to deliver a great mix of algorithmically personalized and editorial recommendations to provide an inspiring and engaging story-exploration experience. In 2023, big investments were made into upgrading the infrastructure of our recommender to make sure we can keep scaling and improving the relevance of each user's book recommendations. Also, Storytel has focused on creating a more immersive exploration of stories to lower the threshold of finding the next great book, for example through the introduction of video trailers.

To help users enjoy their stories, our focus is on providing a reliable and seamless reading and listening experience that makes consumption of stories both easy and delightful. A highlight from this category in 2023 was the introduction of Voice Switcher. An innovation that aims to solve the

fundamental problem with audiobooks that different users have different tastes in narrator voice. Voice Switcher is a new feature that lets users personalize their listening experience by seamlessly switching the narrator voice to one of their liking. Made possible through the use of generative AI and speech synthesis, and currently available for a selection of titles in English, Swedish and Polish.

## Research Study GIH

In 2021, Storytel partnered with a research project led by The Swedish School of Sport and Health Sciences, GIH, which aims to understand how physical wellbeing is connected to mental wellbeing. In phase 1 of the study in 2022, 2,700 14–15 year old Swedish students got a prolonged school day by 60 minutes three times per week to do physical activities such as audiobook-walks provided by Storytel. The students were then evaluated on sedentary time, physical activity, cognitive functions, mental health, self-esteem and motivation. In 2023, the study was conducted on a bigger scale and final results will be presented in 2024.

## Accessibility

Storytel works to develop products that are inclusive and accessible. Developing the Storytel product with accessibility criteria considered is an integral part of product development as the company prepares for compliance with the Web Content Accessibility Guidelines. Recent developments include conducting an accessibility assessment of the Storytel app, introducing new digital ID colors with sufficient color contrast, and accessibility training for app developers and testers.

## Promoting children's reading (Storytel Books)

The Great Reading Challenge, Sweden's largest reading competition, was organized for the third time in 2023. A record number of fourth-grade classes participated, with an impressive 45,000 fourth graders crossing the finish line—approximately 40 percent of the country's students, and a remarkable 60 percent more than the previous year. Together, they read over 1,000,000 hours, averaging 20 minutes per day per student throughout the competition period, from September 15 to December 1. Participating classes reported a more than 60 percent increase in reading time during the fall. The goal of *The Great Reading Challenge* is to support the promotion of reading fitness and contribute to making reading a daily habit. The competition offers numerous activities with competition leaders, participating authors, and selected idols, along with comprehensive digital materials and, not least, an attractive prize pool as motivation. In 2023, all participating classes were also provided with a physical book and inspiration package, thanks to a generous grant from Skandia Ideas for Life. The initiative was made by Rabén & Sjögren and today we cooperate with Adlibris, Bonnier Carlsen, and Natur & Kultur.

During 2023 Rabén & Sjögren and B. Wahlström continued its inspirational events 'Läslust' (Reading Passion) held throughout Sweden, specifically targeted at those working with children and reading in grades 1–6. Librarians, teachers and school librarians meet authors and illustrators who share insights into their work, their books, and engage in discussions on how we can encourage children to love reading and explore new worlds. The events are free of charge.



## Content Responsibility

Organizations that create and distribute content hold a powerful position in society through the impact and influence of that content. Storytel has a broad catalogue of content, which is a mix of content produced by companies within the Storytel group across all of the local markets, and of licensed content from third parties globally. This makes Storytel both a publisher and distributor of content. Storytel has responsibilities pertaining to human rights, such as freedom of expression, and through diversity and pluralism in its content, Storytel aims to facilitate understanding and cultivate empathy in its readers, while being compliant with local laws and regulations.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Trust & Safety for users	Customers	Content Guidelines
- Reputational damage	Authors	Content Sensitivity Mapping
- Legal proceedings	Publishers	Content Contingency Plan
- Failure to protect content rights		

## Content Guidelines

Storytel's Content Guidelines consist of two parts. The first part are Technical Criteria, which refer to the technical and editorial quality of audiobooks and e-books. For example, each title must have proper credit, a registered publisher and correct metadata. The second part are the Content Principles, which refer to the compliance of the content with legal and ethical standards. For example, Storytel does not accept toxic content such as hate speech, disinformation or misinformation, encouragement or idealisation of self harm, suicide or solicitations to commit crime. If a title breaches the content guidelines, Storytel can remove it from the service.

To complement the content guidelines, Storytel has performed a content sensitivity mapping to better understand topics that are culturally sensitive in each local market, and to assure appropriate considerations related to that. Storytel has also developed a content contingency plan to guide

Storytel employees in critical situations connected to the content in the service. The plan points out three broad areas of risk, and how to handle these:

1. Breach of rights
2. Ethically questionable content
3. Harmful content

## Content Committee

The Content Committee within Storytel is the decision-making body on content-related issues. This group works to mitigate risks related to handling and monitoring content from an integrity and safety perspective. They are responsible for updating the Content Guidelines toward publishers and authors when necessary, and they work to resolve content-related issues both proactively and reactively. Users, employees, partners or other stakeholders can report content on the service, allowing the Content Committee to reactively review complaints. The Content Committee is a collaboration between various departments in the organization to give a collected Storytel view on content reported as illegal, unethical or in other ways unsuitable for the service. The Committee also assists local Storytel markets in making well-informed decisions with regards to freedom of expression as well as local laws, culture and politics.

## Curation

At Storytel, curation is the process of aggregating, selecting, arranging and exhibiting content with the main goal of engaging customers to find their next great book. Curation can also be used to quickly withdraw a reported title while it is being investigated by the Content Committee, and is awaiting a formal decision.

Storytel has a function called Kids Mode in the app, which serves as a parental control. When the Kids Mode is switched on, content is restricted to the Kids category, and remains that way until a parent enters a passcode. This filter allows children to explore stories safely on the Storytel platform.

## Protecting Intellectual Property (IP)

At Storytel, IP serves as the foundation on which the business can thrive. Storytel takes a strict and consistent approach against activities that infringe upon proprietary and licensed third party rights. To ensure a high quality level is persistent, Storytel conducts awareness training related specifically to trademarks and copyrights, and consistently works to ensure the use of high-level license template agreements, especially in the area of copyright and neighboring rights license agreements. Storytel strives to be a safe place for publishers and creators to harbor their rights – and works to protect the integrity of each title. We invest in the security and technology that is necessary to honor its contractual obligations and prevent misuse of the streaming service, copying and illegal file sharing.

# Footprint

Wellbeing of the planet



## Objective in 2024

- Align our data collection and reporting with the CSRD/ESRS.

## Climate Impact & Emissions

Companies play a central role in driving down greenhouse gas emissions, and in building a resilient zero-emissions economy. The race is on to limit global warming to 1.5°C and prevent the worst effects of climate change. Storytel is committed to reducing the environmental impact from its direct and indirect business operations in order to help protect the planet.

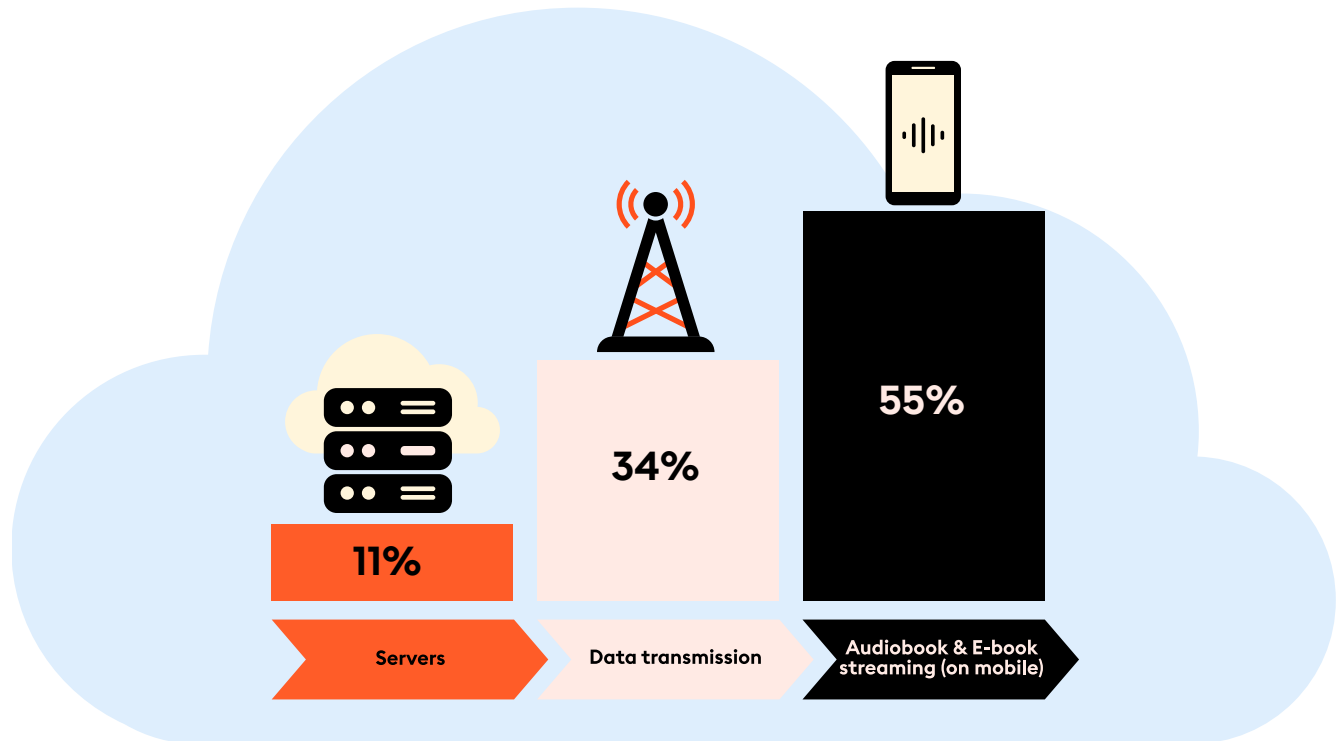
Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Future-proofing the Business	Investors	Code of Conduct
+ Access to financing	Employees	Travel Guidelines
- Rising cost for emissions	Authors	
- Reputational damage		

## Climate impact from audiobook streaming

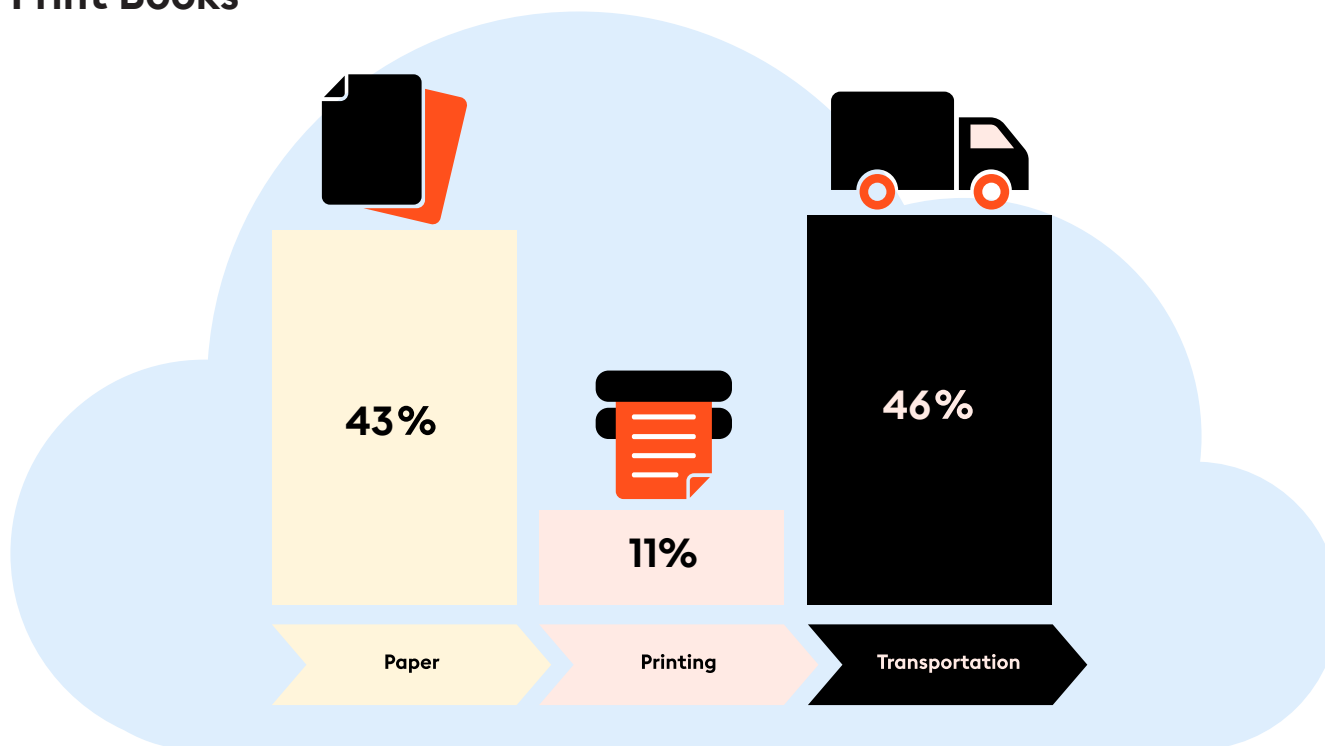
Storytel is a user of Google Cloud Services to run the streaming service. Google has carbon neutral operations, and is working towards running on carbon-free energy at all of its data centers by 2030. Although Storytel's net operational emissions from Google are zero, we are optimizing cloud utilization, for example by identifying underutilized resources, and implementing changes to reduce waste.

Looking at the value chain, the main sources of emissions come from the energy required for data transmission and from the device used to stream an audiobook. One hour of listening to an audiobook on Storytel emits 2.3 grams of CO<sub>2</sub>e.

## Streaming service



## Print Books



### Climate impact from print books

Within the Publishing segment, emissions primarily occur from the paper required for printing the books and from the transportation of the books. High impact initiatives include using more sustainable paper for the books, and transporting books in ways that are fossil free. One printed book from Storytel Books emits on average 344 grams of CO<sub>2</sub>e.

### Overview of emissions within Storytel Books

The market-based approach has been used to calculate Storytel Books' environmental impact. System boundaries were defined using the control approach, i.e. covering entities where Storytel has operational control. Storytel Books does not yet include emissions from Lind & Co, in which the Storytel Group owns 70 percent of the shares.

### Storytel Books

tCO <sub>2</sub> e	Scope 1	Scope 2	Scope 3	Total
2022	24	47	3,102	3,174
2023	18	49	1,731	1,798

During 2023 Storytel Books made some additional changes to lower the climate footprint. Among them are the following actions:

- We avoid air freight.
- We pack multiple sets of smaller print runs on the same pallet, rather than having pallets for each print run to minimize the waste.
- We choose the wood quality with the lowest impact.
- We use a new, low impact uncoated paper quality.

The decrease in emissions from Scope 3 in 2023 is driven by:

- The volume of printed books was smaller than the year before.
- We have lowered the paper weights used.
- We have printed fewer four-color books.
- We have improved data on paper qualities, calculating on data from Life Cycle Assessment (LCA) and Environmental Product Declarations (EPD).
- We have enhanced and acquired more detailed data from paper mills.
- Transportation emissions have been reduced through the use of lower weights.

### Resource Efficiency & Circularity

Supply chains are the engines of today's global economy, serving to deliver goods and services around the world. A sustainable supply chain integrates ethical and environmentally responsible practices into a competitive and resilient model. As a signatory of the UN Global Compact, Storytel wants to engage with its suppliers to address environmental impacts, apply the precautionary approach, and promote greater environmental responsibility and the usage of clean technologies across its value chain.

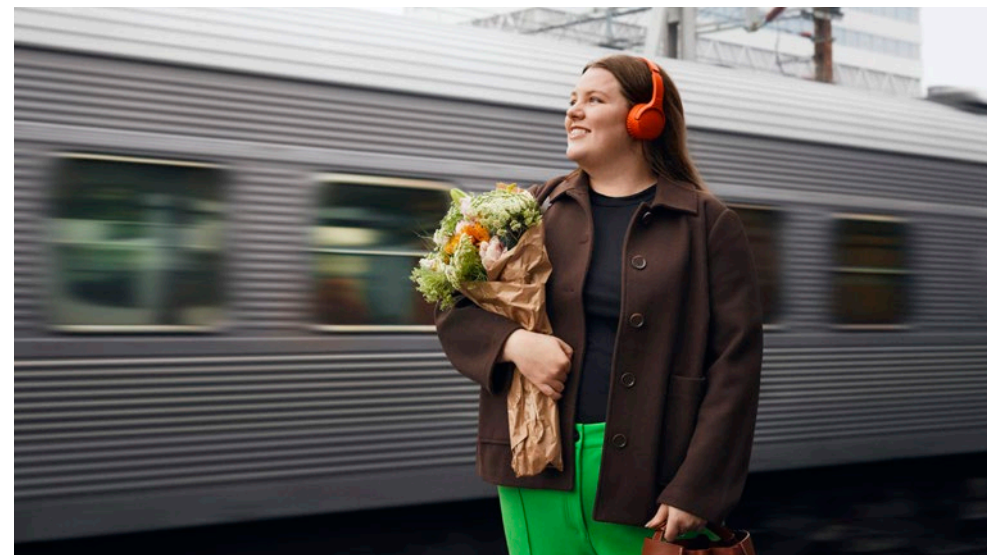
Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Industry Leadership	Suppliers	Code of Conduct
+ Decreased Scope 3 Emissions	Authors Employees	Supplier Code of Conduct
- Reputational damage		
- Increased supplier costs		

### Sustainable Book Publishing

We strive to develop print production with environmental labels that place high environmental requirements. As part of the environmental work, almost all books within the publishing group are printed on FSC-certified paper (Mixed Sources). Furthermore, all non-books products within the company are CE-certified (Conformité Européenne) according to European regulations.

In our sustainable practices, we consistently evaluate lower grammage options based on the final product. We





prioritize the use of wood-containing paper for black and white books, emphasizing eco-friendly choices. Our decision-making process involves utilizing a footprint list to carefully select paper with the lowest environmental impact. To further enhance sustainability, we minimize the usage of color proof prints, promoting a reduction in resource consumption. In line with responsible file management, we adhere to the correct FOGRA standard when sending PDF files, ensuring efficiency and precision in our printing processes. Additionally, we opt out of post-press finishing options such as foil, special laminate and cloth spine, aligning with our commitment to simplicity and eco-consciousness. Emphasizing aesthetics without compromising sustainability, we favor embossed front and back sheets over colored alternatives.

In our production strategy, we advocate for responsible quantities, printing lower volumes to avoid excess inventory and potential damage. Exploring innovative solutions, we consider seamless printing-on-demand methods to minimize waste and optimize resource utilization. Collaborating with suppliers who share our environmental values, we actively engage in efforts to reduce their environmental

impact. This collaborative approach includes offsetting the remaining environmental footprint, with ongoing improvements year by year. Our commitment to sustainable practices extends throughout our production chain, reflecting our dedication to a greener future.

Unsold books are recycled in cooperation with our distribution partner Speed Logistics, which in turn engages a paper recycling center. The unsold books are chopped into small pieces and pressed into bales, which the paper recycling center runs to paper mills for reuse. These can be recycled 6-7 times before the fiber is consumed. Books with lower recycling quality, for example plasticized or thinner books with little paper are taken care of in another flow to become paper material.

### Supplier Engagement

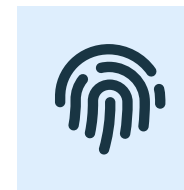
Since 2021, Storytel Streaming has a Supplier Code of Conduct that is aligned with the UN Global Compact principles for responsible business. This SCoC extends to suppliers' subsidiaries, employees, consultants, subcontractors and other representatives. The Code of Conduct outlines expectations on Suppliers' work with:

- Labour rights
- Workplace safety
- Diversity, Equality and Non-discrimination
- Anti-corruption and anti-competitive behavior
- Personal data and confidential information
- Environmental responsibility

Since 2013, Norstedts Förlagsgrupp has enforced a strict Code of Conduct for its Suppliers worldwide, and prioritizes suppliers who have a clear environmental policy. The code of conduct is based on internationally adopted initiatives and standards, such as The UN's Global Compact, the UN's declaration of human rights, the UN's conventions on children's rights and abolition of all forms of discrimination against women, OECD guidelines for multinationals companies and ILO conventions. Suppliers of both goods and services to Norstedts Publishing Group must meet the requirements of The Code of Conduct and take measures to ensure that their subcontractors meet the requirements of the Code of Conduct.

# Fingerprint

Wellbeing of employees and partners



## Objectives in 2024

- Continue preparing the Storytel Group for compliance with the Corporate Sustainability Reporting Directive (CSRD).

## Sustainable Business Model

Since its inception in 2005, Storytel has been at the forefront of driving the digital transformation within the book industry. A primary focus is to make the audiobook relevant in the digital age and to attract and expand new audiences to the book format. Storytel has invested heavily in growing the industry and the ambition is to have a fruitful relationship with publishers, authors, narrators and translators, and together nourish the storytelling tradition in different formats. For Storytel to operate successfully in the future, the business needs to be financially sustainable by assuring a profitable business model across our value chain.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Increased investment in the audiobook market	Investors Authors Publishers	Code of Conduct Supplier Code of Conduct
+ Better access to financing		
- Failure to sign and maintain critical content agreements		
- Reputational damage		

## Storytel Streaming's Business Model

Storytel's business model is about connecting storytellers and authors with their audience. Having a sustainable business model means setting the right price points towards the customer, while having terms with publishers that are sustainable for both Storytel and the content providers.

Storytel pays royalty fees to publishers for every second a user listens and every letter a user reads. The vast majority of Storytel's publishing partners are compensated on a revenue share basis. These benefits include higher revenues as a result of more active Storytel subscribers, and as a result of price increases to subscription plans.

## Creating value for the Industry

Storytel is proud of its contribution to the overall industry and to publishers and authors. As a pioneer of unlimited listening for audiobooks, Storytel has consistently increased payouts to publishers. By attracting more subscribers and growing revenues each year, we've demonstrated that the key to enhancing audiobook compensation is by bringing in more users. Since inception, we've paid out close to 7 BSEK in royalties to our 1,400+ publishers worldwide, and our annual payouts continue to increase.

Storytel contributes to both increased book consumption and new revenue streams for many authors through its global catalogue of more than one million titles in 50 different languages and by more than 300,000 authors. In 2023, more than 77 percent of the audiobooks consumed on Storytel were books that were released earlier than at least a year back, also known as backlist titles. This helps older books and authorships come back to life and find new audiences.

As a group, Storytel provides many opportunities for collaboration to new and established authors. Through Storyside, our digital audio-book publishing house, authors can start writing for audio (Storytel Originals), and then continue to take their craft to our more traditional publishers such as Norstedts Publishing Group, Gummerus and People's.

The vast majority of the Storytel catalogue comes from third party publishers and is not exclusive to Storytel. Our strategy is therefore to differentiate Storytel with content and product features, where Storytel Originals serve as one of our core differentiators today. Many of our Storytel Originals generate media buzz and strengthen our ability to attract new users. We have created Storytel Originals since 2016 and will continue to do so going forward.

Storytel's goal is to bring the world's best audio stories to our subscribers, regardless of whether it's content from a third party publisher or one of our own.

## Human Capital Development

Storytel endeavors to attract and develop exceptional individuals through the cultivation of a diverse work environment founded on trust, innovation, and collaboration. The pivotal role played by Storytel employees in propelling the company towards high performance is fundamental to the execution of Storytel's objectives. The company is devoted to creating an excellent workplace that promotes employee engagement, development, and well-being – all with the aim of attracting, nurturing, and retaining talent.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ High Performing Organisation + Employer Brand – Failure to attract and retain key personnel, and associated costs – Employee absence	Employees Investors	Code of Conduct Employee Handbook (SE & DK) Public Flexible Holidays Guidelines Work Environment Instructions

### Overview of The Storytel Group

The Storytel Group consists of two main divisions, Streaming and Publishing, which operate within the media & entertainment and print publishing industries, respectively. Storytel's streaming business is conducted under the brands Storytel, Mofibo (Denmark) and Audiobooks.com (North America, UK and Australia), and operates in over 25 markets around the globe, with a focus on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. The headquarters are located in Stockholm, Sweden.

The publishing division comprises the specialized audiobook publisher Storyside and the Storytel subsidiary Storytel Books, which includes renowned publishing houses and imprints such as Swedish publishers Norstedts, Printz Publishing, Rabén & Sjögren, B. Wahlströms, Tiden, Brombergs, Lind & Co, the Danish publisher People's, and the Finnish publishers Gummerus and Aula & Co. Through its publishing houses and imprints, Storytel is a well-known publisher and literary agency in Europe, and particularly in the Nordic countries.

Business Area	Primary Geographic Footprint by number of FTEs	Number of FTEs (Average during the year)
Storytel Streaming	Sweden, Denmark, North America (Audiobooks), Finland, Poland.	368
Storytel Books AB	Sweden, Denmark, Finland	170

### Career Development

Succession planning is discussed on an annual basis in Storytel's Remuneration Committee. Through Storytel's performance appraisal process and development goal setting, talent that can take on larger responsibilities are identified. When recruiting, a majority of new roles are advertised internally to promote opportunities.

### Learning & Development

All Storytellers have an annual appraisal talk with their managers as part of their performance appraisal process, to assess their performance and growth, as well as establish personal goals. The process also includes peer feedback and it's further reinforced by at least one mid-year review conducted throughout the year.

	2020	2021	2022	2023	Target
% of FTEs who have participated in an appraisal process	94%	93%	96%	96%	100%

There is an individual budget set for each employee to use for learning and development. Storytellers are also encouraged to take part in external training and webinars and are allowed to use their working time for this.

### Employee Engagement

Employee engagement is one of Storytel's most important metrics and it is regularly assessed. The Employee Engagement Score is calculated as an average of all scale questions in the survey, including topics like motivation, collaboration with manager, satisfaction, direction and job position.

In 2023 Storytel sent out the Engagement survey through the newly implemented HR-system HiBob for the first time. Since the overall engagement score is measured and shown

differently compared to previously, it's not possible to make a fair comparison, but it still offers a valuable insight on the current engagement level scoring 3.74 out of a total of 5.

### Employee Wellbeing

One important measure to create a supportive work environment where everyone feels safe to talk about wellbeing and to prevent illness, is to reduce the barriers to seeking help. Since 2020, Storytel has collaborated with the external company BlueCall to provide employees with confidential sessions with therapists. This collaboration has served as a catalyst for fostering a culture of open dialogue related to mental health within Storytel.

In early 2023, Storytel initiated a collaboration with a Wellbeing Consultant to develop a strategy and annual plan for employee wellbeing. This effort was undertaken in conjunction with the existing employee task force dedicated to promoting wellbeing. The initiatives have included "Storytel Moves" activities to promote movement as well as regular "wellbeing and mental health boosts" with short exercises, actions and inspirations. Additionally, Storytel has organized webinars in partnership with BlueCall to raise awareness during World Mental Health Month.

### Compensation, Benefits & Incentives

#### Fair and Competitive Compensation

In 2023, a job evaluation project was completed for the senior leadership team with the support of Mercer, utilizing their international job evaluation methodology, IPE. Concurrently, Novare Pay benchmarked the senior leadership team's compensation compared to similar-sized companies in the Swedish market. The result of this comprehensive evaluation will inform a future project aimed at assessing and aligning compensation structures for the entire organization.



### Loyalty programs

Storytel launched its first loyalty program in 2019, a Stock Option Program where employees were granted options that could be exercised after three years. In 2023, Storytel launched a new performance-based Long-Term incentive program, in which some employees were offered restricted stock units that give the right to free shares. The options and restricted stock units are earned throughout certain dates during employment. Storytel also introduced its first Short Term Incentive Plan in 2023, where individual participation depends on role and seniority, but includes all employees at Storytel for 2023.

### Parental Salary

Storytel offers parental salary in Sweden, Denmark and Finland, where a majority of employees are located.

### Hybrid Work

Storytel's hybrid work model offers employees the flexibility to work remotely, whether from home or another chosen location, for two to three days per week. This approach enhances productivity and fosters a dynamic work environment while ensuring operational efficiency.

### Public Flexible Holidays

Storytel employees are offered Public Flexible Holidays, which allows employees to choose to work on a public holiday and instead use this day off on a day of their choice.

## Diversity, Equity & Inclusion

For Storytel to be successful in the long term, the workforce needs to be as diverse as the people and partners served. Storytel is dedicated to fostering a working environment that embraces diversity, equity, and inclusion, empowering individuals to bring their true selves to work. Furthermore, the Storytel platform serves as an impactful tool for promoting Diversity, Equity, and Inclusion to a wider audience through its content, service and operations.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Employer Brand + Relevant catalogue and service for a global audience - Failure to attract and retain key personnel	Employees Authors Investors	Code of Conduct Plan for Diversity Supplier Code of Conduct Work Environment Instruction

### Diversity Plan

Storytel has a global workforce and embraces individuals of all genders, identities, disabilities, sexual orientations, ethnicities, ages, religions or other beliefs. Storytel's Diversity Plan covers topics such as working conditions, practices on salaries, recruitment and promotion, education and competence, development, and the possibility to combine work life and parenthood. Every year, Storytel conducts a salary mapping in Sweden and Denmark, where the majority of all employees are located, to detect and prevent gender pay gaps.

The 2023 Diversity, Equity, Inclusion & Belonging (DEIB) survey, traditionally conducted in Q4, was postponed due to significant organizational changes involving redundancies and reorganizations. The emphasis was shifted towards prioritizing the short engagement survey, and dedicating more time to the performance process, for both the People team, managers and employees.

### Board Diversity

Storytel, through the nomination committee, strives for the Board to have a composition that is appropriate with regard to the company's operations, development stage and other conditions, characterized by versatility and breadth regarding the competence, experience, age, education and professional background of the members elected by the AGM. An even gender distribution must be sought.

### Equal opportunities

Equal opportunities entail ensuring a good work environment for all and an unbiased recruitment process. The Work Environment Instructions outline the goals and responsibilities in regards to the workplace and what Storytel accepts and not. Storytel investigates all cases of unhealth, accidents or incidents at work or during work time. Storytel

does not accept, and works proactively against, any type of discrimination, harassment, sexual harassment and retaliations. The whistleblowing tool provides an opportunity for employees to anonymously report shortcomings in the work environment.

During 2021-2023 the Talent Acquisition team has tried the anonymous applications functionality in our application tracking system to decrease unconscious bias. This is now our standard when opening a new position, and by using this functionality Storytel is preventing unconscious bias in the selection part of the process.

During 2023 there have been trainings on recruitment and unconscious bias, for managers to both new and current employees. For 2024 the plan is to continue to perform these types of trainings but through pre-recorded materials that will be available for managers and employees.

A new tool for psychometric assessment for candidates has been implemented, which is supposed to be used for the majority of the recruited roles. By utilizing this tool Storytel will be able to increase inclusion and continue to focus competency based recruitment.

### Leadership

For the 2023 performance process, there have been resources provided for a Performance Calibration where managers will discuss their proposed employee ratings with other managers. This is an important step in the performance appraisal process; to ensure employees are rated fair and consistent across teams and departments, and to eliminate potential biases or inconsistencies.

During 2023 Storytel started a leadership project to define and strengthen the company leadership values. The people team, together with a cross-functional group of leaders, started the work to identify key traits and behaviors that we expect from all Storytel leaders. This work has included brainstorming sessions, discussions, surveys and testing. The project will spill over into 2024, where the aim is to finalize the work and roll it out to the organization.

### Diversity, Equity, Inclusion & Belonging initiatives

To pinpoint the areas of focus for Storytel's DEIB efforts, the people team organized both individual and group sessions involving a cross-functional team of highly engaged employees in DEIB initiatives. These sessions, characterized

by brainstorming, discussions, and voting, provided the team with invaluable insights and feedback on both current and future initiatives. In 2023 Storytel also advanced in the gender-neutral employment agreements in the respective markets. This initiative took into account potential limitations imposed by local labor laws. Initially, only 17 percent of the employment agreements were gender-neutral, but through efforts, this figure was successfully increased to 44 percent. This commitment underscores Storytel's dedication to creating inclusive and equitable workplace practices.

### Age and Gender Distribution – Storytel Streaming

Data is based on permanent employees of Storytel Streaming (excluding consultants, temporary employees and interns) as of 31 December 2023.

#### Age distribution

	30<	31-50	50+	Un-declared
Board of Directors	0%	12.5%	87.5%	0%
Management Team	6%	83%	11%	0%
Managers	6%	81%	8%	5%
Employees	20%	69%	3%	8%

#### Gender distribution

	Female	Male	Other	Un-declared
Board of Directors	25%	75%	0%	0%
Management Team	50%	50%	0%	0%
Managers	51%	45%	2%	2%
Employees	52%	42%	>1%	6%

### Age and Gender Distribution – Audiobooks.com

Data is based on permanent employees of Audiobooks.com (excluding consultants, temporary employees and interns) as of 31 December 2023.

#### Age distribution

	30<	31-50	50+	Undeclared
Management Team	0%	100%	0%	0%
Managers	29%	71%	0%	0%
Employees	35%	61%	3%	0%

#### Gender distribution

	Female	Male	Other	Un-declared
Management Team	0%	100%	0%	0%
Managers	57%	43%	0%	0%
Employees	58%	39%	0%	3%

### Age and Gender Distribution – Storytel Books

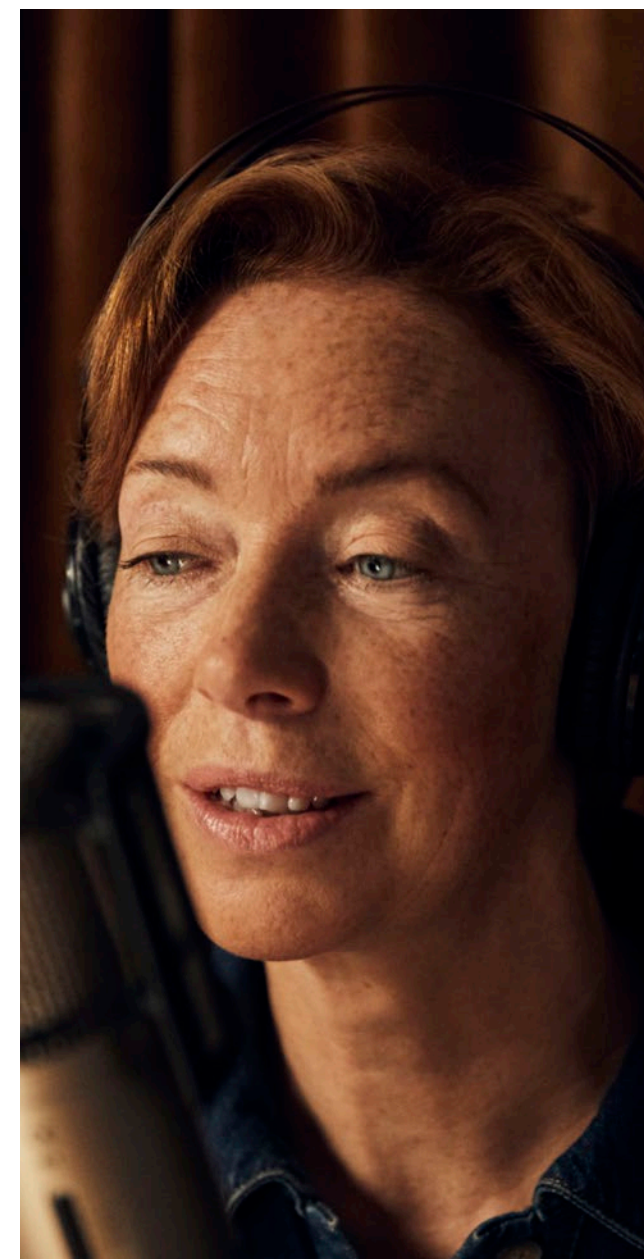
Data is based on permanent employees of Storytel Books (excluding consultants, temporary employees and interns) as of 31 December 2023. This includes Norstedts Förlagsgrupp, Gummerus, People's, Aula & Co and Lind & Co. Each Publishing House has its own Board of Directors and Management Team.

#### Age distribution

	30<	31-50	50+
Management Team	0%	63%	37%
Managers	0%	42%	58%
Employees	8%	66%	26%

#### Gender distribution

	Female	Male	Other	Un-declared
Management Team	53%	47%	0%	0%
Managers	67%	33%	0%	0%
Employees	80%	20%	0%	0%



## Business Ethics & Compliance

Growing sustainably means ensuring ethical business practices and compliance across the organization and value chain. Storytel is committed to operating with high ethical standards, and policies are vital documents for assuring compliance, and steering Storytel employees to act ethically and in line with the Storytel Code of Conduct. Storytel is also committed to the UN Global Compact and has no tolerance for corruption and anti-competitive behavior.

Risks	Primary Stakeholders	Steering Documents
<ul style="list-style-type: none"> <li>- Failure to adhere to core values, policies and guidelines</li> <li>- Legal proceedings, fines and penalties</li> <li>- Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Investors</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Anti-Bribery and Corruption Guidelines</li> <li>Whistleblowing Instruction</li> <li>Risk Management and Compliance Policy</li> <li>Trade Sanctions Instruction</li> <li>Insider and Communication Policy</li> <li>Work Environment Instructions</li> <li>Supplier Code of Conduct</li> <li>Related Party Transaction Instruction</li> </ul>

### Policy Development

Storytel works actively with its policies and each policy is reviewed and revised on an annual basis or more often if needed. In addition to the policies, there are several global instructions and guidelines that complement the policies and give Storytel's employees more information and guidance on how to interpret and use the policies.

### Compliance Process

Storytel has a compliance process focused on ethical business practices, and compliance training is part of the onboarding for all new employees. All new employees are expected to read and understand the Storytel Code of Conduct and the other global policies. The Code of Conduct also needs to be signed by everyone representing Storytel.

### Anti-corruption, bribery and fair competition

Storytel is committed to fully comply with the applicable laws and regulations in the countries in which we operate. Storytel's Code of Conduct outlines a zero tolerance for bribes and corruption and includes specific instructions to avoid or declare potential conflicts of interest. Due to the international nature of its business, Storytel has a presence in countries where both legislation and the business operational environment may differ and be more challenging. To mitigate the complexities resulting from differences in business culture in the various territories in Storytel's footprint, the company has a Supplier Code of Conduct to ensure the use of ethical suppliers and business partners.

### Whistleblowing Tool

Storytel employees and stakeholders can report any misconduct anonymously using a whistleblowing channel provided by a third-party and managed by a team at Storytel. The service is separate from Storytel's IT solution and does not track IP addresses or other data that could identify a person sending a message. Storytel has Whistleblowing Instructions in place to guide such stakeholders, and the tool can for example easily be accessed on the intranet.

### Work Environment

Storytel has established a Work Environment Committee in Sweden and Denmark, in which both employees and management are represented. Storytel's Global Work Environment Policy outlines the work environment that Storytel provides, and what is expected of each employee in terms of behavior and responsibility. As stated in the Code of Conduct, Storytel has no tolerance for harassment, bullying and retaliation. If Storytel is made aware or suspects that someone has been subject to, or has subjected someone else to, harassment, sexual harassment, bullying or retaliation, an investigation will be promptly initiated, and appropriate actions will be taken, including termination of employment.

### Commitment to Human Rights

In 2021, Storytel became a participant in the UN Global Compact (UNGIC). Storytel has incorporated the 10 principles in the internal Code of Conduct, and the external Sup-

plier Code of Conduct requires suppliers to operate in line with the UN Global Compact principles.

Storytel Books, Norstedts Förlagsgrupp, Gummerus and People's are members of their respective national PEN Organizations. Norstedts Förlagsgrupp is also a member of the International Publishers Association, PEN International and shareholder of World Expression Forum (WEXFO).

### Corporate Sustainability Reporting Directive (CSRD)

In November 2022, the European Parliament voted to pass the Corporate Sustainability Reporting Directive (CSRD). CSRD will start applying to the Storytel Group from the financial year of 2025 and Storytel's first annual report in compliance with CSRD will be published in 2026. In 2023, Storytel initiated a cross-functional task force to map the requirements and understand the path toward compliance with the CSRD for the Storytel Group. In 2024, Storytel will carry out the prescribed double materiality assessment, and focus on preparing the required data collection and reporting processes in line with CSRD.



## Cyber Security & Data Privacy

Information security and data protection are crucial areas for Storytel to be able to build and retain the trust and confidence of our customers, investors, partners, and employees in the delivery of our streaming service. These areas are also highly important as they are enablers for achieving our business goals as well as ensuring compliance with rules and regulations.

Storytel's ambition is to take a proactive approach to promote information security and data protection throughout the entire data, IT and process lifecycle. This includes integrating data protection considerations right from the design phase into all of Storytel's services. Additionally, we are committed to providing comprehensive internal training to effectively handle security and privacy matters.

Risks	Primary Stakeholders	Steering Documents
- Unlawful use of personal data	Employees Contractors	Information Security Policy
- Cyber security attacks	Customers Partners	Information Security Instruction
- Reputational damage	Investors	IT Policy Supplier Code of Conduct Partnership Guidelines Third Party Security Requirements

### Organization, processes & procedures

Storytel's approach for implementing adequate levels of information security and data protection measures involves having processes and procedures in place and making these an integral part of our business operations. Below follows a brief compilation of the most central processes, including policies, that are in place to achieve this.

Policies are common for all companies within the Storytel group and apply to employees and consultants. The policy documents are reviewed on a yearly basis and always approved by the Storytel Board of Directors.

In regards to information security, there are two policies in place for upholding our information security strategy. These two policies describe the overall principles which in a proactive manner are set to protect data, information, and IT assets from unauthorized use and inappropriate disclosure.

- Information security policy
- IT Policy

For data protection, there are two main privacy governing documents,

- External Privacy Policy – Aimed for customers.
- Internal Privacy Instruction – Aimed to guide employees & contractors.

All of Storytel's central governing documents are supported by more detailed instructions and procedures. No affiliate in the group may adopt practices that go against these governing documents unless required by national law.

### Security and data protection team

Storytel employs a dedicated security team which is responsible for key security activities and controls. There is also a data protection officer (DPO) appointed. Additionally, and as part of Storytel's data protection organization, there are appointed Data Protection Coordinators (DPC) within the different business functions in Storytel.

### Security Audit & Assurance

Storytel's public facing systems are continuously assessed by security researchers through a private bounty program. The bug bounty program is hosted on one of the premier bug bounty platforms and researchers are rewarded cash bounties.

In addition to manual assessments, Storytel is also using commercial automated security scanners that continuously scan & monitor the security posture of Storytel's systems.

### Vulnerability Disclosure Program

The Storytel Vulnerability Disclosure program is open for anyone to disclose security findings to the Storytel Security Team, and accessible here: <https://security.storytel.com>

### Awareness Training

To be able to achieve the desired level of quality in Storytel's continuous work with information security and data protection, the employees and consultants play a critical role. Storytel employees and contractors receive information security and data protection awareness training during onboarding and continuously throughout their employment to assure adequate understanding through practical guidance on the processes and written procedures in place to ensure compliance.

### Third-party security

There is a system purchase process which includes that all new system- and service vendors undergo a due-diligence of adequate security and data protection measures. There are predefined security requirements (Third party Security Requirements) which are included in all major agreements between Storytel and third parties.

# Impact through publishing



## “Vega upptäcker återvinning” by Ellen Hall

Vega has just finished her afternoon snack, a banana. She throws the peel in the brown bag underneath the sink. But what happens to the banana peel after she has thrown it in the bin? And what happens to the metal cans and glass bottles you sort separately? Fredde knows! Fredde is Vegas' neighbor who works as a dustman. Vega gets to come with him in the truck and follow the garbage through its lifecycle. Follow along to the waste facility and recycling center and learn about waste management, recycling and how waste can become something new.

In this picture book for 3–6 year old kids we get a delightfully entertaining and informative factual insight with wonderfully detailed illustrations for everyone curious about how we harness resources for a more sustainable society. ‘Vega Discovers the City’ is a fact series exploring the city and how it operates. This is the second installment in the book series.



## “Sydänmeri” by Anni Kuu Nupponen

The old sea guard Maria suffers from constant pain. He knows how to control the currents of the sea, calm the storms and create words through the waves. But because of the deeds of the past, he is chained to the land and only sea water can ease his pain. The sea is big and deep, capricious like its guardians, and oceanographer Quentin knows this. Still, he asks Maria to guide young Miguel to the mythical secrets of the sea guards.

Sydänmeri (The Sea of Hearts) is a magical declaration of love for the sea and a fictional distress call for marine protection.



## “Vem är jag? Flickan från donatorskandalen” by Emelie Persson

Emelie Persson grew up in Falkenberg. She had a great childhood but as far as she can remember always felt a bit different. Everyone in the family

has blue eyes, while hers is almost black and the hair dark. Everyone in the family is calm and thoughtful but Emily always expresses her opinions, she has a hard time sitting still and even harder to stay quiet when being told to do so. Her parents often hear “she cannot be your daughter”. In a heated moment her dad bursts out that he is in fact not her biological father. Her world turns upside down when she finds out she is a child from a sperm donor.

As Emily grows into adulthood creating her own family, the questions about her origin keeps nagging her. In 2018 she calls up Hallands hospital and gets to speak with the fertility doctor that helped her parents in 1986. What she didn't know then was that this phone call was the beginning of a hidden story about stolen sperm, unknowing sperm donors and an extensive scandal.



## “Dø, om så det gælder” by Abud Mustafa

It is a story of a boy who as a 9-year-old, suffers from ADHD and uncontrollable anger, seeks fights. It's also about how his mother smuggled him out of Denmark and left him for two

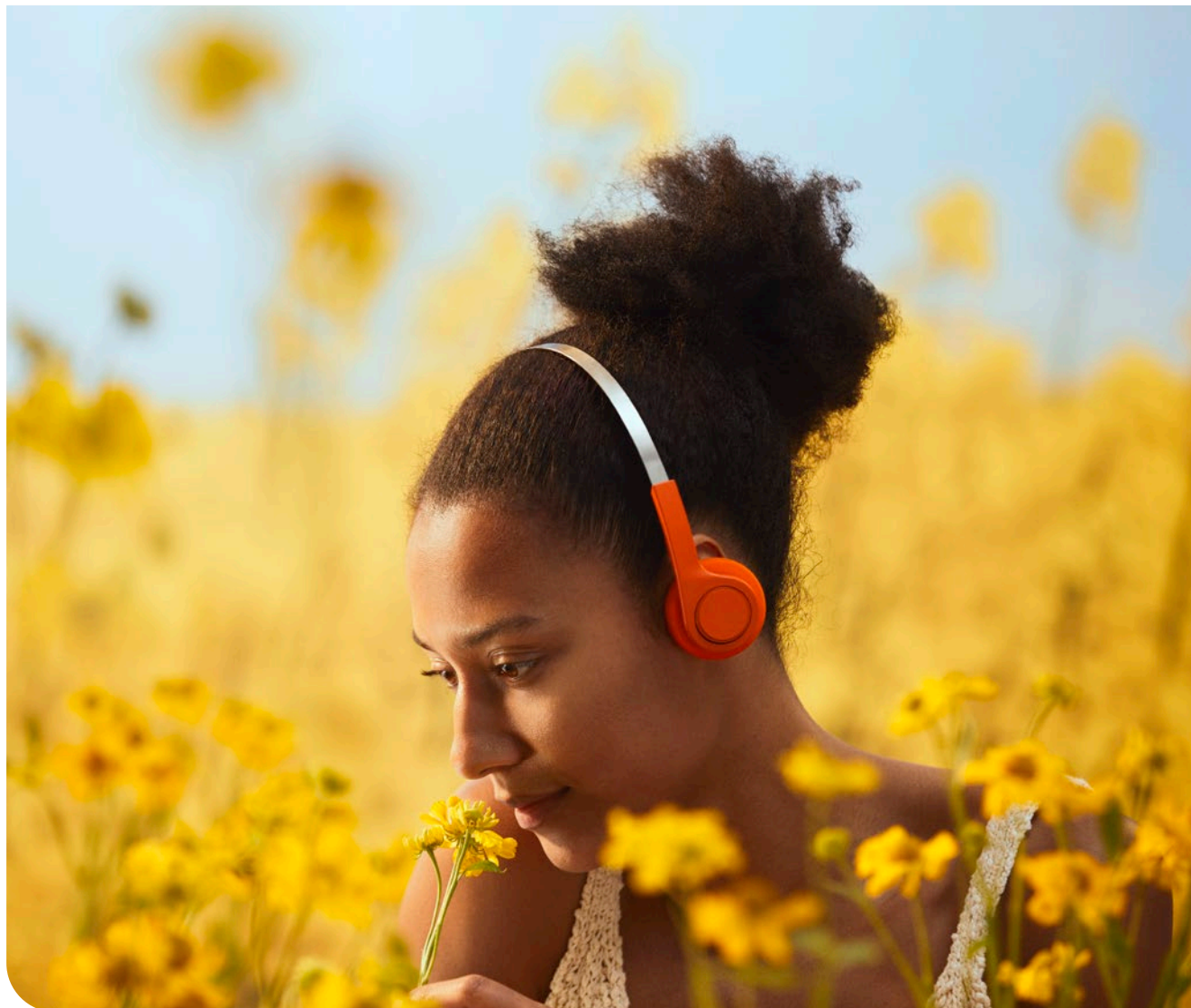
years in a refugee camp in Lebanon, where he lives in slave-like conditions and is often beaten to pieces by his uncle. And how when he is 12 years old he finally comes back to Denmark, starts building his own hash league in Nørrebro, kicking off his journey towards the top of the Danish criminal gangs. He never stands back, even if he risks running directly into violence, extortion, kidnapping or attempted murder. And finally Mustafa ends up as the main player in the gang war against the Hells Angels and the support group AK81.

In 2014 Abud Mustafa discovered that everything he thought to be the brotherhood of Brothas stood for was a big lie. His morals and beliefs can no longer support life as a violent gang member. He decides to leave the gang and the criminal world to go underground and try to right the sins of the past. But it is not easy to find your place in the “normal” world when you still love your former “brothers” and when the only language you speak is violence.

# Corporate Governance Report

Storytel AB (publ) is a Swedish public limited company with registration number CIN 556575-2960, whose Class B shares are listed on Nasdaq First North Growth Market. The company has its registered office and head office in Stockholm.

Storytel's corporate governance is based on a framework of external and internal control instruments. External control instruments include the Swedish Companies Act, the Swedish Annual Accounts Act, and the Nasdaq First North Growth Market – Rulebook and generally accepted practice in the securities market, and internal control instruments include Storytel's articles of association, policies, instructions and guidelines.





# Share and Shareholders

The Class B shares in Storytel AB (publ) were admitted to trading on Spotlight Stock Market on 25 August 2015 via a reverse acquisition of Massolit Media AB and have been traded on Nasdaq First North Growth Market since 5 December 2018 under the ticker STORY B. The number of shares amounted to 77,108,125 on 31 December 2023, of which 77,107,490 were Class B and 635 were Class A. Each Class B share entitles the holder to one vote, while each Class A share entitles the holder to ten votes. All shares have an equal right to the company's assets and profits. On 31 December 2023, a Shareholder group represented by Jonas Tellander was Storytel's largest shareholder or shareholder group, holding 16.1 percent of the votes and share capital in the company. A list of the company's ten largest shareholders as of 31 December 2023 is found here and in the Directors' Report.

## Largest shareholders as of 31 December 2023

Shareholder	Capital, %	Votes, %
Shareholder group represented by Jonas Tellander*	16.1%	16.1%
EQT	14.4%	14.4%
Roxette Photo SA	9.3%	9.3%
Vitruvian Partners	4.5%	4.5%
AMF Pension & Fonder	3.6%	3.6%
Otava Ltd	3.6%	3.6%
Avanza Pension	3.5%	3.5%
Swedbank Robur Fonder	3.2%	3.2%
Rustan Panday	3.2%	3.2%
C WorldWide Asset Management	3.0%	3.0%
<b>Total ten largest shareholders</b>	<b>64.4%</b>	<b>64.4%</b>
Others	35.6%	35.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* The shareholder group consists of Jonas Tellander, Annamaria Tellander, Paul Svedrup, Dimitra AB, Jon Hauksson and Kristoffer Lind AB.

# Letter from the Chairman

On behalf of the Board of Directors, I am very pleased with Storytel's solid financial and operational performance and improvements in 2023, marking a significant milestone in the company's transformation journey. The strategic focus on profitable growth has proven to be highly successful, solidifying Storytel's position as a leading player in the audio book market.



**IT HAS NOW** been two years since I assumed the role of Chairman of the Board. During this time, the Board has seen reinforcement with Lina Brouneus, Adine Grate, Lutz Finger, and Alexander Lindholm who bring deep subject matter expertise in content, technology, and direct-to-consumer media streaming businesses. Alongside Jonas Teller, Joakim Rubin, and Jonas Sjögren, the collective efforts of the board together with CEO Johannes Larcher and his team have resulted in a successful strategy shift that has proven pivotal for Storytel.

Key in the transition from growth to profitable growth has been the clear focus on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. Simultaneously, Storytel is sustaining its presence at existing levels outside these core markets, while also remaining open to the possibility of re-accelerating investment and growth in the future.

In order to strengthen resilience and defend against competitive and macroeconomic challenges, the team has remained committed to enhancing efficiency across the entire business. I am pleased with the disciplined execution of the initiatives implemented over the past year, such as the enhancement of marketing efficiency, result-

ing in the acquisition of more subscribers for less marketing investment than previously, the improved content economics as well as the restructuring of the company's Streaming and Books organizations. By operating a leaner business, exercising prudence with costs, and prioritizing profitable growth, Storytel continues to demonstrate category leadership.

**THE CONSISTENT ROBUST** financial performance in recent quarters is a key factor shaping my optimistic outlook for Storytel – and it also underscores the effectiveness of the strategy in building a strong and resilient company. Storytel has gone from a negative cash flow from operating activities of -218 MSEK in 2021 to a positive cash flow of 242 MSEK in 2023, an annual improvement of 460 MSEK in just two years and we expect a strong improvement also in 2024. Group revenue grew by 9 percent in 2023, bolstered by significant growth in streaming revenues, which saw a 12 percent increase. The solid revenue growth meant that even the updated guidance for 2023 was surpassed. This is an impressive achievement, particularly in light of the challenges posed by slower economic growth, high infla-

**The consistent robust financial performance in recent quarters is a key factor shaping my optimistic outlook for Storytel**

tion, and elevated interest rates impacting the entire global economy.

During January 2024, Storytel announced its upgraded mid-term financial targets for 2026, aiming at group revenues of around 4.5 BSEK with a streaming revenue CAGR ranging from 10 percent to 12 percent, an adjusted EBITDA margin surpassing 15 percent and operational cash flow exceeding 10 percent of revenue.

**AS I LOOK** to the future, I am optimistic for what lies ahead and confident that Storytel will continue to innovate, inspire, and captivate audiences around the world through the power of storytelling.

Finally, I would like to express my gratitude to the entire board, the management team and the Storytel staff, for their dedication and contributions in getting us to where we are today. I also want to thank our shareholders for their continued support, trust and confidence.

Thank you for being a part of our journey.

*Hans-Holger Albrecht*  
Chairman of the Board

# Governance Structure

## General Meeting of Shareholders

The general meeting of shareholders is Storytel's highest decision-making body. All shareholders have the opportunity to influence the company at the general meeting by exercising their voting rights relative to their shareholdings. The annual general meeting (AGM) must be held within six months from the end of the financial year and, in accordance with the Swedish Companies Act and the Articles of Association, must address the adoption of the income statement and balance sheet and the group income statement and balance sheet, appropriation of profit or loss, discharge from liability of the members of the Board of Directors and the CEO, determination of the number of directors and auditors and any deputies, fees to the Board of Directors and to the auditors, election of the Board of Directors and auditors and any deputies and any other matter to be dealt with by the meeting according to the Swedish Companies Act or the Articles of Association. The date and location of the AGM is communicated on the company's website no later than in conjunction with the Q3 interim report. Shareholders have the right to request that a matter be addressed by the AGM; such requests must be submitted in writing to the Board of Directors no later than seven weeks prior to the AGM. Pursuant to Chapter 7, section 32 of the Swedish Companies Act, all shareholders are entitled to ask the company about the matters addressed during the AGM and about the financial situation of the company and the Group. In addition to the AGM, the company may convene an extraordinary general meeting (EGM). Notice of a general meeting must be given through an announcement in *Post och Inrikes Tidningar* (Swedish Official Gazette), and the notice must be made available on the company's website. Issuance of the notice must be announced in the newspaper *Dagens Nyheter*. Documents and bulletins from general meetings are published on the company's website. The AGM 2024 will be held on Tuesday, 14 May 2024.

## AGM 2023

The AGM 2023 was held on 4 May 2023 in Stockholm. The shareholders were also able to exercise their voting rights at the AGM by postal voting in advance in accordance with the Company's Articles of Association. In total, shareholders representing 56.1 per cent of the shares and votes in the company were present at the Meeting. Board members, the company's CEO, the company's auditor and the chair of the Nomination Committee were also present at the meeting. Both the company's CEO and the company's auditor-in-charge held presentations and the shareholders had the opportunity to ask questions. The AGM resolved in accordance with each of the proposals of the Board and the nomination committee regarding:

- Adoption of the profit and loss statement and the balance sheet.
- No dividend to shareholders, all funds available for the AGM were carried forward.
- The directors of the Board and the CEO's were discharged from liability for the financial year 2022.
- That the Board of Directors shall consist of eight members and that the company shall have one registered auditing firm as auditor.
- The fees for the members of the Board was resolved to amount to a total of SEK 4,055,000, including fees for committee work (SEK 3,500,000 the previous year). Resolution that SEK 260,000 (SEK 250,000) shall be paid to each non-employed Board member and SEK 780,000 (SEK 750,000) to the chair of the Board and SEK 415,000 (SEK 400,000) to the vice chair of the Board; that SEK 100,000 (SEK 50,000) shall be paid to each member of the audit committee and SEK 200,000 (SEK 200,000) to the chair of the committee; that SEK 100,000 (SEK 50,000) shall be paid to each member of the remuneration committee and SEK 200,000 (SEK 200,000) to the chair of the committee; that SEK

100,000 (SEK 50,000) shall be paid to each member of the remuneration committee and SEK 200,000 (SEK 200,000) to the chair of the committee; and that SEK 100,000 shall be paid to each member of the Strategy Committee and SEK 200,000 to the chairman of the Strategy committee.

- Re-election of Hans-Holger Albrecht, Lina Bruneus, Lutz Finger, Joakim Rubin and Jonas Tellander as directors of the Board and election of Adine Grate, Jonas Sjögren and Alexander Lindholm as new directors of the Board. Re-election of Hans-Holger Albrecht as the chair of the Board and Jonas Tellander as vice chair of the Board.
- Re-election of Ernst & Young Aktiebolag as the company's auditor. Ernst & Young Aktiebolag announced that authorized public accountant Johan Holmberg would continue to be the auditor-in-charge. Resolution that fees to the auditor will be paid according to approved invoices.
- Adoption of new principles for the nomination committee, increasing the number of members to five, of whom four shall be nominated by the company's four largest shareholders or group of shareholders by voting power and the fifth shall be the chairman of the board.
- Authorization for the Board, up until the next AGM, on one or more occasions, with or without preferential rights for shareholders, to issue in total a maximum of shares, warrants and/or convertibles, corresponding to not more than ten percent of the share capital of the company based on the number of shares at the time when the authorization is used for the first time.
- Implementation of a long-term performance based incentive program for senior executives and other key persons at Storytel (LTIP 2023/2027) and directed issue of warrants of series 2023/2027 as well as approval of transfer of warrants.



## Annual General Meeting 2024

The AGM 2024 will take place in Stockholm on 14 May 2024. The date of the AGM was made available in conjunction with the presentation of the Q3 2023 interim report. The notice will be published in April 2024. For more information, please visit <https://investors.storytel.com/en/>.

## Nomination Committee

### Work of the Nomination Committee

The nomination committee is a body established by the AGM with the task of preparing and submitting proposals prior to the general meeting regarding the election of Board members, the chair of the Board, Board fees, potential remuneration for committee work, chair of the AGM, election of the auditor, auditor fees and principles for the nomination committee. Each year, the Chair of the Board presents an evaluation of the Board's work to the nomination committee, which forms the basis for the nomination committee's work. The nomination committee's proposals are presented in the notice to the AGM and at <https://investors.storytel.com/en/>.

### Composition of the Nomination Committee

The nomination committee, in accordance with the principles for the nomination committee established by the AGM 2023, shall consist of five members, of whom four shall be nominated by the company's four largest shareholders or group of shareholders by voting power and the fifth shall be the chairman of the board. Unless otherwise unanimously agreed between the members, the member that is appointed by the largest shareholder shall be the chair of the nomination committee. The names of the members of the nomination committee shall be published not later than six months prior to the AGM. The principles for the nomination committee can be found in their entirety at: <https://investors.storytel.com/en/nomination-committee/>.

### Meetings of the Nomination Committee

The nomination committee has held six meetings prior to the AGM 2024. No remuneration was paid for the work of the nomination committee.

## Nomination Committee prior to AGM 2024

Members	Appointed by	Independence in relation to:	
		The company and executive management	The largest shareholder in the company in terms of votes
Tobias Edenman, Chair	Shareholder group consisting of Jonas Tellander, Annamaria Tellander, Paul Svedrup, Dimitra AB, Jon Hauksson and Kristoffer Lind AB	Yes	No
Rickard Wilson	EQT	Yes	Yes
Hans-Peter Ostler	Roxette Photo NV	Yes	Yes
Oscar Severin	Vitruvian Partners	Yes	Yes
Hans-Holger Albrecht, Chair of the Board		Yes	Yes

## Board of Directors

### Work of the Board

The Board must manage the company's affairs, safeguard the interests of the shareholders, appoint the CEO and be responsible for the company's compliance with applicable laws and its Articles of Association. The Board of Directors is also responsible for ensuring that the Group's organization is structured in a way that the bookkeeping, administration, and financial circumstances of the company can otherwise be controlled in a satisfactory manner. The Board must meet the company's auditor at least once a year without the presence of company management and evaluate the work of the CEO on an ongoing basis and at least once a year. The Board follows written rules of procedure that are revised annually and adopted at the first Board meeting each year, or another Board meeting if required. The rules of procedure prescribe how the division of work is to take place, including the role and responsibilities of the chair of the Board, instructions regarding the division of responsibilities between the Board and the CEO and the CEO's responsibility to report financial development to the board.

### Composition of the Board of Directors

According to the Articles of Association, Storytel's Board of Directors must consist of a minimum of three and a maximum of eight ordinary members who are elected by the shareholders' meeting for the period until the end of the following AGM. The AGM 2023 resolved that the Board shall consist of eight members. Furthermore, the AGM 2023 re-elected Hans-Holger Albrecht, Lina Brouneus, Lutz Finger, Joakim Rubin and Jonas Tellander as directors of the Board and elected Adine Grate, Jonas Sjögren and Alexander Lindholm as new directors of the Board. The AGM 2023 also re-elected Hans-Holger Albrecht as the chair of the Board and Jonas Tellander as vice chair of the Board.

The average age of the members elected by the general meeting at the turn of the year was 55.2 years, and two of the eight members were women. For information about the Board members' assignments outside the Group and their holdings of shares in Storytel, see the Board of Directors' page and <https://investors.storytel.com/en/>.

### Diversity

Storytel, through the nomination committee, strives for the Board to have a composition that is appropriate with regard to the company's operations, phase of development

and other relevant circumstances, characterized by versatility and breadth regarding the qualifications, experience, age, education and professional background of the members elected by the shareholders' meeting. In addition, Storytel strives for gender balance on the board.

### Independence of the Board

Of the Board's eight members, seven are independent in relation to the company and executive management and six are independent in relation to the company's major shareholders.

### The Board's Procedures and Policies

The Board reviews and adopts rules of procedure on an annual basis for its own work and for the work of the Board's audit committee, remuneration committee and strategy and ESG committee. The Board also adopts instructions for the CEO. These Procedures govern, for example, the distribution of work between the Board, chair of the Board, CEO and auditor, quorum, conflict of interest, the work of the committees, internal and external reporting, procedures for notice of meetings, meetings and the minutes. Furthermore, the Board reviews and adopts on an annual basis Storytel's significant steering documents such as the Code of Conduct and policies for sustainability, information security, insider information and communication, risk management and compliance.

### Evaluation of the Work of the Board

The work of the Board is evaluated on an annual basis with the aim of developing the Board's working methods and efficiency. The chair of the Board is responsible for the evaluation as a whole and for presenting it to the nomination committee. The intention of the evaluation is to gather feedback from Board members on how the work of the Board is performed and any measures that could be taken to improve the efficiency of the Board's work and whether the Board is well-balanced in terms of competence. The evaluation is an important basis for the nomination committee's work prior to the AGM.

### Board Meetings

In 2023, the Board held 16 meetings, of which five per cap-sulam and one inaugural meeting. The CEO, the CFO and the General Counsel, who is also the secretary of the Board, attend Board meetings. Other employees participate as needed to report on specific matters.

### Chair of the Board

The chair of the Board is elected annually by the general meeting. On 4 May 2023, the AGM re-elected Hans-Holger Albrecht as chair of the Board. The chair of the Board leads the Board's work and monitors that the Board performs its duties. The chair is responsible in particular for ensuring that the work of the Board is well-organised, effective and in line with the development of the business. The chair of the Board monitors that the Board's Decisions are executed effectively and is responsible for the annual evaluation of the work of the Board and informing the nomination committee about the results of the evaluation. Jonas Tellander was re-elected vice chair of the Board by the AGM on 4 May 2023.

## Board Committees

### Audit Committee

The members of the Audit Committee are appointed annually by the Board at the first Board meeting in conjunction with the AGM, and the committee then appoints its chair from among its members. At least one of the members must have auditing or accounting experience. The company's CEO, CFO, other employees or the auditor may be invited to participate in the committee's meetings. Up until the AGM on 4 May 2023, the Audit Committee consisted of the members Helen Fasth Gillstedt (chair), Hans-Holger Albrecht and Joakim Rubin. Following the AGM on 4 May 2023, the Audit Committee consisted of the members Adine Grate (chair), Hans-Holger Albrecht and Jonas Tellander.

The Audit Committee is responsible for ensuring the quality of the financial reporting and the effectiveness of the internal control and risk management regarding financial statements. In brief, the Audit Committee, without affecting the Board's responsibilities and tasks in general,

must meet regularly with the company's auditors to learn about the audit's focus and scope. The Audit Committee shall convene at least five times each financial year. The meetings of the Audit Committee must be recorded in minutes. The Audit Committee must inform the Board about the matters it has handled. In 2023, the Audit Committee held five meetings.

### Remuneration Committee

The members of the Remuneration Committee are appointed annually by the Board at the first Board meeting in conjunction with the AGM, and the committee then appoints its chair from among its members. The company's CEO, CFO, HR manager, other employees or the auditor may be invited to participate in the committee's meetings. Up until the AGM on 4 May 2023, the Remuneration Committee consisted of Malin Holmberg (chair), Helen Fasth Gillstedt, and Hans-Holger Albrecht. Following the AGM on 4 May 2023, the Remuneration Committee consisted of Joakim Rubin (chair), Hans-Holger Albrecht and Alexander Lindholm.

The tasks of the Remuneration Committee include the preparation of guidelines for remuneration structures and metrics for all or parts of the company, such as performance-based remuneration and incentive programmes, and ensuring application of the remuneration levels in the company. The committee has also been tasked with reviewing succession planning, employee satisfaction, and leadership development. The decisions regarding remuneration must be managed in a well-defined process that ensures no individual is involved in decisions regarding their own remuneration. The Board decides on the CEO's total remuneration package based on the recommendation of the Remuneration Committee. The remuneration package for other members of the management team or key staff in management positions is decided by the CEO in consultation with the Remuneration Committee. The Remuneration Committee must meet at least four times each financial year. The meetings of the Remuneration Committee must be recorded in minutes. The Remuneration Committee must inform the Board about the matters it has handled during the year. In 2023, the Remuneration Committee held five meetings.

## Strategy and ESG Committee

The members of the Strategy and ESG Committee are appointed annually by the Board at the first Board meeting in conjunction with the AGM, and the committee then appoints its chair from among its members. Up until the AGM on 4 May 2023, the committee was called the Sustainability Committee and consisted of Helen Fasth Gillstedt (chair) and Jonas Tellander. After the AGM on 4 May 2023, the committee was changed to the Strategy and ESG Committee and consisted of Hans-Holger Albrecht (chair), Lina Brouneus and Lutz Finger. Adine Grate was added as a member of the committee on 30 November 2023.

The Strategy and ESG Committee is responsible for ensuring that the company fulfills the supervisory and reporting responsibility in relation to environmental, social, and governance (ESG) matters of the company. The Strategy and ESG Committee shall ensure that the company works strategically and systematically with sustainability across the business, manages goal-setting and reporting processes, strengthens relations with external stakeholders, and operates with high business ethics and supports the Board in fulfilling its responsibilities. The strategy and ESG committee shall meet as often as it deems necessary, but normally four times every year. The meetings of the strategy and ESG committee must be recorded in minutes. The strategy and ESG committee must inform the Board about the matters it has handled during the year. In 2023, the Sustainability Committee and the Strategy and ESG Committee held two meetings.

## CEO and Group Executive Management

The CEO is appointed by the Board and leads the operations in accordance with the instructions adopted by the Board. The CEO is also responsible for the ongoing administration of the company's and the Group's operations in accordance with the Swedish Companies Act. Furthermore, the CEO decides, together with the chair of the Board, the agenda for the Board meetings. The Board evaluates the CEO's duties and work on an ongoing basis. The CEO is responsible for both ensuring that the Board receives the information it requires and presenting and proposing at the Board meetings the matters prepared by the company

management. The CEO keeps the Board and the chair of the Board informed about the company's and the Group's financial position and performance.

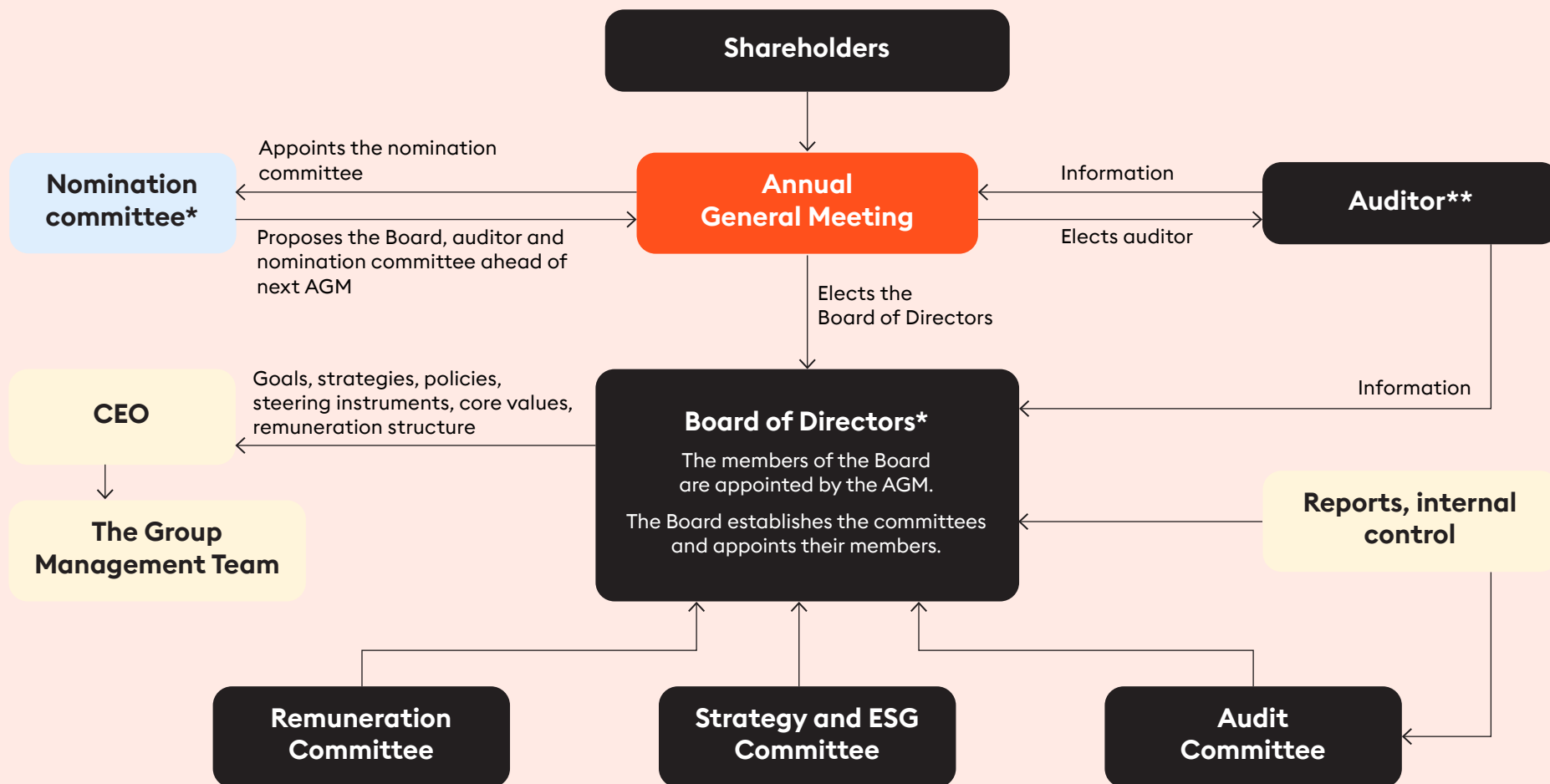
Johannes Larcher is the CEO of Storytel since 1 October 2022. As of 31 December 2023, in addition to the CEO, Group Executive Management consisted of six senior managers, the Chief Financial Officer, the President Streaming, the General Counsel, the Chief Content Officer, the Chief People Officer and the CEO Storytel Books. For information about the CEO and other members of Group Executive Management, see the Management Team page.

Group Executive Management holds regular management meetings, and in 2023 the meetings were held weekly. The meetings focus on the Group's strategic and operational development and result follow-ups.

## Auditor

The auditor is appointed by the AGM to audit the company's annual accounts and bookkeeping and the administration of the Board and the CEO. The auditors' reporting to the shareholders takes place at the AGM and through the auditor's report. At the AGM on 4 May 2023, the registered auditing company Ernst & Young Aktiebolag was re-elected as the company's auditor with the authorized public accountant Johan Holmberg as the auditor-in-charge.





\* The nomination committee prepares proposals for decision that are presented to the AGM. The AGM decides on principles for appointment of the nomination committee.

\*\* The auditor is responsible, on behalf of the shareholders, for auditing Storytel annual report, accounts and the administration of the Board of Directors and the CEO. Reports to the Board of Directors and the shareholders.

**External steering instruments**

Important external steering instruments that provide the framework for corporate governance are

- The Swedish Companies Act
- The Swedish Annual Accounts Act
- Nasdaq First North Growth Market – Rulebook

**Internal steering instruments**

Important binding internal control documents include:

- The Articles of Association
- Rules of Procedure for the Board of Directors
- Instructions for the CEO, the audit committee, and financial reporting
- Policies



The Board of Directors, left to right:  
Joakim Rubín, Lina Brouneus,  
Hans-Holger Albrecht, Jonas Tellander,  
Adine Grate, Jonas Sjögren, Lutz Finger,  
Alexander Lindholm.





# The Board of Directors

## Hans-Holger Albrecht

Chair of the board since 2022

**Born:** 1963

**Education/Background:** Hans-Holger has a Doctorate from the University of Bochum in Germany and a Master of Law from the University of Freiburg in Germany. He has a strong track record in the media industry as well as proven experience from international expansion. Hans-Holger has a solid background as CEO, Chairman and Board Member of listed and private companies on an international basis. He has been CEO of Deezer, one of the largest music streaming services worldwide as well as President and CEO of the international telecom and media group Millicom International, operating in more than 15 countries in Latin America and Africa. He also served as President and CEO at Modern Times Group, MTG AB.

**Other significant assignments:** Chair of the board of Scout24 Group and Superbet Group, board member of Deezer, nonexecutive director of VEON and Ice Group ASA.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** 30,000 class B shares and 93,225 call options.

## Jonas Tellander

Founder of Storytel, CEO 2005-2022 and board member since 2005

**Born:** 1970

**Education/Background:** Jonas is the founder and former CEO of Storytel. He holds a MSc in Chemical Engineering from Lund University and an MBA from INSEAD. He has previously worked as Head of global licensing at Roche.

**Other significant assignments:** –

**Independent in relation to the company and management:** No

**Independent in relation to major shareholders:** No

**Holdings in the company:** 4,498,880 class B shares, 17,847 employee stock options and 62,500 Warrants.

## Lina Brouneus

Board member since 2022

**Born:** 1982

**Education/Background:** Lina holds an Msc in Corporate and Financial Management from Lund University. She has a strong track record in the European and US media industry along with significant experience from digital growth strategy, business development and international expansion. She is currently Director Film Acquisitions EMEA at Netflix. Lina was previously Chief Content Officer at Viaplay and COO Content MTGx where she was working across content, gaming and sports. She has also held several leading positions within Modern Times Group, MTG AB.

**Other significant assignments:** –

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** –

## Lutz Finger

Board member since 2022

**Born:** 1971

**Education/Background:** Lutz has an MBA from INSEAD and an MSc in Physics from TU Berlin. He is an esteemed technologist with a diverse background in building innovative technology platforms for companies including Google, LinkedIn, and SNAP Inc. Lutz is currently the president of Product and Development at Marpai Inc., a US-based health-tech company and also serves as an advisor, non-executive board member and Angel investor at several data-centric corporations in Europe and the US.

**Other significant assignments:** Non-executive board member of the I&I Mail & Media Applications SE.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** 34,015 class B shares.

## Adine Grate

Board member since 2023

**Born:** 1961

**Education/Background:** Master of Science Stockholm School of Economics and Executive MBA Harvard.

**Other significant assignments:** Executive Director and Board member KOKO Ltd, Chair of the Audit Committee at HERE Technology BV, Non Executive Director and Advisor at CK Hutchison Holdings – Three Scandinavia and IOD and Member of the Executive Committee and Chair of the Nomination Committee of the Swedish Chamber of Commerce for the UK.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** –



### Alexander Lindholm

Board member since 2023

**Born:** 1969

**Education/Background:** BBA from Lander University, USA and held a number of other positions within the media business.

**Other significant assignments:** CEO of Otava Group. Chairman of the board of Kirjanvälitys Oy, Suomalainen Kirjakauppa Oy, Otavamedia, Kustannusosakeyhtiö Otava and member of the board of Alma Media.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** Alexander Lindholm does not hold any shares in Storytel. Otava Ltd holds 3,445,071 B-shares in Storytel.

### Joakim Rubin

Board member since 2021

**Born:** 1960

**Education/Background:** Master of Engineering, Institute of Technology, Linköping University. Has previously worked as Partner Zeres Capital, Senior Partner CapMan and Head of Corporate Finance at Handelsbanken Capital Markets.

**Other significant assignments:** Partner EQT Public Value. Board member of AFRY AB.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** No

**Holdings in the company:** –

### Jonas Sjögren

Board member since 2023

**Born:** 1966

**Education/Background:** MSc in Electrical Engineering from Chalmers University of Technology, MBA from INSEAD and licensed physician from Sahlgrenska Academy. Jonas worked 12 years at Ericsson AB in various positions including heading the GSN Product Management department responsible for mobile internet switching in the GSM networks. Jonas is also co-owner of Roxette Photo SA.

**Other significant assignments:** Board Member at Vakona AB and Markov Capital AB. Chairman of the Board at Exceca Allocation AB and Alsteron AB. Jonas Sjögren was a Board member of Storytel between 2008–2022.

**Independent in relation to the company and management:** Yes

**Independent in relation to major shareholders:** Yes

**Holdings in the company:** 285,490 class B shares.

# Group Executive management



## Johannes Larcher

Chief Executive Officer (CEO) since 2022

**Born:** 1967

**Education/Background:** Master of Arts from the University of Music and Performing Arts in Vienna and a Master of Business Administration from the Wharton School at the University of Pennsylvania. He most recently served as the Head of HBO Max International at WarnerBros. Discovery. Before HBO Max International he served as the Managing Director of Digital at MBC Group Co-Founder and CEO of SubVRsive, Senior Vice President at Hulu and President and CEO of Academy123.

**Holdings in the company:** 10,000 class B shares and 600,000 RSUs.



## Luis Duran

President Streaming since 2023

**Born:** 1977

**Education/Background:** Bachelor of Business and Master of Business Administration from ESADE Business School in Barcelona. He most recently served as the General Manager of HBO Max for the LatAm region, after a 10-year career in Streaming (SVOD) across Asia, Africa and the Middle East. Luis has a Management Consulting background and has worked and lived across 5 continents.

**Holdings in the company:** 5,000 class B shares and 200,000 RSUs.



## Peter Messner

Chief Financial Officer (CFO) since 2023

**Born:** 1976

**Education/Background:** Doctorate in Social and Economic Sciences from the University of Vienna and an MSc in Economics and Computer Science from the Technical University of Vienna. Peter most recently served as Group CFO of Catena Media. Before Catena he has held positions such as CFO of MTGx and CFO & Director Corporate Development at Ogame Network, a part of Bwin.

**Holdings in the company:** 130,000 RSUs.



## Tobias Andersson

General Counsel since 2023

**Born:** 1977

**Education/Background:** Master of Laws (LLM) from Stockholm University. He most recently served as Regional Legal Lead Europe for HBO Max. After his time as a district court law clerk, Tobias started his private sector career at the renowned law firm Linklaters and has since gained over 15 years experience from various legal leadership roles in international media companies such as Warner Bros. Discovery and the TV4 Group.

**Holdings in the company:** 60,000 RSUs.



### Kristin Widell

Chief People Officer (CPO) since 2023

**Born:** 1974

**Education/Background:** Degree in Human Resources Management. She most recently served as the Director of People Operations at Peltarion. Kristin has over 15 years of executive experience across strategic, tactical and operational HR services and practices while leading digital transformation and innovation in renowned companies such as HiQ, SAAB and Tieto.

**Holdings in the company:** 60,000 RSUs.



### Linda Säresand

CEO Storytel Books since 2021

**Born:** 1974

**Education/Background:** Background and education in economics and markets with extensive leadership experience, and more than 20 years of leading position in the publishing industry, including CEO, Deputy CEO, and Head of Finance and Publishing manager. Linda has also held a number of Board positions within the publishing business. Linda was appointed CEO of Storytel Books as the Group parent Storytel AB gathered its wholly owned book-related businesses under one company in 2021. She was also appointed Chair of the Board of the publishing houses Norstedts Förlagsgrupp (SWE), Gummerus (FIN) and People's (DEN).

**Holdings in the company:** 50,000 RSUs.



### Helena Gustafsson

Chief Content Officer (CCO) since 2020

**Born:** 1973

**Education/Background:** Bachelor of Arts, Literature. Joined the company in 2013 as CEO of StorySide, after Storytel's acquisition of the audiobook publisher. In addition to her role as Chief Content Officer, Helena serves as the CEO of Storyside. She has more than 25 years of experience from the book industry, amongst twenty years devoted to audiobooks and digital publishing, and has previously had several key roles at Storytel such as Head of Global Publishing. Helena also holds a number of Board positions both within the publishing industry and closely related businesses, amongst others Nuanxed and Lind & Co., a publisher partially owned by Storytel in which she acts as chairman.

**Holdings in the company:** 18,258 class B shares, 7,066 employee stock options and 60,000 RSUs.



# Extended management



Ana Julia Ghirello  
GM Expansion Markets / SVP  
Partnerships



Anna Etzler  
SVP Operations



Carolina Corsello  
SVP of Data & Insights



Claus Wamsler-Nielsen  
General Manager – Growth  
Markets



Ian Small  
General Manager  
Audiobooks.com



Johan Ståhle  
Chief Product Officer



Malin Lindborn  
Head of Communications



Mark Pasternak  
Chief Technology Officer



Oleg Nesterenko  
Chief Marketing Officer



Åse Ericson  
General Manager, Nordics

# Financial Reporting

The Board is responsible for ensuring that the company's organization is designed so that the company's financial conditions can be controlled in a reassuring manner and that financial statements such as interim reports and annual accounts to the market are prepared in accordance with law, applicable accounting standards and other requirements for companies listed on Nasdaq First North Growth Market.

The Board must monitor the financial performance, safeguard the quality of the financial reporting and internal control, and regularly follow up on and evaluate the operations.

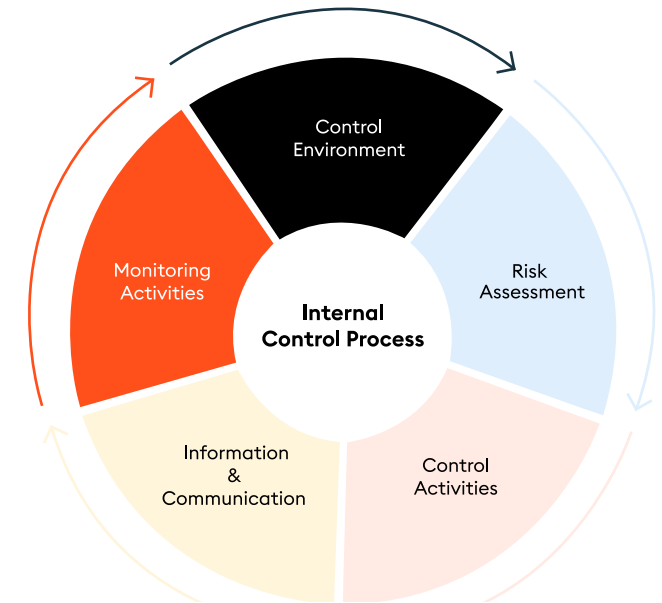
The audit committee is responsible for the preparation of the Board's work to ensure the quality of the company's financial reporting. However, the audit committee does not address only the Group's financial statements and more significant accounting issues but also issues regarding internal control, compliance, significant uncertainty in carrying amounts, events after the balance sheet date, changes in estimates and assessments and other circumstances that affect the quality of the financial statements. The CEO must ensure that the bookkeeping of the Group's companies is conducted in accordance with applicable law and that the administration is managed in a satisfactory manner. The accounts are prepared for the Group every quarter and submitted to the Board and Group management. A profit/loss, balance sheet and investment budget is prepared on a quarterly basis. The main Budget is defined in the Q4 planning process for the upcoming fiscal year. For each quarter, an updated Budget forecast is prepared to better reflect the financial outlook for the rest of the fiscal year period.

## Financial information is regularly provided to the market in the form of:

- Interim reports;
- Annual report;
- Press releases with inside information in accordance with regulatory requirements;
- Presentations for financial analysts, investors, and the media on the day the year-end report and interim reports are published; and
- Meetings with financial analysts and investors.

## Internal Control over Financial Reporting

The overall aim of internal control over financial reporting is to ensure, with reasonable assurance, that the internal and external reporting is reliable. The internal control must also ensure that the operations are conducted in accordance with applicable laws and regulations and comply with requirements for companies listed on Nasdaq First North Growth Market. An internal control framework has been established within Storytel and has been continuously developed in recent years with the aim of supporting the organization and the systems and processes that contribute to Storytel's ability to meet the mentioned requirements on financial reporting. Storytel's internal control framework is based on COSO, which has been issued by the Committee of Sponsoring Organizations of the Treadway Commission. This framework rests on five components: Control Environment, Risk Assessment, Control Activities, Information And Communication, and Monitoring Activities. Below follows a description of Storytel's internal control work based on these components.



## Control Environment

The control environment for financial reporting is based on various governing documents such as, policies and guidelines, instructions and manuals where responsibilities and authorities are defined. Examples of governing documents, specifically with regards to financial reporting, are Code of Conduct, Financial policy, Signing and Approval Instruction and Storytel's Financial Manual. These internal documents together with laws and other external regulations constitute the so-called control environment that must be implemented in working processes and procedures and followed by every employee. Furthermore, the Board has established an Audit Committee that assists the Board regarding the supervisory responsibility of the Board linked to the efficiency and effectiveness of Storytel's internal control framework. The audit committee also assists with matters concerning significant accounting principles that the Group applies.

### Risk Assessment

The risk assessment includes identifying risks based on the fundamental requirements on financial reporting: completeness, accuracy, valuation, and reporting. Risks in conjunction with financial reporting are primarily related to misstatements in the accounting related to valuation of assets and liabilities, revenue recognition, and royalty costs. The risk assessment forms the basis for the risk of misstatements in the financial reporting and is the basis for the design and implementation of the control activities carried out by the business. The overall risk assessments at Group level is an integral part of the reporting to the Audit Committee and Board of Directors.

### Control Activities

Control activities aim to prevent and identify at an early stage significant misstatements in the financial reporting in order for them to be managed and remediated. Control activities are present at both generic and more detailed levels within the Group and are manual, IT-dependent or automated. Procedures and activities have been designed to manage and remediate significant risks related to the financial reporting that have been identified in the risk assessment. Depending on the nature and location of the control activity, corrective measures, documentation, and quality assurance occurs at the Group, subsidiary or process level. In 2024, the work will continue with evaluation of subsidiaries' processes and control structures as well as clarification of accountability and responsibility at a local level. In addition, a greater focus will also be placed on improving the formalization of key controls and risks in significant business processes for additional subsidiaries.

### Information and Communication

Storytel has well-established information and communication procedures to ensure that its financial reporting is complete and accurate. Storytel regularly communicates updates of its financial manual and related instructions to relevant parties.

Another important communication channel is the company's whistleblower function, where any non-compliance to accounting and internal control can be reported anonymously.

### Monitoring Activities

Storytel's process for internal control includes systematic follow-up of risk assessments and control activities in order to evaluate, remediate and constantly improve. Storytel's Internal Control function coordinates follow-up activities and compiles an aggregate picture for reporting to the CFO and Audit Committee. The Board's follow-up of the internal control for financial reporting occurs primarily through the Audit Committee.

The monitoring activities of internal control also occur as part of the external audit. The Audit Committee follows upon the financial accounting and receives reports from both the Internal Control function and the External Auditors.

### Evaluation of the need for a separate internal audit function

At Storytel, there is no formal Internal Audit function established today. The Board conducts an annual review of the issue and has for the financial year 2023 assessed that existing structures for follow-up and evaluation are satisfactory. If a need for specific internal audit efforts is identified, this can be arranged through temporary external resources.



# Risks and Risk Management

As for all companies, the way of doing business at Storytel is associated with risks. The ultimate purpose of risk management at Storytel is to identify and manage events that could have an adverse impact on the achievement of Storytel's objectives.

Storytel's work with risk management is based on international standards under the leadership and coordination of the company's Internal Control function. Overall principles as well as roles and responsibilities for risk management are further defined in the company's Risk Management policy, which, together with other Group policies, is adopted by Storytel's Board of Directors and subject to annual review.

To ensure that Storytel's risk work is based on a company-wide perspective where all business objectives of different natures are included, a number of risk categories have been developed which also form the basis for the assessment scale used in assessing the impact of risks. These risk categories are operational, strategic, legal & compliance, cyber resilience, and financial.

On an annual basis, a risk assessment is carried out for Storytel Group to identify, evaluate and prioritize the risks that are most important for achieving set business objectives within the Group. Thereafter, appropriate activities are decided upon in order to either reduce the probability of the risk event occurring or mitigate any consequences. Risks are assigned to an owner who is responsible for monitoring and following up on decided activities and their impact on lowering the risk as intended. A review and status report of the most significant enterprise risks is carried out at least annually and reported to the Audit Committee and the Board of Directors.

As part of the work to reduce risk exposure in selected areas, different types of insurance policies are also taken out for the risks that are insurable. These include property and business interruption insurance, general product and liability insurance, crime insurance, directors and officers liability insurance, business travel insurance as well as in-

urance that covers marine cargo. These are reviewed annually in consultation with insurance brokers.

Storytel places great value on conducting responsible business free from bribery, corruption or other types of unethical conduct. A section on how Storytel works with business ethics and compliance can be found in the Sustainability Report.

Below is an overview of the key risk areas for Storytel and how the risks are being addressed.

## Competition in a Broader Perspective

Storytel competes for subscribers and content against local and global players within the audio and publishing field but also for consumers' time in general. This competition is expected to increase in the coming years due to the attractiveness of the industry. If Storytel fails to develop its product offering, it could negatively impact Storytel's business and future earnings. Through continued, focused investments in original content, building a stronger brand and developing a differentiated product, Storytel is prepared for increased local and global competition.

## Content Risks

In order for Storytel to be able to offer high-value, attractive content and reach a broad international customer group, Storytel needs to be proactive in establishing mutually beneficial relationships between publishers and streaming services. Managing and developing publisher and streaming services relationships is at the heart of Storytel's content strategy, and already today a lot of focus is put on improving content agreements as well as author and publisher relationships and overall education of possibilities with digital sales. Risks associated with Storytel's ability to offer an attractive content catalogue by attracting and retaining important content creators are managed through a focus on relationship building, credibility and high competence as well as carefully following the industry

development and regulations in order to offer a fair compensation. Storytel has also made, and plans to continue making, investments in content in order to differentiate its services in targeted markets and to offer unique listening experiences.

## Legal and Regulatory Risks

The Storytel Group operates in several different jurisdictions and is thus subject to various legal and regulatory requirements. New legal requirements or rulings in a specific market could limit Storytel's positioning on that market. Storytel works proactively to monitor changes in legal conditions in order to meet the requirements set. Storytel has, among other things, built up internal competence to manage various legal risks and seeks assistance of external advisers where relevant.

## The Macroeconomic Outlook

Negative macroeconomic factors such as high inflation with increased energy and supplier costs, high interest rates, as well as general political uncertainties and wars, have affected the society as a whole for the past 12+ months. It has led to increased uncertainties about consumption trends in both the short and long term, interest rate development, challenges in the manufacturing and transport sector and an accelerated digitalisation transition tied to the physical book trade. Storytel has been and will continue assessing how changes in macroeconomic factors may impact the business. Amongst other metrics, net subscriber intake and churn numbers are closely monitored and may serve as early-warning signs in case of any changes.

## Cyber Attacks

Technical platforms, owned by Storytel or by suppliers, are subject to cyber and phishing attacks including supply chain attacks. Attacks that are not prevented or effectively detected and remediated could harm Storytel's service delivery and cause significant downtime of Storytel's

services. Storytel has a cyber security program in place in order to mitigate the risks of cyber attacks. This includes, among other things, security monitoring of computers, employee training, security assessment of vendors and new systems, vulnerability management and incident response. Storytel also has strong authorization methods in place through centralized SSO and 2FA.

### Financial Risks

Through its operations, Storytel is exposed to various types of financial risks, such as credit, market, liquidity and refinancing risks. Changes in the financial markets, for example due to general market fluctuations, macroeconomic effects such as higher interest rates, or new and amended laws and regulations, may entail risks that will make it more difficult or more expensive to raise capital or refinance maturing debt. Storytel manages its financing strategy on the basis of a financial policy adopted by its Board of Directors, which is reviewed at least annually. The finance policy regulates management in areas such as cash and cash equivalents, financial exposure, future cash flows and financial instruments and how Storytel will work with such matters at Group level. For information on Storytel's financial risks and their management, see Note 25.

### Personal Data

Storytel is continuously working to implement organisational, technical and administrative measures to meet the requirements of the GDPR (General Data Protection Regulation). As a result of this regulation, EU/EEA countries have issued supplementary legislation and national interpretations thereof. Countries outside the EU/EEA have also increasingly issued national legislation which in many cases is based on GDPR but where there may also be deviating or stricter rules. The legal landscape within privacy and data protection is thus constantly changing. This places high demands on a global organisation, both technically and organisationally, and there is a risk that the company will not take into account the complex requirements and therefore not implement processes quickly enough or to a sufficient degree. Severe penalties may also be imposed pursuant to the GDPR and the company, depending on the nature and

extent of a possible breach, may risk both injunctions for measures with a short implementation time and penalties or sanctions.

### Talent Retention & Acquisition

Storytel's business model and strategy place high demands on the skill of our employees. There are risks in the wider "war for talent" that Storytel is less able to attract and retain qualified personnel. Storytel works actively to develop and improve the offer it can give its employees in the form of remuneration and development opportunities, and invests heavily in creating a diverse and inclusive workplace where Storytel can attract and retain competent employees regardless of, for instance, their gender, nationality or domicile. In addition, the internal work on corporate culture, also in the light of the increasing ESG focus, will be a key component to continue attracting the right talent.

### Environmental & Climate Risks

All companies, including Storytel, play a central role in driving down greenhouse gas emissions, and in building a resilient zero-emissions economy. Costs associated with emissions are expected to continue increasing year by year, and climate-related risks such as rising temperatures and resource scarcity may lead to disruption for Storytel's value chain and operations. As of now, Storytel deems the impact of such risks to be very limited. As a signatory of the UN Global Compact, Storytel is committed to engage with its suppliers to address environmental impacts, apply the precautionary approach, and promote greater environmental responsibility and the usage of clean technologies across its value chain. Read more about Storytel's environmental & climate risks and its management in our sustainability report.

# Directors' Report

## Information about the operations

The Board of Directors and CEO hereby submit the annual report and consolidated financial statements for Storytel AB (publ), corporate registration number 556575-2960, for the 2023 financial year.

Storytel was founded in 2005 as a subscriber service for audiobooks. The Storytel Group currently comprises two business segments: Streaming and Books. The Streaming business segment offers a subscription-based service for audiobooks and e-books under the brands Storytel, Mofibo and Audiobooks.com in more than 25 markets, with focus on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. The Nordics represent the largest proportion of revenue. The Streaming segment also includes audiobook publishing, which is through the audiobook publisher Storyside. The Books segment includes the publishers Norstedts Publishing Group AB and Lind & Co. in Sweden, People's in Denmark, Gummerus in Finland and Aula & Co. The company has its registered office in Stockholm.

## Financial performance

2023 saw significant improvement in the performance of Storytel with growth in revenues and more efficient operational performance, but the result was negatively impacted by write downs and restructuring charges of -671,572 TSEK following the further emphasis on profitability. Write downs of -465,385 TSEK relate to non-cash impairment charges on goodwill attributed to Audiobooks.com; -167,628 TSEK relate to non-cash write downs that are mainly concentrated on content assets in expansion markets; and the remaining -38,558 TSEK relate to restructuring charges in personnel and other operational expenditures.

## Multi-year overview

Group (TSEK)	2023	2022	2021	2020	2019	2018
Net sales	3,489,220	3,200,382	2,620,797	2,236,751	1,843,267	1,459,952
Profit before tax	-807,470	-395,156	-352,324	-191,700	-380,186	-260,962
Operating margin (%)	-21.3%	-12.5%	-13.4%	-7.4%	-19.6%	-16.9%
Profit margin (%)	-23.3%	-12.2%	-14.2%	-8.4%	-17.0%	-14.5%
Equity	1,273,182	2,131,785	1,860,922	955,607	342,200	624,079
Balance sheet total	3,140,651	4,327,314	2,959,039	1,889,963	1,305,901	1,367,803
Equity-to-assets ratio (%)	40.5%	49.3%	62.9%	50.1%	26.2%	45.6%
Average number of employees	629	766	830	685	539	383

Parent Company (TSEK)	2023	2022	2021	2020	2019	2018
Net sales	46,142	43,096	20,896	4,717	3,788	3,186
Profit after financial items	-15,089	-553	35,459	-14,241	-27,822	-8,685
Balance sheet total	5,060,213	5,443,161	3,835,947	2,534,087	1,867,313	1,633,214
Equity-to-assets ratio (%)	82.9%	77.4%	99.6%	99.4%	78.4%	89.1%

## Multi-year overview

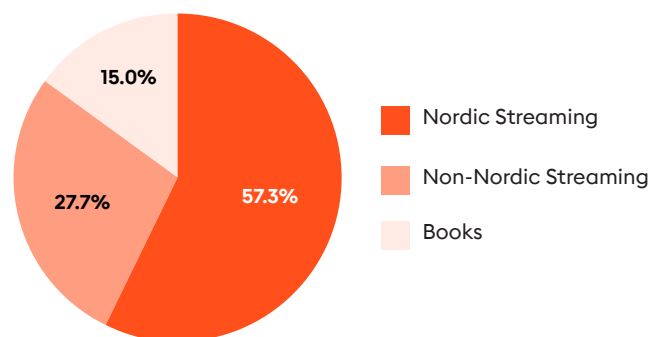
Group net sales for the period increased by 9% from the comparative period to 3,489,220 (3,200,382) TSEK, and increased by 10% when excluding Russia which was discontinued in 2022. The increase is driven by a combination of solid growth of subscribers and higher average revenue per subscriber in the Streaming segment's top markets, especially the Nordics and the four non-Nordic growth markets, the Netherlands, Turkey, Poland, and Bulgaria. In the US, Audiobooks.com continued its focus on increased profitability rather than revenue growth.

At the same time the Books segment's sales declined due to weaker external digital sales and lower demand for physical books, caused by a general downturn in the Nordic book market. Importantly, the revenue does not account for internal sales from Books to Storytel, which grew by 28.2%.

Nordic Streaming was the most significant contributor to the group's net sales with 57.3% followed by Non-Nordic streaming with 27.7%. The Books segment contributed 14.9% to the group's net sales.



## Segments performance



Reported cost of sales for the period increased by 13% to -2,241,895 (-1,987,237) TSEK mostly due to 141,623 of TSEK of one offs in the form of write downs and higher consumption of content on the back of increased number of subscribers. Gross profit amounted to 1,247,326 (1,213,145) TSEK.

Profit before tax for the period amounted to -807,470 (-359,156) TSEK. Adjusted for write downs and restructuring charges, profit before tax for the period amounted to -135,898 (-190,101) TSEK.

## Items affecting comparability

In 2023, Storytel recognized IACs of -671.6 (-205.1) MSEK, following the further emphasis on profitability. Of the IACs, -465.4 MSEK relate to non-cash impairment charges on goodwill attributed to Audiobooks.com; -167.6 MSEK of the IACs relate to non-cash write downs that are mainly concentrated on content assets in expansion markets; and the remaining -38.6 MSEK of IACs relate to restructuring charges in personnel and other operational expenditures.

## Adjusted Group total

Amounts in mSEK	2023	2022
Net sales	3,489.2	3,200.4
Cost of sales	-2,100.3	-1,951.7
<b>Gross profit</b>	<b>1,389.0</b>	<b>1,248.7</b>
Selling and marketing expenses	-835.9	-916.0
Technology and development expenses	-268.8	-263.7
Administrative expenses	-383.5	-297.8
Other operating items	13.1	34.4
Profit from participation in associates	15.3	-1.1
<b>Operating profit/loss</b>	<b>-70.8</b>	<b>-195.5</b>
Net financial items	-65.1	5.3
<b>Profit before tax</b>	<b>-135.9</b>	<b>-190.1</b>

## IAC:s Year to Date

Amounts in mSEK	2023	2022
Net revenue	-	-
Cost of sales	-141.6	-35.6
<b>Gross profit/loss</b>	<b>-141.6</b>	<b>-35.6</b>
Sales and marketing expenses	-9.3	-38.3*
Tech and development	-34.2	-59
General and administrative	-485.8	-72.3
Other operating income	-	-
Profit from participation in as.	-0.7	0
<b>Operating profit/loss</b>	<b>-671.6</b>	<b>-205.1*</b>
Net financial items	-	-
<b>Profit before tax</b>	<b>-671.6</b>	<b>-205.1*</b>

\* Restated amount, see Note 1.

## Development in streaming

Streaming revenues reached 3,241,579 (2,887,763) TSEK in 2023, a growth of 12.3 percent or 9.3 percent with constant exchange rates. The increase is driven by solid growth in the Streaming segment's top markets, especially the Nordics and the four non-Nordic growth markets. Together with the US, these 10 markets represent more than 90 percent of Storytel's average subscriber base and revenues in 2023. During the year the Nordic market reached more than two billion SEK in revenues and the Non-Nordic segment passed one million paying subscribers.

## Development in Books

Books revenue totalled 569,667 (646,572) TSEK, a decrease of 11.9 percent. The revenue excludes internal sales from Storytel to Books. The main reasons for the decrease are a general downturn in the Nordic book market and lower external digital sales, while internal sales increased by 28.2 percent.

Approximately 50 percent of Storytel Book's revenues come from digital books, reflecting the continued growth in the market for subscription services.

## Significant events during the year

During the period, the interpretation and the previously applied accounting of Storytel's agreements with certain publishers have been reviewed. This review has induced a change, meaning that any related cost will no longer be recognized based on the length of Storytel's customer contracts but instead will be reported in the period the cost is incurred. The change does not affect Storytel's earnings or cash flows over time. Comparative figures have been recalculated to reflect the new treatment. In the consolidated income statement, operating expenses in the comparative year 2022, have been adjusted by -11,484 TSEK. Furthermore, the opening equity for 2022 has been adjusted by -49,681 TSEK. For further information, see note 1.

The Annual General Meeting was held on May 4, 2023. Hans-Holger Albrecht, Lina Brouneus, Lutz Finger, Joakim Rubin and Jonas Tellander were re-elected as directors of the Board. Adine Grate, Jonas Sjögren and Alexander Lindholm were elected as new directors of the Board. Hans-Holger Albrecht was re-elected as Chairman of the Board of Directors and Jonas Tellander was re-elected as vice Chairman of the Board of Directors.

Storytel held a Capital Markets Day on June 13, 2023 to outline the strategy and focus and to set mid term financial targets for 2026. Storytel is adapting its strategy to the current global conditions and focusing on profitable growth that is driven by its profitable core markets in the Nordics as well as Poland, the Netherlands, Turkey, Bulgaria and the USA.

During the first half of 2023 Peter Messner was appointed as Chief Financial Officer and Luis Duran as President of Steaming. Anna Etzler assumed the role of Senior Vice President of Operations, while Oleg Nesterenko was appointed as the Chief Marketing Officer.

Following the summer, Malin Lindborn took on the position of Head of Communications, Ana Julia Ghirello was appointed as the General Manager of Expansion Markets and Senior Vice President of Global Partnerships, and Mattias Frithiof entered the role of Head of Investor Relations.

In the fall, Tobias Andersson was appointed as General Counsel, Carolina Corsello was appointed as the Senior Vice President of Data and Insights, and Line Miller was named the new CEO of People's, the Danish publishing house within Storytel Books.

In March, Storytel acquired the audiobook operations of the large Finnish book store chain Suomalainen Kirjakauppa from the Otava Group, resulting in their subscriber base being merged with Storytel Finland.

Storytel Awards surpassed the milestone of 200,000 votes during the spring with audiobook fan engagement reaching record levels, resulting in over 50 awards being distributed to authors, narrators and creators across the Nordics, the Netherlands and Belgium.

In July, Storytel introduced the first version of VoiceSwitcher, made possible by a unique technology for generating AI voices developed in collaboration with ElevenLabs. The Voice Switcher was launched in Poland in late

2023, following the beta test on selected Storytel Original titles in English in July, the feature was launched in Poland in late 2023.

Throughout 2023 Storytel made significant progress in entering new partnerships. In April, a significant multi-year deal with AI Bulgaria was entered, the country's largest telco. Through the partnership Storytel has been included in an exclusive selection of premium services on AI Bulgaria's platform, reaching more than 4 million potential customers. In Denmark, Storytel formed a strategic partnership with CBB Mobil in July, aiming to accelerate growth and market penetration in the country.

September saw the launch of a partnership with Yettel in Bulgaria, which has shown positive signs of substantial paybase growth. It was also the launch of LG Uplus South Korea, one of the largest telcos in the country, which has opened new opportunities in one of the expansion markets. Additionally, Storytel's partnership with the Dutch telecom operator KPN in November has already been driving notable subscriber acquisition in the Netherlands, one of Storytel's primary growth markets outside the Nordics.

### Significant events after the end of the year

Storytel announced on January 24th updated mid term financial targets, and an efficiency optimization initiative that will be implemented during the first quarter of 2024, including a 13% reduction in workforce.

Storytel Books and Nextory reached an agreement to distribute Storytel Books' titles on Nextory's platform as of 1 February 2024.

Storytel extended the existing revolving credit facility (RCF) until 2 April 2025 and reduced the facility to 750 MSEK, at otherwise unchanged terms.

On February 22nd Storytel entered a partnership with Dutch telco VodafoneZiggo, a leading Dutch telecom company in one of Storytel's core markets.

### Anticipated future development

Storytel's strategic ambition is driven by profitable growth with a focus on ten core markets, the Nordics, the Netherlands, Poland, Bulgaria, and the USA. Storytel's remain-

ing presence are markets where the audiobook is less developed but the company intends to grow to the market leader in the long term. Storytel will continuously develop its service and content to continue to be one of the world's largest audiobook and e-book streaming services. The anticipated future development is subject to risks, which are described in further detail in the corporate governance section on page 36.

### Commitments within the Group

Storytel Group has lodged a security of MSEK 20 to PRI (Pension egen regi) in the form of funds held in an escrow account. Storytel AB (publ) has also acted as a guarantor for its fully owned subsidiary Norstedts Förlagsgrupp AB. The security and parent company guarantee are related to the Norstedts Förlagsgrupp pension obligation to its employees, which takes the form of a pension fund.

### The share

The closing price on December 29, 2023, the final trading day of 2023, was SEK 40.26. During the financial year 2023, the lowest share price was SEK 21.80 and the highest SEK 60.78. The average price was SEK 38.81 during the financial year. An average of 214,432 shares were traded per day, with a high of 1,712,242 shares on a single day.

	2023	2022	2021
Number of shares at the end of the year	77,108,125	77,073,120	68,281,911
Where of A-shares:	635	635	635
Earnings per share after tax, SEK	-10.63	-5.68*	-5.68

\* Restated amount, see Note 1.

## Largest shareholders as of 31 December 2023

Shareholder	Capital, %	Votes, %
Shareholder group represented by Jonas Tellander*	16.1%	16.1%
EQT	14.4%	14.4%
Roxette Photo SA	9.3%	9.3%
Vitruvian Partners	4.5%	4.5%
AMF Pension & Fonder	3.6%	3.6%
Otava Ltd	3.6%	3.6%
Avanza Pension	3.5%	3.5%
Swedbank Robur Fonder	3.2%	3.2%
Rustan Panday	3.2%	3.2%
C WorldWide Asset Management	3.0%	3.0%
<b>Total ten largest shareholders</b>	<b>64.4%</b>	<b>64.4%</b>
Others	35.6%	35.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* The shareholder group consists of Jonas Tellander, Annamaria Tellander, Paul Svedrup, Dimitra AB, Jon Hauksson and Kristoffer Lind AB.

## Sustainability Report

A Sustainability report has been prepared and is presented on pages 21-35 as a separate document from the annual report. The aim of this sustainability report is to clarify our sustainability goals and explain how we are working to achieve them. This report covers the operations of the entire Storytel Group.

## Use of financial instruments

Further information on use of financial instruments is found in Note 18.

## Corporate governance report

A corporate governance report has been prepared as a separate document from the annual report. The corporate governance report can be found on pages 36-53 and covers all of Storytel Group's operations.

## Proposed appropriation of profits

The following profits are available to the Annual General Meeting, Amounts in TSEK

	12/31/2023
Retained earnings	36,016
Share premium reserve	4,128,701
Profit for the year	-15,089
<b>Total</b>	<b>4,149,629</b>

The Board proposes that profits be distributed such that:

To shareholders (SEK 0 per share)	-
To be carried forward	4,149,629
<b>Total</b>	<b>4,149,629</b>

## Financial statements and notes

Storytel Group's performance and financial position in general are presented in the following statements of comprehensive income, financial position, cash flows, and changes in equity, as well as the notes. The performance and financial position of the Parent Company Storytel AB (publ) are presented in the following income statement, statement of comprehensive income, balance sheet and changes in equity, as well as the cash flow statement and notes.

## Consolidated statement of income

Amounts in TSEK	Note	2023	2022
Net sales	3,4	3,489,220	3,200,382
Cost of products sold	6,7,9,10	-2,241,895	-1,987,237
<b>Gross profit/loss</b>		<b>1,247,326</b>	<b>1,213,145</b>
Selling and marketing expenses	6,7,8,9,10	-845,177	-954,308*
Technology and development expenses	6,7,8,9,10	-303,017	-322,699
Administrative expenses	6,7,8,9,10	-869,234	-370,020
Other operating gains and losses	5,6	13,147	34,424
Profit from participations in associates	23	14,608	-1,045*
<b>Operating profit</b>		<b>-742,348</b>	<b>-400,503*</b>
Financial income	11	21,099	57,245
Financial expenses	12	-86,221	-51,898
<b>Profit before tax</b>		<b>-807,470</b>	<b>-395,156</b>
Tax	13	-6,053	3,402
<b>Profit for the year</b>		<b>-813,523</b>	<b>-391,754*</b>
<b>Profit for the year attributable to:</b>			
Parent Company shareholders		-819,186	-394,441*
Non-controlling interests		5,663	2,687
<b>Total</b>		<b>-813,523</b>	<b>-391,754*</b>
<b>Earnings per share:</b>			
Earnings per ordinary share, basic (SEK)	14	-10.63	-5.68*
Earnings per ordinary share, diluted (SEK)	14	-10.63	-5.68*

\* Restated amount, see Note 1.

## Consolidated statement of comprehensive income

Amounts in TSEK	Note	2023	2022
<b>Profit for the year</b>		<b>-813,523</b>	<b>-391,754*</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit/loss (after tax)</i>			
Translation difference	24	-42,667	162,821
<i>Items that will not be reclassified to profit/loss (after tax)</i>			
Revaluation defined-benefit pension plans	10	-8,744	113,675
Tax attributable to defined-benefit pension plans	13	-	-7,138
Revaluation of hedging instruments	24	-	10,031
Adjustment of hyperinflationary economies		506	-
<b>Total other comprehensive income for that year, after tax</b>		<b>-50,906</b>	<b>279,389</b>
<b>Total comprehensive income for the year, after tax</b>		<b>-864,429</b>	<b>-112,365*</b>
<b>Total comprehensive income for the year attributable to:</b>			
Parent Company Shareholders		-870,092	-115,052*
Non-controlling interests		5,663	2,687
<b>Total</b>		<b>-864,429</b>	<b>-112,365*</b>

\* Restated amount, see Note 1.



## Consolidated statement of financial position

Amounts in TSEK	Note	12/31/2023	12/31/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	15	767,716	1,266,553
Other intangible assets	15	1,134,587	1,355,863
Property, plant and equipment	16	17,818	25,985
Right-of-use assets	17	84,119	115,360
Other non-current receivables	18	35,762	54,025
Participations in associates	23	28,844	15,708*
Deferred tax asset	13	11,770	13,071
<b>Total non-current assets</b>		<b>2,080,614</b>	<b>2,846,565*</b>
<b>Current assets</b>			
Inventories	19	59,808	102,107
Trade receivables	18,25	193,999	222,632
Receivables in associates	18, 25	19,613	23,249
Other receivables	18	72,601	65,755
Prepaid expenses and accrued income	20	277,872	290,665*
Cash and cash equivalents	18,21	436,143	776,341
<b>Total current assets</b>		<b>1,060,036</b>	<b>1,480,749*</b>
<b>TOTAL ASSETS</b>		<b>3,140,651</b>	<b>4,327,314*</b>

\* Restated amount, see Note 1.

Amounts in TSEK	Note	12/31/2023	12/31/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	24		
Share capital		38,554	38,537
Other capital contributions		3,578,102	3,578,102
Reserves		114,445	157,112*
Retained earnings including profit/loss for the year		-2,523,263	-1,712,040*
<b>Equity attributable to Parent Company shareholders</b>		<b>1,207,838</b>	<b>2,061,711*</b>
Non-controlling interests		65,345	70,074
<b>Total equity</b>		<b>1,273,182</b>	<b>2,131,785*</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	18,25	-	598,416
Lease liabilities	17,18	49,970	81,590
Pension provision, net	10	8,518	8,148
Deferred tax liability	13	115,479	137,343
Long-term provisions	26	-	5,810
<b>Total non-current liabilities</b>		<b>173,966</b>	<b>831,307</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	18,25	749,266	500,000
Lease liabilities	17,18	41,359	35,836
Trade payables	18,25	274,658	121,430
Current tax liabilities		21,113	21,636
Other current liabilities	25	53,689	49,414
Accrued expenses and deferred income	4,27	511,631	600,846
Short-term provisions	26	41,786	35,061
<b>Total current liabilities</b>		<b>1,693,502</b>	<b>1,364,223</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,140,651</b>	<b>4,327,314*</b>

## Consolidated statement of changes in equity

Amounts in TSEK	Note 24	Equity attributable to shareholders in parent company							Total equity
		Share capital	Other capital contributions	Translation reserve	Hedging reserve	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	
<b>Opening equity as of 1/1/2023</b>		38,537	3,578,102	157,112*	-	-1,712,040*	2,061,711*	70,074	2,131,785*
<b>Total comprehensive income for the year</b>									
Profit for the year		-	-	-	-	-819,186	-819,186	5,663	-813,523
Other total comprehensive income for the year		-	-	-42,667	-	-8,239	-50,906	-	-50,906
<b>Total comprehensive income for the year</b>		-	-	-42,667	-	-827,425	-870,092	5,663	-864,429
<b>Transactions with the Group's owners</b>									
New share issue		17	-	-	-	-	17	-	17
Issue expenses		-	-	-	-	-1,074	-1,074	-	-1,074
Dividend to minority owners		-	-	-	-	-	-	-10,392	-10,392
Share-related compensations	9	-	-	-	-	17,275	17,275	-	17,275
<b>Total</b>		17	-	-	-	16,201	16,218	-10,392	5,826
<b>Closing equity as at 12/31/2023</b>		38,554	3,578,102	114,445	-	-2,523,263	1,207,838	65,345	1,273,182
<b>Opening equity as of 1/1/2022</b>		34,141	3,192,821	-5,715*	-10,031	-1,424,136*	1,787,080*	73,842	1,860,922*
<b>Total comprehensive income for the year:</b>									
Profit for the year		-	-	-	-	-394,441*	-394,441*	2,687	-391,754*
Other total comprehensive income for the year		-	-	162,827	10,031	106,537*	279,395	-6	279,389*
<b>Total comprehensive income for the year:</b>		-	-	162,827	10,031	-287,904*	-115,046	2,681	-112,365*
<b>Transactions with the Group's owners</b>									
New share issue		4,396	395,604	-	-	-	400,000	-	400,000
Issue expenses		-	-8,932	-	-	-	-8,932	-	-8,932
Dividend to minority owners		-	-	-	-	-	-	-6,000	-6,000
Minority share from acquisition of Dar Al-Muna		-	-	-	-	-	-	-449	-449
Share-related compensations	9	-	-1,391	-	-	-	-1,391	-	-1,391
<b>Total</b>		4,396	385,281	-	-	-	389,677	-6,449	383,228
<b>Closing equity as at 12/31/2022</b>		38,537	3,578,102	157,112*	-	-1,712,040*	2,061,711*	70,074	2,131,785*

\* Restated amount, see Note 1.

## Consolidated statement of cash flows

Amounts in TSEK	Note	2023	2022
<b>Operating activities</b>			
Profit after financial items		-807,470	-395,156*
<b>Of which interest paid</b>		<b>-55,627</b>	<b>-28,761</b>
Adjustments for non-cash items	28	941,327	300,098*
Tax paid		-31,914	-22,517
<b>Cash flow from operating activities before changes in working capital</b>		<b>101,942</b>	<b>-117,575</b>
<b>Cash flow from changes in working capital</b>			
Change in inventory		27,656	-33,195
Change in operating receivables		60,138	125,083
Change in operating liabilities		58,734	-74,758
<b>Cash flow from operating activities</b>		<b>248,470</b>	<b>-100,445</b>
<b>Investing activities</b>			
Acquisition of intangible assets	15	-184,256	-250,437
Acquisition of property, plant and equipment	16	-3,799	-6,092
Business combinations	31	-4,275	-887,095
Acquisition of financial non-current assets		-969	2,234
<b>Cash flow from investing activities</b>		<b>-193,299</b>	<b>-1,141,390</b>
<b>Financing activities</b>			
	28		
New share issue		-1,074	391,069
Dividend to minority owners		-8,140	-6,000
External borrowings		300,000	1,200,000
Repayment of debt		-650,000	-464,129
Amortization of lease liability	17	-34,485	-35,590
<b>Cash flow from financing activities</b>		<b>-393,698</b>	<b>1,085,350</b>
<b>Cash flow for the year</b>		<b>-338,527</b>	<b>-156,485</b>
Cash and cash equivalents at beginning of year		776,341	905,882
Exchange rate difference in cash and cash equivalents		-1,671	26,944
<b>Cash and cash equivalents at year-end</b>	21	<b>436,143</b>	<b>776,341</b>

\* Restated amount, see Note 1.

# Consolidated notes

## Note 1

### Significant accounting principles

This annual report and consolidated accounts include the Swedish Parent Company Storytel AB (publ), CIN 556575-2960, and its subsidiaries.

The Group's main business is to offer streaming services of audiobooks and publishing of books and has been described in more detail in the Directors' Report.

The Parent Company is a limited liability company with its registered office in Stockholm, Sweden. The address of the head office is Tryckerigatan 4, 111 28 Stockholm, Sweden.

On March 26, 2024, the Board of Directors approved this annual report and consolidated financial statements, which will be submitted for adoption at the Annual General Meeting on May 14, 2024. Storytel's formal financial statements are included on pages 54-113 of this document.

### Basis for the consolidated accounts

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). Furthermore, the Group applies the Annual Accounts Act (1995:1554) and RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board.

The consolidated financial accounts have been prepared on the basis of the assumption of going concern. Assets and liabilities are measured on the basis of acquisition value with the exception of certain financial instruments that are measured at fair value. The consolidated financial statements have been prepared in accordance with the acquisition

method and all subsidiaries in which controlling influence is exercised are consolidated as of the date this influence was acquired.

The Parent Company applies the same accounting principles as the Group except in the cases specified in the section "Parent Company accounting principles." The Parent Company applies the Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities. The deviations that occur are caused by restrictions on the possibilities of applying IFRS in the Parent Company as a result of the Annual Accounts Act and current tax rules.

The accounting principles set out below have, unless otherwise specified, been applied consistently to all periods presented in the consolidated financial statements.

The new standards and interpretations that come into force for financial years beginning after January 1, 2024 have not been applied in the preparation of this financial report. None of these new IFRS or IFRIC amendments are expected to have any significant effect on the consolidated financial statements in the future.

### Consolidation

#### Subsidiaries

Subsidiaries are reported according to the acquisition method.

Acquisition options is reported as a financial liability corresponding to the fair value of the future exercise price and any changes in value are recognized in profit/loss.

In the event that Storytel acquires a controlling influence but where the ownership share is less than one hundred percent, non-controlling interests are reported either as a proportionate share of the fair value of identifiable net assets excluding goodwill or at fair value. This choice of principle is made for each individual business combination.

Associated companies/other jointly controlled companies

Shareholdings in associated companies and joint ventures in which the Group holds a minimum of 20 percent and a maximum of 50 percent of the votes or otherwise has a significant influence, are recognized according to the equity method.

### Currency

#### Functional currency and reporting currency

The functional currency for the Parent Company is Swedish kronor, which is the reporting currency for the Parent Company and the group. All amounts are stated in thousands of kronor unless otherwise stated.

#### Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing on the balance sheet date. Non-monetary items, which are measured at historical cost in a foreign currency, are not translated. Exchange rate differences that arise in the translations are recognized in profit/loss for the year. Exchange gains and losses relating to operating receivables and liabilities are recognized in operating profit, while exchange gains and losses relating to financial receivables and liabilities are reported as financial items.

#### Recalculation of foreign subsidiaries

Assets and liabilities in foreign operations are translated from the functional currency of the foreign operations, i.e., the main currency applicable in the economic environment in which each company operates, to the Group's reporting currency at the exchange rate prevailing on the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average exchange rate that constitutes an approximation of the exchange rates at



the time of each transaction. Translation differences that arise from currency translation of foreign operations are reported in other comprehensive income and accumulated in the translation reserve under equity. When the controlling influence ceases for a foreign operation, the associated translation differences are reclassified from the translation reserve under equity to profit/loss.

#### **Restatement regarding hyperinflation (IAS 29)**

The Group's subsidiaries in countries that pursuant to IAS 29 are classified as high inflationary economies are reported in the consolidated financial statements after restatement for hyperinflation. Currently, Storytel's operations in Turkey, which has the functional currency TRY, pursuant to IAS 29, are reported including goodwill that is consolidated from TRY to SEK.

The non-monetary items in the balance sheet have been restated using a general price index. The index that Storytel used for restatement is a Turkish consumer price index with base period June 2005. The items that have been restated in the financial statements are based on reporting at historical cost.

Restatement of the consolidated goodwill balance is reported as part of other comprehensive income. The effect in other comprehensive income, TSEK 2,103 is included in the translation difference. This handling assumes that goodwill would have been booked to equity if it had been moved to subsidiary level. It also does not contribute to a change in the monetary net position in the subsidiary.

The restatement of the non-monetary balance and profit/loss items in the subsidiary are part of net profit or loss and reported in the income statement as part of the financial income and expenses. The income statement has been restated at the most recent rate on the balance sheet date at the end of the year, see note 12.

#### **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (CEO). The Chief Executive Officer is the function

responsible for allocating resources and assessing the operating segments' performance. In the Group, this function has been identified as the CEO. The Group's division into segments is based on the internal structure of the Group's business operations, which means that the Group's operations have been divided into three reportable segments: Streaming Nordics, Streaming Non-Nordics and Books.

The same accounting principles are used in the segments as for the Group with the exception of IFRS 16 Leases and IAS 19 Employee Benefits, with respect to defined-benefit pensions.

#### **Revenue from contracts with customers**

The Group's significant revenue relates to the provision of streaming services to private and corporate customers and book sales of both printed and digital books.

#### **Sales of streaming services**

The largest part of the Group's revenue consists of sales of Storytel's Streaming service. Customers mainly consist of private individuals, and contracts arise when the customer signs up for the service. The length of the subscriptions is generally short since customers pay in advance and usually are bound on a monthly basis. Longer binding periods of three, six or twelve months occur in some markets. If the customer does not cancel their subscription, the streaming service will continue to the next payment period. The service is sometimes sold to private individuals through Storytel's partnerships with other companies. In these cases, Storytel is normally the principal in the transaction, but an assessment of the cooperation is made on a case-by-case basis. For the sale of gift cards, see below.

Storytel assesses that the commitment to deliver the streaming service to customers is a distinct set of services. Therefore, the Group considers that in contracts with these customers there is a single performance commitment, i.e., to deliver and make available time-limited access to digital services. The transaction price is mainly fixed over the binding period to which the contract relates.

Revenue from streaming services are reported when control has been transferred to the customer and the performance commitment is thus fulfilled, which takes place over the agreement period. At the same time, the customer receives and consumes the benefits provided through the company's performance when the company fulfils its commitment by providing access to the streaming service. Revenue from streaming services are reported on a straight-line basis over the contract period since the customer then has access to the streaming service and Storytel thereby fulfils the performance commitment.

#### **Gift cards for streaming services**

Storytel also sells gift cards to both private and corporate customers for subscription to the streaming service. Remuneration received is reported as a liability when the gift cards are sold, and the income is reported at the time of use. If a gift card refers to a six-month subscription to the streaming service, the income is reported over that period. Some gift cards are not used within the period of validity (normally between 1–2 years), and for these the revenue is reported during the validity period of the gift card based on the estimated share of gift cards that will not be redeemed.

#### **Sale of books**

The Group generates publishing income through the sale of printed and digital books to retailers. The digital books that are sold are mainly licensed. The transaction price is mainly fixed, but there can be variable remuneration to some extent, such as the right of return and volume-based price adjustments. Variable remuneration is recorded as a liability until Storytel assesses that it is no longer probable that a significant reversal of accumulated income can take place. The invoice is normally due for payment after 30–60 days.

Revenue from the sale of books is reported when control has been transferred to the customer and the performance commitment is thus fulfilled, which normally occurs at a specific point in time. Where compensation for a right-of-use license for a digital book is based on consumption, the in-

come is first recognized at the time when consumption has taken place.

### Employee benefits

Defined-contribution and defined-benefit pension plans Storytel's pension commitments are covered by defined-contribution and defined-benefit plans. The Group's obligations regarding fees to defined-contribution plans are reported as an expense in the income statement at the rate at which they are earned by the employees performing services for the Group during the period.

The Group thus has no additional risk. The Group's obligations regarding fees to defined contribution plans are reported as an expense in the income statement at the rate at which they are earned by the employees performing services for the Group during the period.

Defined-benefit plans are different plans for post-employment benefits than defined-contribution plans. The accounting of defined benefit plans includes measurement of the obligation based on actuarial calculations and assumptions, whereby a present value is calculated according to the assumption of a discount rate. Actuarial calculations are made according to the so-called Projected Unit Credit Method and are performed by an independent actuary. Plan assets are measured at fair value. If the value of the commitment exceeds the value of the plan assets, a net debt is reported in the statement of financial position. When the value of the plan assets exceeds the commitment, a net asset is recognized (taking into account the effect of a so-called asset ceiling that may limit the accounting of a net asset). The pension costs for the period are reported as a personnel cost in profit/loss, with the exception of the net interest rate, which is reported as a financial item. Revaluations of the defined-benefit net debt (net asset) are reported in other comprehensive income.

### Compensation in the event of termination

A cost for compensation in connection with redundancies is only reported if the company is demonstrably obliged, without a realistic possibility of withdrawal, by a formal de-

tailed plan to terminate an employment before the normal time. When compensation is provided as an offer to encourage voluntary redundancy, a cost is reported if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

### Share-based compensation

Employees at the Group's streaming companies participate in several warrant programs where the parent company Storytel AB (publ) issued warrants that entitle the holder to acquire shares in Storytel AB (publ). The cost of share-based compensation to employees is based on the fair value of the warrants as per the allocation date, calculated in accordance with the Black & Scholes model except for one of the programs 2022 that is calculated in accordance with the Monte Carlo model. The cost is recognized as a personnel cost together with a corresponding increase in equity during the period in which the vesting conditions are met, until the warrants are fully vested and the employee is fully entitled to remuneration.

Social security expenses attributable to share-based compensation according to the above are expensed over the periods during which the services are performed. The liability for social security contributions that arises is remeasured at every balance sheet date based on a new calculation of the contributions that are expected to be paid when the warrants are redeemed. This means that the warrants are marked to market at each period end.

The vesting conditions require that the employee must remain in employment during the vesting period, and the assessment regarding fulfilment is reflected in the number of employee warrants that are expected to be able to be exercised at the end of the program. For employee stock option 2021/2025 and restricted stock unit programs 2022/2026 an earnings condition regarding fulfilment of the Group's KPI's is also included.

During the year, the Storytel Group implemented a restricted stock unit program (LTIP 2023/2027), where Senior Executives and other Key Persons in the group were offered the right to subscribe for restricted stock units. LTIP

2023/2027 includes a maximum of 2,420,000 restricted stock units. The participants in the program are divided into two categories (Senior Executives and other Key Persons). The allotted restricted stock units vests over four years, from the date of allotment until 31 May 2027. The restricted stock units has a one-year cliff vesting of 25%. Thereafter, the restricted stock units vests linearly by each quarter. The exercise of restricted stock units takes place during the period from 1 June 2027 to 31 July 31 2027. Exercise of the restricted stock units is conditional upon fulfillment of a performance hurdle regarding share price of the Storytel B share (range between SEK 102–SEK 122) during a certain measurement period. Each employee restricted stock unit entitles the holder to subscribe to one B share in the company.

## Financial income and expenses

### Financial income

Financial income consists of interest income, exchange rate changes and any capital gains on financial assets. Interest income is reported in accordance with the effective interest method.

### Financial expenses

Financial expenses mainly consist of interest expenses on financial liabilities which are calculated using the effective interest method, interest expenses relating to available credit facilities, interest expenses on lease liabilities, pension provisions and exchange rate changes.

## Intangible assets

### Internally generated intangible assets

The Group's internally generated intangible assets mainly relate to the development of Storytel's technical platform and Storytel's digital catalogue for audiobooks and e-books.

### Rights, licenses, brands

Rights, licenses, brands mainly refers to acquired rights regarding books and acquired trademarks and are reported at cost less accumulated amortization and any accumu-

lated impairment. Where brands are considered to have an indefinite useful life, they are tested for impairment in the same way as other assets with an indefinite useful life.

#### **Other intangible non-current assets**

Other intangible non-current assets refers to rental units and similar rights and are recognized at cost less accumulated amortization and any accumulated impairment

#### **Amortization principles**

Estimated useful lives for significant intangible non-current assets are as follows:

Capitalized development expenditure:	3–10 years
Rights, licenses, brands , customer relations:	3–15 years
Tenancy rights and similar rights:	3–5 years
Leased premises:	1–9 years
Leased assets, other:	3–5 years
Goodwill:	Indefinite

### **Property, plant and equipment**

#### **Amortization principles**

Depreciation takes place on a straight-line basis over the asset's estimated useful life. The estimated useful lives are:

Inventories, tools and installations, including cost of improvements on third-party property: 3–9 years.

### **Leases**

#### **Lease liabilities**

The Storytel Group has no variable lease charges linked to, for example, sales or the like.

For the calculation of the present value of the lease payments, the marginal borrowing rate as of the commencement date of the lease is normally used since the implicit interest rate in the contract can usually not be determined easily. The marginal borrowing rate represents the interest that the individual lessee would have to pay to borrow the equivalent amount to buy an asset of similar value as the right-of-use asset in a similar economic environment, with similar terms and collateral.

#### **Application of practical exceptions**

Storytel applies the practical exceptions regarding short-term leases and leases where the value of the underlying asset is low. Short-term leases are defined as leases with an initial term of a maximum of twelve months after consideration of any options to extend the lease. Leases where the value of the underlying asset is low have been defined by the Group as contracts where the underlying asset could be purchased for a maximum of SEK 50,000 and consists in the Group by, for example, IT equipment and office equipment. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the term of the lease. Storytel also applies the practical exception of not distinguishing non-lease components from lease components and recognizes each lease component and all associated non-lease components as a single lease component for all asset classes. The non-lease components in the Group mainly relate to fixed charges for water and electricity related to leases for offices.

#### **Impairment of non-financial assets**

The Group conducts an impairment test where there are indications that a decline in value has occurred in the tangible or intangible assets, i.e., whenever events or changes in circumstances indicate that the carrying amount is not recoverable. This also applies to right-of-use assets attributable to leases. Furthermore, assets with an indefinite useful life, i.e., the Group's goodwill, are tested annually for impairment by calculating the asset's recoverable amount, regardless of whether there are indications of a decline in value or not.

An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. A recoverable amount consists of the higher of the net sales value and the value in use that constitutes an internally generated value based on future cash flows. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). When impairment needs have been

identified for a cash-generating unit (group of units), the impairment amount is primarily allocated to goodwill. Thereafter, a proportional writedown is made of other assets included in the unit (group of units). When calculating the value in use, future cash flows are discounted with a discount factor that takes into account risk-free interest and the risk associated with the specific asset. An impairment loss is charged to profit/loss.

Previously recognized write-downs are reversed if the recoverable amount is judged to exceed the carrying amount. However, reversals do not take place with an amount that is greater than the carrying amount amounting to what it would have been if the write-down had not been reported in previous periods. All reversals are recognized in the income statement. Impairment of goodwill is never reversed, however.

### **Financial instruments**

The Group does not hold any financial assets classified at fair value via other comprehensive income other than any derivative instruments for which hedge accounting is applied. The Group also does not hold any financial assets that constitute debt instruments classified at fair value through profit/loss. See separate heading regarding derivatives below.

Equity instruments are classified at fair value through profit/loss except if they are not held for trading since an irrevocable choice can be made to classify them at fair value through other comprehensive income without subsequent reclassification to profit/loss. The Group does not currently hold any long-term securities that are recognized at fair value via other comprehensive income.

Fair value is determined as described in Note 18 Financial instruments.

#### **Financial liabilities**

Financial liabilities, with the exception of contingent consideration, acquisition options and currency derivatives, are classified at amortized cost. Financial liabilities reported at amortized cost are initially measured at fair value, includ-

ing transaction costs such as borrowing costs. After the initial reporting occasion, they are measured at amortized cost according to the effective interest method. Fees for loan facilities are reported as transaction costs for the borrowing to the extent that it is probable that part or all of the credit facility will be utilized. In such cases, the fee is reported when the credit facility is utilized. When it is not considered probable that part or all of the credit facility will be utilized, the fee is reported as an advance payment for financial services and is expensed over the term of the related loan facility.

The Group's contingent consideration and acquisition options are classified and reported as financial liabilities measured at fair value through profit/loss. Impact on profit/loss from revaluations of these items, excluding the discounting effect, are recognized in the income statement as other operating income or other operating expenses. The discounting effect is recognized in net financial income.

See separate heading regarding derivatives below.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least twelve months after the balance sheet date. Borrowing costs are recognized in the income statement in the period to which they relate. Accrued interest is recognized as part of non-current borrowing from credit institutions when the interest is expected to be settled within twelve months from the balance sheet date.

Fair value is determined as described in Note 18 Financial instruments.

#### **Financial derivative instruments**

The Group may decide on the use of derivatives, primarily currency derivatives, in certain cases. Derivatives are reported in the statement of financial position on the contract date and are measured at fair value, both initially and in subsequent revaluations at the end of each reporting period. The derivative is classified as non-current or current depending on its remaining maturity. The Group's currency derivatives, in cases where hedge accounting is not applied, are recognized at fair value through profit/loss as an ex-

change rate difference. Where hedge accounting is applied, the changes attributable to the effective part of the hedge are recognized in the hedging reserve in other comprehensive income in the statement of comprehensive income. The Group prepares the necessary documentation to prove that the derivatives are effective in counteracting changes in the items they are to hedge, as well as the Group's strategy and goals for risk management of the item.

In the event that the Group uses currency derivatives to hedge cash flows linked to acquisitions, accumulated gains and losses are then transferred from the translation reserve to the cost of the acquired business.

Fair value is determined as described in Note 18 Financial instruments.

#### **Impairment of financial assets**

The simplified model is applied to accounts receivable. A loss reserve is reported, in the simplified model, for the expected remaining term of the receivable or asset. The Group's assets have in all material respects been assessed to be in stage 1, i.e., there has been no significant increase in credit risk.

The measurement of expected credit losses is based on different methods; see the Group's Note 25 Financial risks. For credit-impaired assets and receivables, an individual assessment is made where historical, current and forward-looking information is taken into account. The measurement of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

#### **Inventories**

The inventory consists of printed books and Storytel Readers and is valued at the lower of cost and net realisable value. Cost is calculated according to the so-called first-in-first-out principle and includes expenses incurred in acquiring the inventory assets and transporting them to their current location and condition. The net realisable value is defined as the estimated sales price less selling expenses. Estimates regarding impairment for obsolescence are made at each

balance sheet date based on the turnover rate and age of the goods.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash and immediately available balances with banks and corresponding institutions. Utilized revolving credit facility is reported as borrowing among current liabilities. Cash and cash equivalents are covered by the requirements for loss provision for expected credit losses.

#### **Equity**

The company's shares consist of two different types, series A and series B, which are reported as share capital. The difference between the company's share series is solely the number of votes to which the holder is entitled. The share capital is reported at its quota value, and the excess part is reported as Other capital contributions. Transaction costs that can be directly attributed to the issue of new shares are reported, net after tax, in equity as a deduction from the issue proceeds.

#### **Provisions**

The Group's provisions mainly pertain to return reserves for printed books and contingent consideration. Warranty commitments related to Storytel Reader vary between markets, but provisions for these are currently very limited.

#### **Cash flow**

The cash flow statement has been prepared using the indirect method.



## Restatement of Storytel's agreements accounting

During the period, the interpretation and the previously applied accounting of Storytel's agreements with certain publishers have been reviewed. This review has induced a change, meaning that any related cost will no longer be recognized based on the length of Storytel's customer contracts but instead will be reported in the period the cost is incurred. The change does not affect Storytel's earnings or cash flows over time. Comparative figures have been recalculated as shown in the tables below.

### Profit/loss statement

Amounts in TSEK	Reported 2022	Adjustment	Adjusted 2022
Net sales	3,200,382	-	3,200,382
Cost of sales	-1,987,237	-	-1,987,237
<b>Gross profit</b>	<b>1,213,145</b>	<b>-</b>	<b>1,213,145</b>
Operating expenses	-1,602,164	-11,484	-1,613,648
<b>Operating profit/loss</b>	<b>-389,019</b>	<b>-11,484</b>	<b>-400,503</b>
Net financial items	5,347	-	5,347
<b>Profit/loss before taxes</b>	<b>-383,672</b>	<b>-11,484</b>	<b>-395,156</b>
Tax	3,402	-	3,402
<b>Profit/loss for the period</b>	<b>-380,270</b>	<b>-11,484</b>	<b>-391,754</b>

### Condensed consolidated statement of financial position

Amounts in TSEK	12/31/2021 reported	Adjustment	12/31/2021 adjusted	12/31/2022 reported	Adjustment	12/31/2022 adjusted
Intangible assets	1,063,145	-	1,063,145	2,622,416	-	2,622,416
Tangible assets	27,675	-	27,675	25,985	-	25,985
Right-of-use assets	131,421	-	131,421	115,360	-	115,360
Non-current financial assets	46,114	-4,886	41,228	87,690	-	82,804
Inventory	65,663	-	65,663	102,107	-	102,107
Current receivables	768,820	-44,795	724,025	658,581	-11,484	602,302
Cash and cash equivalents	905,882	-	905,882	776,341	-	776,341
<b>Total assets</b>	<b>3,008,720</b>	<b>-49,681</b>	<b>2,959,039</b>	<b>4,388,480</b>	<b>-11,484</b>	<b>4,327,314</b>
Equity	1,910,603	-49,681	1,860,922	2,192,950	-11,484	2,131,785
Non-current liabilities	256,642	-	256,642	831,307	-	831,307
Current liabilities	841,475	-	841,475	1,364,223	-	1,364,223
<b>Total equity and liabilities</b>	<b>3,008,720</b>	<b>-49,681</b>	<b>2,959,039</b>	<b>4,388,480</b>	<b>-11,484</b>	<b>4,327,314</b>

## Note 2 Significant estimates and judgements

When preparing the financial statements, the company's management and the Board must make certain assessments and assumptions that affect the carrying amount of asset and liability items and income and expense items, respectively, as well as other information provided. The assessments are based on experiences and assumptions that the management and the Board deem to be reasonable in the prevailing circumstances. Actual outcome may then differ from these assessments if other conditions arise. The estimates and assumptions are evaluated on an ongoing basis and are not considered to entail any significant risk of significant adjustments in the reported values of assets and liabilities during the next financial year. Changes in estimates are reported in the period in which the change is made if the change has only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. The assessments that are most important in the preparation of the company's financial statements are described below.

### ***Impairment testing of intangible assets with an indefinite useful life***

To determine whether the value of goodwill has decreased, the cash-generating units to which goodwill has been attributed are measured, in Storytel's case each segment, which is done by discounting the unit's cash flows. In applying this method, Storytel relies on a number of factors, including achieved results, business plans, financial forecasts and market data. Changes in the conditions for these assumptions and estimates could have a significant effect on the value of goodwill.

### ***Acquisition analyses and contingent consideration***

In the case of acquisitions of subsidiaries, an acquisition analysis is performed, in which the fair value on the acquisition date of acquired identifiable assets and assumed li-

abilities and contingent liabilities is reported. Acquisition analyses are based on significant estimates and assessments of future events and their related discounted cash flows, as an active market for retained assets is often lacking. Actual values may consequently differ from those imposed in the acquisition analysis. Useful lives of acquired assets also contain assumptions and assessments regarding how long the assets will generate financial benefits for the Group. Furthermore, some acquisitions include consideration which may be contingent on future financial development. Assessment of outcomes for contingent consideration is based on estimates of future financial developments and may thus change.

### ***Capitalized development expenditure***

The Group capitalizes certain development expenditure as intangible assets in the balance sheet, including further development of Storytel's technical platform and development of Storytel's digital audiobook and e-book catalogue. Capitalization of development expenditure is based, among other things, on the assessment that future economic benefits will be generated by the asset, and that it is technically possible to complete the asset so that it can be used in the business. The Group estimates that the useful life of these assets is 3–10 years, which corresponds to the period during which it is estimated that future economic benefits through internal use will accrue to the Group. However, depending on the technical development where Storytel is constantly developing new functions, the actual useful life may be shorter, which could lead to a significant impact on earnings through potential write-downs.

### ***Deferred tax receivables***

Assessing the extent to which deferred tax receivables can be reported is based on an estimation of the company's probable future taxable income against which deferred tax receivables can be utilized. Moreover, careful consideration is required when assessing the effects of certain legal and financial restrictions or uncertainties in various jurisdictions. In the case of the Storytel Group, given that the exis-

tence of deficits under IFRS is seen as a strong indication that taxable surpluses may not be generated and as the Group has reported losses in recent years, it may be difficult for management to report the Group's deferred tax assets before current gains can be demonstrated.

### ***Inventories***

The net realisable value is calculated for inventories on the balance sheet date taking into account the most reliable information that is available. The future net realisable value may be affected by future technologies and other market-driven changes which may cause prices to fall. The future net realisable value of printed books may vary based on the type of genre the book belongs to, as well as title-specific factors.

### ***Prepaid royalties***

Prepaid royalties are recognized at the amount that is expected to be settled against future earned royalties. This entails a detailed, objective assessment of all amounts outstanding on the closing day. The net worth of royalty advances is affected by the accuracy of sales forecasts. If it is assessed that royalty advances will not be recovered, all or part of the amount is to be written down.

### ***Leases***

The Group's leases, which mainly consist of office premises, often contain extension options, and the term of the leases is based on the Group's assessment of their utilization to the extent that the decision is within Storytel's control. The term of the lease is tested when there is an indication that an option will be exercised or not exercised, and at least one year before the option expires.

### ***Provision for a sales return reserve***

The provision for sales returns related to printed books is based on historic information about returns per retailer as well as current trends that may indicate that future returns may deviate from historic returns.

## Note 3 Business segments

The Group has, for accounting and follow-up, divided its operations into three segments. The segments consist of Streaming Nordics, Streaming Non-Nordics and Books. The division is based partly on the type of business conducted (Streaming versus Books) and the geographical division for the streaming business (Nordics versus Non-Nordics). Each

operating segment conducts a business that generates revenue, incurs costs and is followed up by the Group's highest executive decision-makers based on the independent financial information that is available. The results are followed up in order to make decisions about resources that are to be allocated to each segment and which long- and

short-term financial goals are to be achieved. Storytel's CEO is responsible for allocating resources and evaluating the operating segments' performance and has thus been identified as the highest executive decision-maker in the Group.

Internal transactions between segments take place on market terms.

	Streaming Nordics		Streaming Non-Nordics		Books		Total segment		Group-wide items and eliminations		Other adjustments		Group total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers	2,185,694	1,919,046	1,055,885	968,717	569,667	646,572	3,811,245	3,534,335	-386,068	-369,384	64,044	35,431	3,489,220	3,200,382
Internal revenue	-	-	-	-	212,219	165,477	212,219	165,477	-212,219	-165,477	-	-	-	-
Cost of goods sold	-1,329,746	-1,201,847	-636,898	-511,466	-495,775	-482,408	-2,462,419	-2,195,701	249,449	257,940	-28,924	-49,486	-2,241,895	-1,987,237
<b>Gross profit</b>	<b>855,947</b>	<b>717,199</b>	<b>418,986</b>	<b>457,251</b>	<b>286,110</b>	<b>329,641</b>	<b>1,561,044</b>	<b>1,504,111</b>	<b>-348,838</b>	<b>-275,911</b>	<b>35,119</b>	<b>-14,055</b>	<b>1,247,326</b>	<b>1,213,145</b>

Costs below marketing costs are not allocated to segments but are reported for the Group as a whole.

Internal revenue for the Books segment that comes from streaming are already included as a cost reduction in the segment reporting for the Streaming segment.

Income and expenses from Storytel AS are included in the Streaming Nordics segment. They are eliminated in the column for Group-wide items and eliminations, where the licensing fee from Storytel AS has also been reinstated.

	Group	
	2023	2022
<b>Gross Profit</b>	<b>1,247,326</b>	<b>1,213,145</b>
Selling and marketing expenses	-845,177	-954,308*
Technology and development expenses	-303,017	-322,699
Administrative expenses	-869,234	-370,020
Other operating gains and losses	13,147	34,424
Profit from participations in associates	14,608	-1,045*
<b>Operating Profit</b>	<b>-742,348</b>	<b>-400,503*</b>
Net financial income/expense	-65,122	5,347
<b>Profit before tax</b>	<b>-807,470</b>	<b>-395,156*</b>

\* Restated amount, see Note 1.

Information per country where the Group has operations	Revenue from external customers	
	2023	2022
Sweden	1,411,969	1,411,597
Denmark	556,287	468,271
USA	367,322	351,083
Finland	282,809	248,956
Netherlands	270,726	220,630
Other countries	600,107	499,845
<b>Total</b>	<b>3,489,220</b>	<b>3,200,382</b>

Revenue from subscriptions of streaming service refers to the market where the customer is domiciled. Revenue from digital and printed books per geographic market refers to the market in which the selling company is domiciled. Storytel has no customers who make up 10 percent or more of the Group's revenues.

#### Information per country where the Group has operations

Non-current assets	2023/12/31	2022/12/31
Sweden	767,200	960,775
USA	945,163	1,518,614
Other countries	368,252	372,062
<b>Total</b>	<b>2,080,614</b>	<b>2,851,451</b>

There are no material non-current assets in any specific country except for Sweden and USA.



## Note 4 Revenue from contracts with customers

Type of product or service	Streaming		Streaming Non-Nordics		Books		Other/Eliminations		Group Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from subscriptions of streaming service	2,185,694	1,919,046	1,055,885	968,717	-	-	-386,068	-	2,855,510	2,887,763
Revenue from publishing activities	-	-	-	-	569,667	646,572	-	-	569,667	646,572
Other	-	-	-	-	-	-	64,044	-333,953	64,044	-333,953
<b>Revenue from contracts with customers</b>	<b>2,185,694</b>	<b>1,919,046</b>	<b>1,055,885</b>	<b>968,717</b>	<b>569,667</b>	<b>646,572</b>	<b>-322,025</b>	<b>-333,953</b>	<b>3,489,220</b>	<b>3 200 382</b>

Revenues and costs from Storytel AS are included in the segment Streaming Nordics. These are eliminated in the column for Other/Eliminations. For further information on the Group's revenues per geographical area and segment, see Note 3 Segments.

Contractual debt	2023/12/31	2022/12/31
Opening balance	123,302	84,528
Changes attributable to ordinary operations	10,235	38,774
<b>Closing balance</b>	<b>133,537</b>	<b>123,302</b>

The Group invoices either in connection with the performance commitment being fulfilled (regarding book sales) or in advance (regarding subscription revenues). As a result, there are no contractual assets in the form of accrued income to which the company's rights are conditional on continued performance in accordance with the contract. When the company's right to compensation becomes unconditional, the asset is reported as a trade receivable, and thus all receivables relating to the Group's revenues are reported as accounts receivable.

Contractual debt in the form of advance payments from customers, for which performance commitments have not been fulfilled, are recognized in the balance sheet under the item Accrued expenses and prepaid income. Included in this item is also unredeemed gift cards. Contractual debt is reported as revenue when performance commitments in the contract are fulfilled (or have been fulfilled). As the Group's subscriptions do not run over periods longer than one year, the majority of the contractual debt is expected to be recognized within one year, with most of it being recognized as revenue during the next quarter.

For further information on the Group's revenue recognition, see Note 1 Accounting principles.

## Note 5 Other operating income

	2023	2022
Grants received	6,065	7,528
Exchange gains relating to operations	13,444	10,717
Other revenue	7,862	16,179
<b>Total</b>	<b>27,371</b>	<b>34,424</b>

Grants received are primarily related to the Group's publishing and translation of books.

## Note 6 Operating expenses

<b>Cost of product sold</b>	<b>2023</b>	<b>2022</b>
Goods for resale	1,795,492	1,631,938
Other external costs	75,197	72,563
Personnel costs	163,121	184,711
Depreciation/amortisation and impairment	208,085	98,025
<b>Total</b>	<b>2,241,895</b>	<b>1,987,237</b>

<b>Selling and marketing expenses</b>	<b>2023</b>	<b>2022</b>
Goods for resale	24,658	44,807
Other external costs	586,054	682,180*
Personnel costs	190,683	200,194
Depreciation/amortisation and impairment	43,783	27,127
<b>Total</b>	<b>845,177</b>	<b>954,308*</b>

\* Restated amount, see Note 1.

<b>Technology and development expenses</b>	<b>2023</b>	<b>2022</b>
Other external costs	32,561	35,799
Personnel costs	112,823	118,933
Depreciation/amortisation and impairment	157,633	167,967
<b>Total</b>	<b>303,017</b>	<b>322,699</b>

<b>Administrative expenses</b>	<b>2023</b>	<b>2022</b>
Other external costs	142,900	137,787
Personnel costs	228,793	193,889
Depreciation/amortisation and impairment	497,542	38,344
<b>Total</b>	<b>869,234</b>	<b>370,020</b>

<b>Other operating expenses</b>	<b>2023</b>	<b>2022</b>
Operational exchange rate losses	14,225	-
<b>Total</b>	<b>14,225</b>	<b>-</b>

Cost of products sold primarily consists of payments to rights holders of digital and printed books, costs for suppliers of payment solutions, and costs for printed books. Distribution costs, personnel costs attributable to purchase of rights, production of books, and amortization of rights catalogues are also included.

Selling and marketing expenses primarily consist of marketing expenses, including payment to rights holders for consumption from customers who are in a so-called trial period and personnel expenses and consultant expenses attributable to marketing and PR. Amortization of the brands is also included.

Technology and development expenditure primarily consist of personnel expenses and external consultant expenses for IT, and development of products for Storytel's technical platforms. Depreciation of technical platforms is also included.

Administrative expenses primarily consist of personnel costs attributable to administrative services such as management, finance, HR and legal departments. Costs for external suppliers of administrative services, transaction costs for acquisitions, and depreciation on inventories and office equipment are included.

## Note 7 Depreciation/amortization and impairment

<i>Depreciation/amortization per function</i>	2023	2022
Cost of product sold	132,450	86,644
Selling and marketing expenses	43,783	27,127
Technology and development expenses	120,146	131,232
Administrative expenses	32,156	38,343
<b>Total</b>	<b>328,535</b>	<b>283,346</b>

<i>Depreciation/amortization per asset class</i>		
Intangible assets	274,893	231,355
Tangible assets	11,457	10,473
Right-of-use assets	42,185	41,518
<b>Total</b>	<b>328,535</b>	<b>283,346</b>

<i>Impairment losses per function</i>		
Cost of product sold*	75,635	11,381
Technology and development expenses*	37,487	36,735
Administrative expenses*	465,385	-
<b>Total</b>	<b>578,507</b>	<b>48,116</b>

<i>Impairment losses per asset class</i>		
Intangible assets*	578,507	48,116
<b>Total</b>	<b>578,507</b>	<b>48,116</b>

\* Impairment are attributable to goodwill in Audiobooks.com and capitalized expenses related to the platform and catalogue, read note 15 for further details.

## Note 8 Auditor's fees

<i>Ernst &amp; Young AB</i>	2023	2022
Audit assignment	7,428	6,669
Other auditing activities	47	250
Tax advice	-	63
Other services	453	-
<b>Total</b>	<b>7,929</b>	<b>6,982</b>

<i>Other auditing companies</i>		
Audit assignment	325	136
Tax advice	-	66
Other services	-	59
<b>Total</b>	<b>325</b>	<b>261</b>

Audit assignments refers to the auditor's work for the statutory audit, and auditing activities refers to different types of quality assurance services. Other services refers to services that are not included in audit assignments or tax advice.

## Note 9 Employees and personnel costs

Gender distribution	2023			2022		
	Average number of employees	Of which women, percent	Of which men, percent	Average number of employees	Of which women, percent	Of which men, percent
Parent Company	2	0%	100%	1	50%	50%
Subsidiaries in:						
Sweden	363	62%	38%	402	61%	39%
Denmark	76	61%	39%	88	55%	45%
Canada	42	55%	45%	40	52%	48%
India	2	50%	50%	20	55%	45%
Netherlands	13	79%	21%	16	66%	34%
Finland	42	80%	20%	45	82%	18%
Spain	8	63%	37%	13	46%	54%
Poland	14	48%	52%	16	31%	69%
Turkey	10	50%	50%	11	55%	45%
Bulgaria	6	85%	15%	9	78%	22%
Iceland	11	69%	31%	17	59%	41%
Other countries	40	50%	50%	88	55%	45%
<b>Group total</b>	<b>629</b>	<b>62%</b>	<b>38%</b>	<b>766</b>	<b>60%</b>	<b>40%</b>

Gender distribution, Board and senior executives	2023			2022		
	Number of employees	Of which women, percent	Of which men, percent	Number of employees	Of which women, percent	Of which men, percent
Board members	8	25%	75%	8	38%	62%
CEO and other senior executives	7	43%	57%	8	50%	50%
<b>Group total</b>	<b>15</b>	<b>33%</b>	<b>67%</b>	<b>16</b>	<b>44%</b>	<b>56%</b>



Personnel costs	2023	2022
<b>Parent Company*</b>		
<b>Board and other senior executives</b>		
Salaries and other remuneration	10,422	16,454
Social security contributions	3,050	5,572
Pension costs	-	2,697
<b>Total</b>	<b>13,472</b>	<b>24,723</b>
<b>Subsidiaries</b>		
<b>Board and other senior executives</b>		
Salaries and other remuneration	13,848	22,264
Social security contributions	3,605	3,291
Pension costs	2,085	2,433
<b>Total</b>	<b>19,538</b>	<b>27,988</b>
<b>Other employees</b>		
Salaries and other remuneration	511,669	545,152
Social security contributions	103,741	157,153
Pension costs	47,000	47,817
<b>Total</b>	<b>662,410</b>	<b>750,122</b>
<b>Group total</b>	<b>695,419</b>	<b>802,833</b>

\* Personnel costs in the parent company consists of remuneration to CEO only. Remuneration to the remaining employees is included in subsidiaries.

	2023					2022				
	Basic remuneration, Board fee	Variable remuneration	Pension cost	Other compensation	Total	Basic remuneration, Board fee	Variable remuneration	Pension cost	Other compensation	Total
<b>Board compensation</b>										
<b>Chair of the Board</b>										
Hans-Holger Albrecht	1,068	-	-	-	1,068	730	-	-	-	730
Stefan Blom	-	-	-	-	-	84	-	-	-	84
<b>Board member</b>										
Helen Fasth Gillstedt <sup>1</sup>	239	-	-	-	239	632	-	-	-	632
Malin Holmberg <sup>1</sup>	154	-	-	-	154	450	-	-	-	450
Joakim Rubin	406	-	-	-	406	300	-	-	-	300
Jonas Tellander	493	-	-	-	493	347	-	-	-	347
Adine Grate <sup>2</sup>	312	-	-	-	312	-	-	-	-	-
Alexander Lindholm <sup>2</sup>	238	-	-	-	238	-	-	-	-	-
Lina Brouneus	296	-	-	-	296	65	-	-	-	65
Lutz Finger	316	-	-	-	316	65	-	-	-	65
Jared Grusd <sup>1</sup>	80	-	-	-	80	65	-	-	-	65
Jonas Sjögren <sup>2</sup>	172	-	-	-	172	187	-	-	-	187
Rustan Panday	-	-	-	-	-	205	-	-	-	205
Richard Stern	-	-	-	-	-	187	-	-	-	187
<b>Chief Executive Officer</b>										
Johannes Larcher	7,422	3,000	-	-	10,422	1,763	1,000	-	52	2,815
Ingrid Bojner	-	-	-	-	-	4,357	2,160	888	-	7,405
Jonas Tellander	-	-	-	-	-	4,734	-	2,284	-	7,018
Other senior executives (6)	16,355	7,840	2,085	-	26,280	15,112	6,275	1,958	27	23,372
<b>Total</b>	<b>27,551</b>	<b>10,840</b>	<b>2,085</b>	<b>-</b>	<b>40,476</b>	<b>29,283</b>	<b>9,435</b>	<b>5,130</b>	<b>79</b>	<b>43,927</b>

<sup>1</sup> Resigned during the financial year 2023.

<sup>2</sup> Joined during the financial year 2023.

As at December 31, 2023, the Board of Directors, CEO and other senior executives had the following holdings in the Storytel Loyalty Program and warrant programs:

- Jonas Tellander, 37,500 warrants.
- Johannes Larcher, 600,000 restricted stock units, current year cost 3,994 TSEK.
- Other senior executives, 3,705 employee stock options and 370,125 restricted stock units, current year cost for restricted stock units 1,707 TSEK.

Other compensation mainly refers to benefits such as health insurance and private accident and life insurance.

### Remuneration and conditions for senior executives

Remuneration to the CEO and other senior executives consists of basic salary, pension benefits and share-based compensation. Other senior executives refer to persons who, together with the President, form the Group Management.

CEO has a notice period of six months, regardless of whether the termination is on the part of the Group or if CEO chooses to terminate his employment.

#### Severance pay

The CEO is entitled to severance payment of 9 monthly salaries. The basis for calculating monthly salary includes an average of current salary and variable remuneration during the last 12 months. No pension or holiday benefits shall be paid based on the severance payment. The agreement was signed in 2022 and severance payment is not included in the amounts in the note above.

One of the other senior executives is entitled to a severance payment of 6 monthly salaries, based on the applicable monthly salary at the time of termination. No pension or holiday benefits shall be paid based on the severance payment.

### Incentive Programs

During the year, the Storytel Group implemented a restricted stock unit program (LTIP 2023/2027), where Senior Executives and other Key Persons in the group were offered the right to subscribe for restricted stock units. LTIP 2023/2027 includes a maximum of 2,420,000 restricted stock units. The participants in the program are divided into two categories (Senior Executives and other Key Persons). The allotted restricted stock units vests over four years, from the date of allotment until 31 May 2027. The restricted stock units has a one-year cliff vesting of 25 percent. Thereafter, the restricted stock units vests linearly by each quarter. The exercise of restricted stock units takes place during the period from 1 June 2027 to 31 July 31 2027. Exercise of the restricted stock units is conditional upon fulfillment of a performance hurdle regarding share price of the Storytel B share (range between SEK 102 – SEK 122) during a certain measurement period. Each employee restricted stock unit entitles the holder to subscribe to one B share in the company.

The Storytel Group have two previous outstanding restricted stock unit program; LTIP 2022/2026:1, where Group management and key staff in the Streaming business area were offered the right to subscribe for restricted stock units, and LTIP 2022/2026:2, where only the CEO has been offered

the right to subscribe for restricted stock units. LTIP 2022/2026:1 and 2022/2026:2 includes a total maximum of 973,000 restricted stock units. Each restricted stock unit entitles the holder to subscribe to one B share in the company. For information regarding previous employee stock option programs, see previous annual report.

To enable Storytel's delivery of shares in accordance with the restricted stock unit programs, the general meeting decided on a directed share issue totalling 3,486,250 warrants (series 2022/2026:1, 2022/2026:2 and 2023/2027) which were subscribed for by Storytel AB (publ). The warrants that have been issued under LTIP 2022/2026:2 in addition to those corresponding to the number of restricted stock units in the program, will be sold to regulate the cash flow for social security contributions in conjunction with employees exercising their restricted stock units. The quota value of the Storytel share is SEK 0.5 per share, and the increase in the company's share capital can thus amount to maximum SEK 1,743,125 at full subscription of all warrants issued in conjunction with the Group's restricted stock unit programs as per year-end.

During 2023, the total costs for the outstanding employee warrant and restricted stock unit programs, increased by TSEK 20,330 (TSEK 54), of which TSEK 16,384 (TSEK -1,391) constituted warrant costs and TSEK 3,946 (TSEK 1,445) to the costs for social security contributions.

Employee warrant and restricted stock unit programs	Storytel Loyalty Program 2019/2022	Storytel Loyalty Program 2020/2023	Storytel Loyalty Program 2021/2024	Restricted Stock Units 2022/2026:1	Restricted Stock Units 2022/2026:2	Restricted Stock Units 2023/2027
<b>Outstanding January 1, 2022</b>	<b>406,087</b>	<b>499,416</b>	<b>561,458</b>	-	-	-
Allocated	-	-	-	373,000	600,000	-
Forfeited	-34,585	-119,687	-334,219	-	-	-
Expired	-371,502	-	-	-	-	-
<b>Outstanding December 31, 2022</b>	<b>-</b>	<b>379,729</b>	<b>227,239</b>	<b>373,000</b>	<b>600,000</b>	<b>-</b>
<b>Redeemable December 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outstanding January 1, 2023</b>	<b>-</b>	<b>379,729</b>	<b>227,239</b>	<b>373,000</b>	<b>600,000</b>	<b>-</b>
Allocated	-	-	-	-	-	1,907,200
Forfeited	-	-13,716	-37,091	-69,004	-	-44,100
Expired	-	-	-	-	-	-
<b>Outstanding December 31, 2023</b>	<b>-</b>	<b>366,013</b>	<b>190,148</b>	<b>303,996</b>	<b>600,000</b>	<b>1,863,100</b>
<b>Redeemable December 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,004</b>	<b>-</b>	<b>-</b>
<b>Exercise price (SEK)</b>	<b>119.69</b>	<b>231.96</b>	<b>262.18</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
<b>Redemption period</b>	<b>1 Jun 2022-15 Dec 2022</b>	<b>1 Jun 2024-15 Dec 2024</b>	<b>1 Jun 2025-15 Dec 2025</b>	<b>1 Jun 2023-31 Dec 2026</b>	<b>1 Oct 2026-31 Nov 2026</b>	<b>1 Jun 2024-31 Oct 2027</b>

Change in provision of stock unit program as per function	2023	2022
Cost of products sold	427	-348
Technology and development expenses	222	-390
Selling and marketing expenses	932	-417
Administrative expenses	18,748	-236
<b>Total</b>	<b>20,330</b>	<b>-1,391</b>

The estimated fair value of the restricted stock units allocated in 2023 was SEK 8.26 was LTIP 2023/2027. The program was calculated using the Monte Carlo valuation model. The following input data was used in the model for LTIP 2022/2026:1, exercise price SEK 102, 112 and 122, maturity 4 years, share price at allocation date of SEK 40.0 acquired volatility in the company's share price 40.0%, no expected dividend and a risk free interest of 1.0%.

### Warrant programs

The quota value is SEK 0.5 per share, and the increase of the company's share capital from allocated warrants from outstanding warrant programs thus amount to at the most

TSEK 181 (TSEK 359) at full subscription of the warrants for new shares in the new warrant programs. See a summary below of all warrant programs in the Group. For more information regarding warrant programs, see previous annual report.

### Variable short term remuneration (STI)

Storytel introduced a new variable short-term incentive program during 2023 ("STI 2023"), where all employees in the group have been included. The STI-program is linked to pre-determined and measurable criteria, measured over a period of maximum one year. The criteria shall be designed to contribute to the company's business strategy and long-

term interests. The variable short-term remuneration for senior executives can amount to a maximum of 50 percent of the annual fixed base salary. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated when the measurement period has ended. The remuneration committee is responsible for the evaluation of the variable cash remuneration to the senior executives, and the evaluation for financial objectives shall be based on the financial information for year 2023 as made public by the company.

The total costs for STI program amounted to TSEK 31,227 (TSEK -) in 2023.

Number of warrants	Warrant program 2020/2023:2	Warrant program 2020/2024:1	Warrant program 2021/2024:2
<b>Outstanding January 1, 2023</b>	<b>356,970</b>	<b>70,000</b>	<b>291,297</b>
Forfeited	-356,970	-	-
Redeemable December 31, 2023	-	-	-
<b>Outstanding December 31, 2023</b>	<b>-</b>	<b>70,000</b>	<b>291,297</b>
<b>Outstanding January 1, 2022</b>	<b>356,970</b>	<b>70,000</b>	<b>291,297</b>
Forfeited	-	-	-
<b>Outstanding December 31, 2022</b>	<b>356,970</b>	<b>70,000</b>	<b>291,297</b>
Forfeited	-	-	-
Exercise price, (SEK)	318.95	289.95	360.49
Redemption period	1 Jun 2023-30 Jun 2023	1 Jun 2024-30 Jun 2024	1 Jun 2024-30 Jun 2024



## Note 10 Pensions

Specification of pension costs	2023	2022
<i>Costs relating to defined-benefit pensions</i>		
Costs related to service this year, including special payroll tax and corresponding tax	4,454	10,025
Net interest	407	1,566
<i>Costs relating to defined-contribution pensions</i>		
Costs for defined-contribution pensions, including special payroll tax and corresponding tax	44,631	53,332
<b>Pension cost recognized in the income statement</b>	<b>49,492</b>	<b>64,923</b>
Of which		
Amount charged to personnel costs	49,085	63,357
Amounts charged to financial items	407	1,566
<b>Total</b>	<b>49,492</b>	<b>64,923</b>
Revaluation of pension provision	-10,485	-127,608
Revaluation of plan assets	1,740	13,933
<b>Pension cost, revenue (-) recognized in other comprehensive income</b>	<b>-8,744</b>	<b>-113,675</b>

The Group has different types of pension plans which mainly consist of defined-contribution pensions where contributions determined for pensions are paid to a separate unit and there are no further obligations regarding additional payments.

A small part of the Group's pension plans consist of defined-benefit pension plans. Defined-benefit pensions mainly consist of explicit promises of future pension levels related to final salary. The plans expose the Group to risks including life expectancy and investment risk in plan assets. The Group is responsible for the pension commitment in the

Group's defined-benefit plan in Sweden and has chosen to secure the pension obligations by transferring funds to a pension fund, Kooperativa Förbundets pensionsstiftelse (KF). The assets under management in the Foundation function as a security for future pension payments. The pension is also credit insured in PRI Pensionsgaranti, where the Group, together with other credit-insured companies, has a mutual responsibility of 2 percent of the company's pension liability, which is reported as a contingent liability.

The information below refers to the defined-benefit plans in Sweden.

<b>Amounts reported in the balance sheet</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Present value of pension obligation, funded plans	178,497	163,782
Fair value of plan assets	169,979	155,635
<b>Net debt (+)/receivable (-) funded plans</b>	<b>8,518</b>	<b>8,148</b>
<b>Change in present value in obligations</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Opening balance	163,782	284,118
Interest	6,661	3,705
Costs related to service this year, including special payroll tax and corresponding tax	4,454	10,025
Revaluations of pension obligations, actuarial gains (-) and losses (+)	10,485	-127,608
Remuneration paid	-6,884	-6,458
<b>Closing balance</b>	<b>178,497</b>	<b>163,782</b>
<b>Change in the fair value of plan assets</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Opening balance	155,635	167,669
Interest	6,254	2,139
Revaluations of plan assets, actuarial gains (-) and losses (+)	1,740	-13,933
Payment for plan assets	13,235	6,218
Remuneration paid from plan assets	-6,885	-6,458
<b>Closing balance</b>	<b>169,979</b>	<b>155,635</b>
<b>Specification of plan assets</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Bonds and other interest-bearing securities	51%	51%
Shares	35%	32%
Real estate	12%	15%
Other	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Sensitivity analysis defined-benefit pension liability (debt change, TSEK)</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Change of assumption:		
Discount rate +/- 0.5 percentage points	13,645	13,674
<b>Actuarial assumptions</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Discount rate	3.7%	4.1%
Inflation	1.7%	1.9%
Future salary increase	2.7%	2.9%
Lifespan/mortality	DUS14	DUS14
Expected return on plan assets	3.7%	4.1%

The sensitivity analysis is based on a change in an individual actuarial assumption, while other assumptions remain unchanged. This method shows the sensitivity of the commitment to a single assumption. This is a simplified method as the actuarial assumptions are usually correlated.

The average term (duration) of the pension provision is approximately 16 years (19).

Contributions that are expected to be paid to the defined-benefit plans during the following year amount to TSEK 9,081 (TSEK -).

## Note 11 Financial income

Assets measured at amortised cost	2023	2022
Interest income	10,178	2,139
<b>Total interest income according to the effective interest method</b>	<b>10,178</b>	<b>2,139</b>
<b>Other financial income:</b>		
Exchange gains on financial items	10,196	53,510
Other financial income	725	1,596
<b>Total other financial income</b>	<b>10,921</b>	<b>55,106</b>
<b>Total financial income</b>	<b>21,099</b>	<b>57,245</b>

## Note 12 Financial expenses

Liabilities measured at amortised cost	2023	2022
Interest expenses	61,674	36,402
<b>Total interest expenses according to the effective interest method</b>	<b>61,674</b>	<b>36,402</b>
<b>Other financial expenses:</b>		
Pension provision	441	3,705
Exchange losses on financial items	19,284	3,852
Monetary net loss hyperinflation	688	3,833
Interest expenses lease liabilities	4,135	4,106
<b>Total other financial expenses</b>	<b>24,547</b>	<b>15,496</b>
<b>Total financial expenses</b>	<b>86,221</b>	<b>51,898</b>

### Remeasurement for hyperinflation

From 2022 are Storytels operation in Turkey accounted for according to IAS 29 Financial reporting in Hyperinflationary economies. The effect on the consolidated statement of income is shown in the table above. Storytel has used the Turkish consumer price index for the remeasurement.

Exchange rates and index	2023	2022
Exchange rate SEK/TRY	0.3400	0.5575
Index	1,859	9,8563

## Note 13 Tax

Amounts in TSEK	2023	2022
<i>Current tax</i>		
Tax on profit for the year	-23,937	-21,894
Adjustment for previous years	1,571	-1,367
<b>Total current tax</b>	<b>-22,366</b>	<b>-23,261</b>
<i>Deferred tax</i>		
Deferred tax on temporary differences	16,313	26,663
<b>Total deferred tax</b>	<b>16,313</b>	<b>26,663</b>
<b>Reported tax in the income statement</b>	<b>-6,053</b>	<b>3,402</b>
<b>Reconciliation of effective tax</b>		
Profit before tax	-807,470	-383,672
Tax rate Parent Company	20.6%	20.6%
Tax according to the current tax rate for the Parent Company	166,339	79,036
Tax effect from:		
Non-taxable income	2,712	1,931
Effects from different tax rates in foreign subsidiaries	4,216	2,013
Other non-deductible expenses	-9,523	-4,198
Utilized loss carry-forwards	-	2,704
Loss carry forwards, whose tax value is not recognised as an asset	-77,111	-84,484
Utilization of losses previously not recognised	1,533	7,767
Adjustment for previous period	1,571	-1,367
Adjustment for impairment of Goodwill	-95,790	-
<b>Effective tax</b>	<b>-6,053</b>	<b>3,402</b>
Utilization of losses	0.7%	-0.9%

Disclosures on deferred tax assets and liabilities. The following tables specify the tax effect of the temporary differences:

Specification of deferred tax assets/ liabilities, Amounts in TSEK	2023-12-31	2022-12-31
Financial assets	11,770	13,071
<b>Total deferred tax assets</b>	<b>11,770</b>	<b>13,071</b>
Intangible assets	115,479	137,343
<b>Total deferred liabilities</b>	<b>115,479</b>	<b>137,343</b>
<b>Deferred tax receivables/ liabilities, net</b>	<b>-103,709</b>	<b>-124,272</b>
<b>Changes in deferred tax, temporary differences</b>		
Opening balances	-124,272	-28,133
Reported in profit/loss	16,313	26,663
Reported in other comprehensive income	-	-7,138
From acquisitions	-	-112,659
Exchange rate differences	4,250	-3,005
<b>Total</b>	<b>-103,709</b>	<b>-124,272</b>

There are tax-related loss carryforwards and other temporary differences (primarily pensions) for which deferred tax assets have not been recognized in the balance sheet amounting to MSEK 1,974 (1,656). MSEK 1,933 (1,602) refers to loss carryforwards in Sweden, which do not have a time limitation, and MSEK 41 (23) refers to non-deductible net interest. Deferred tax assets have not been reported for these items since the Group, based on the losses incurred in recent years, cannot currently demonstrate that the Group can use them to offset future taxable profits in accordance with the requirements for reporting loss carryforwards under IFRS.



## Note 14 Earnings per share

<b>Earnings per share, basic</b>	<b>2023</b>	<b>2022</b>
Profit for the year attributable to Parent Company shareholders, TSEK	-819,186	-394,441*
Average number of ordinary shares outstanding (thousands)	77,077	69,472
<b>Earnings per share, basic and diluted, SEK</b>	<b>-10.63</b>	<b>-5.68*</b>
<b>Weighted average number of ordinary shares, basic (thousands)</b>		
Number of shares at the beginning of the year	77,073	68,282
Issue 11/12/2023	35	8,791
Number of shares at year-end	77,108	77,073
<b>Weighted average number of shares</b>	<b>77,077</b>	<b>69,472</b>

\* Restated amount, see Note 1.

## Note 15 Intangible assets

Acquisition values	Goodwill	Capitalized expenditures and similar work	Rights, licenses, brands, customer relations	Other intangible assets	Work in progress capitalized expenditure	Total intangible assets excl. Goodwill
<b>Opening acquisition value at January 1, 2023</b>	<b>1,266,553</b>	<b>951,849</b>	<b>1,019,555</b>	<b>40,590</b>	<b>25,551</b>	<b>2,037,545</b>
Investments during the year	-	97,078	14,054	-	72,817	183,949
Reclassifications	-	118,845	-11,809	-36,707	-71,751	-1,422
Sales/disposals	-	-35,823	-13,207	-3,883	-14,567	-67,481
Translation effects	-33,452	-5,025	-28,690	-	-	- 33,716
<b>Cost as at December 31, 2023</b>	<b>1,233,101</b>	<b>1,126,926</b>	<b>979,902</b>	<b>-</b>	<b>12,050</b>	<b>2,118,875</b>
<b>Amortization as at January 1, 2023</b>	<b>-</b>	<b>-354,981</b>	<b>-250,328</b>	<b>-1,493</b>	<b>- 1,422</b>	<b>-608,224</b>
Depreciation/amortization for the year	-	-174,161	-100,526	-206	-	-274,893
Sales/disposals	-	5,699	13,205	3,883	-	22,787
Reclassifications	-	1,618	6,386	-2,184	1,422	7,242
Translation effects	-	2,534	10,031	-	-	12,565
<b>Accumulated depreciation/amortization as at December 31, 2023</b>	<b>-</b>	<b>-519,290</b>	<b>-321,232</b>	<b>-</b>	<b>-</b>	<b>-840,523</b>
<b>Accumulated impairment as at January 1, 2023</b>	<b>-</b>	<b>-58,890</b>	<b>-</b>	<b>-</b>	<b>-14,568</b>	<b>-73,458</b>
Impairment for the year	-465,385	-113,122	-	-	-	-113,122
Translation effects	-	818	-	-	-	818
Sales/disposals	-	27,428	-	-	14,568	41,995
<b>Accumulated impairment as at December 31, 2023</b>	<b>-465,385</b>	<b>-143,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-143,766</b>
<b>Closing carrying amount as at December 31, 2023</b>	<b>767,716</b>	<b>463,867</b>	<b>658,670</b>	<b>-</b>	<b>12,050</b>	<b>1,134,587</b>

Acquisition values	Goodwill	Capitalized expenditures and similar work	Rights, licenses, brands, customer relations	Other intangible assets	Work in progress capitalized expenditure	Total intangible assets excl. Goodwill
<b>Opening acquisition value at January 1, 2022</b>	<b>418,383</b>	<b>702,392</b>	<b>287,875</b>	<b>3,883</b>	<b>44,856</b>	<b>1,039,006</b>
Investments during the year	-	177,870	19,246	-	53,321	<b>250,437</b>
Acquired via business combination	731,154	-	616,999	28,016	-	<b>645,015</b>
Reclassifications	-	65,204	7,422	-	-72,626	-
Sales/disposals	-	-6,195	-11,027	-	-	<b>-17,222</b>
Translation effects	117,016	12,578	99,040	8,691	-	<b>120,309</b>
<b>Cost as at December 31, 2022</b>	<b>1,266,553</b>	<b>951,849</b>	<b>1,019,555</b>	<b>40,590</b>	<b>25,551</b>	<b>2,037,545</b>
<b>Amortization as at January 1, 2022</b>	-	<b>-221,682</b>	<b>-142,121</b>	<b>-3,677</b>	<b>-1,422</b>	<b>-368,902</b>
Depreciation/amortization for the year	-	-136,055	-101,317	6,017	-	<b>-231,355</b>
Sales/disposals	-	5,732	5,124	-	-	<b>10,856</b>
Reclassifications	-	2,870	-2,870	-	-	-
Translation effects	-	-5,846	-9,144	-3,833	-	<b>-18,233</b>
<b>Accumulated depreciation/amortization as at December 31, 2022</b>	-	<b>-354,981</b>	<b>-250,328</b>	<b>-1,493</b>	<b>-1,422</b>	<b>-608,224</b>
<b>Accumulated impairment as at January 1, 2022</b>	-	<b>-25,342</b>	-	-	-	<b>-25,342</b>
Impairment for the year	-	-33,548	-	-	-14,568	<b>-48,116</b>
<b>Accumulated impairment as at December 31, 2022</b>	-	<b>-58,890</b>	-	-	<b>-14,568</b>	<b>-73,458</b>
<b>Closing carrying amount as at December 31, 2022</b>	<b>1,266,553</b>	<b>537,978</b>	<b>769,227</b>	<b>39,097</b>	<b>9,561</b>	<b>1,355,863</b>

### Impairment Testing

The Group tests for impairment of intangible non-current assets with an indefinite useful life, which currently consists of goodwill. The impairment test is conducted as per December 31 each year or more frequently if events or changes in circumstances indicate a possible impairment.

The Group's goodwill of TSEK 767,716 (TSEK 1,266,553) has arisen in connection with the business acquisitions that the

Group has made. Goodwill is tested for impairment at the lowest levels where there are separately identifiable cash flows (cash-generating units), which for the Group constitutes Streaming Nordic, Streaming Non-Nordics, Books and Audiobooks.com.

As a result of increased emphasis on profitability and reduced growth investments in certain markets, related assets will not generate as much cash flow as previously

planned. For that reason a write down of 578 MSEK has been recorded in 2023. 465 MSEK of the write down relates to an impairment of goodwill attributed to Audiobooks.com, with the remaining write downs mainly concentrated of an impairment of content assets in the expansion markets.

The carrying amount of goodwill is divided into cash-generating units as follows:

2023	Streaming Nordics	Streaming Non-Nordics	Books	Audiobooks.com	Total
Goodwill	103,577	111,012	214,621	338,507	767,716

2022	Streaming Nordics	Streaming Non-Nordics	Books	Audiobooks.com	Total
Goodwill	105,330	114,666	215,944	830,613	1,266,553

The impairment test for the Group's goodwill consists of assessing whether the unit's recoverable amount is higher than its carrying amount for each cash-generating unit to which the goodwill belongs. The recoverable amount has been calculated on the basis of the unit's value in use, which is the present value of the unit's expected future cash flows without regard to any future business expansion and restructuring. The calculation of the value in use has been based on the following parameters. The length of the forecast of cash flows has been set with regard to how long it takes for each

segment to reach a Steady State. It is only in such a situation that an extrapolation of cash flows with a constant growth rate is possible to do without obtaining incorrect results. Previously, the forecast period for the cashflows in Non-nordics was 10 years, as a result of the strategic shift, the forecast period for the Non-nordics segment has been reduced from 10 to 7 years. The forecast for our all our segments is now set to seven years.

The discounted cash flow model includes forecasting of future cash flows from operations, including estimates of revenue

volumes and costs. The important assumptions that drive expected cash flows over the next few years are sales growth and margin development. Values have been estimated on these variables mainly based on and in accordance with historical experience. There are no reasonable changes to key assumptions that would trigger an impairment for Streaming Nordics, Streaming Non-Nordics or Books. For Audiobooks.com, and due to the impairment recorded, there is currently no significant headroom and negative changes to the key assumptions could trigger an impairment.

12/31/2023	Streaming Nordics	Streaming Non-Nordics	Books	Audiobooks.com
Discount factor before tax (%)	12.8%	12,8%	11,9%	11.8%
Forecast of cash flows below	7 years	7 years	7 years	7 years
Subsequent extrapolation of cash flows with a growth of (%)	2.0%	2.0%	2.0%	2.0%

12/31/2022	Streaming Nordics	Streaming Non-Nordics	Books	Audiobooks.com
Discount factor before tax (%)	12.7%	13.6%	13.3%	14.0%
Forecast of cash flows below	7 years	10 years	7 years	7 years
Subsequent extrapolation of cash flows with a growth of (%)	2.0%	2.0%	2.0%	2.0%

## Note 16 Property, plant and equipment

	Inventories, tools and installations
<b>Cost as at January 1, 2023</b>	<b>66,355</b>
Additions during the year	3,826
Sales/disposals	-28,511
Translation effects	-429
<b>Cost as at December 31, 2023</b>	<b>41,241</b>
<b>Accumulated depreciation/amortization as at January 1, 2023</b>	<b>-40,370</b>
Depreciation/amortization for the year	-11,457
Sales/disposals	27,946
Translation effects	458
<b>Accumulated depreciation/amortization as at December 31, 2023</b>	<b>-23,423</b>
<b>Closing carrying amount as at December 31, 2023</b>	<b>17,818</b>

	Inventories, tools and installations
<b>Cost as at January 1, 2022</b>	<b>60,051</b>
Acquisitions for the year	6,092
Acquired via business combination	373
Sales/disposals	-3,706
Reclassifications	2,406
Translation effects	1,139
<b>Cost as at December 31, 2022</b>	<b>66,355</b>
<b>Accumulated depreciation/amortization as at January 1, 2022</b>	<b>-32,377</b>
Depreciation/amortization for the year	-10,473
Sales/disposals	2,865
Translation effects	-385
<b>Accumulated depreciation/amortization as at December 31, 2022</b>	<b>-40,370</b>
<b>Closing carrying amount as at December 31, 2022</b>	<b>25,985</b>

Storytel has no property, plant and equipment that are not used in the company's operations, which have been taken out of use or for which the fair value is deemed to deviate significantly from the carrying amount.



## Note 17 Right-of-use assets

Storytel's significant leases mainly consist of contracts for office premises. Storytel classifies its leases in the classes premises and other. Other mainly relates to equipment and vehicles. The table below presents the Group's closing balances regarding right-of-use assets and lease liabilities as well as the operations during the year:

	Premises	Other	Total	Lease liability
<b>Opening balance January 1, 2023</b>	<b>112,472</b>	<b>2,888</b>	<b>115,360</b>	<b>117,426</b>
Additional contracts	3,645	189	3,834	3,810
Cancelled contracts	-520	-	-520	-3,697
Depreciation/amortization	-40,560	-1,625	-42,185	-
Revised contracts	6,954	454	7,408	6,730
Revaluations of contracts	204	18	222	155
Amortization	-	-	-	-33,097
<b>Closing balance December 31, 2023</b>	<b>82,195</b>	<b>1,924</b>	<b>84,119</b>	<b>91,328</b>
<b>Opening balance January 1, 2022</b>	<b>128,421</b>	<b>3,000</b>	<b>131,421</b>	<b>131,659</b>
Additional contracts	5,469	675	6,144	6,144
Depreciation/amortization	-39,849	-1,669	-41,518	-
Revised contracts	15,226	730	15,956	11,693
Revaluations of contracts	3,205	152	3,357	3,520
Amortization	-	-	-	-35,590
<b>Closing balance December 31, 2022</b>	<b>112,472</b>	<b>2,888</b>	<b>115,360</b>	<b>117,426</b>

The amounts reported in the Group's statement of income during the year attributable to lease activities are presented below:

	2023	2022
Depreciation of right-of-use assets	-42,185	-41,518
Interest expenses on lease liabilities	-4,088	-3,949
Cost regarding short-term leases	-151	-13
Cost of contracts where the underlying asset is of low value	-77	-59
Translation difference	1,568	4
Cancellation result Leases	3,275	2,702
<b>Total</b>	<b>-41,657</b>	<b>-42,833</b>

Storytel reports a cash outflow attributable to leases amounting to TSEK 34,485 for the financial year 2023 (TSEK 35,590). For a maturity analysis of the Group's lease liabilities, see Note 25 Financial risks.

## Note 18 Financial instruments

Measurement of financial assets and liabilities as at 12/31/2023	Financial assets/liabilities measured at amortized cost	Financial assets/liabilities measured at fair value through profit/loss	Financial assets/liabilities measured at fair value via other comprehensive income	Total carrying amount
<b>Financial assets</b>				
Other non-current receivables	35,762	-	-	35,762
Trade receivables	193,999	-	-	193,999
Other receivables*	31,841	-	-	31,841
Cash and cash equivalents	436,143	-	-	463,143
Receivables in associates	19,613	-	-	19,613
<b>Total</b>	<b>717,357</b>	<b>-</b>	<b>-</b>	<b>717,357</b>
<b>Financial liabilities</b>				
Liabilities to credit institutions	749,266	-	-	749,266
Lease liabilities	91,328	-	-	91,328
Trade payables	274,658	-	-	274,658
Contingent consideration	-	522	-	522
Accrued expenses	281,937	-	-	281,937
Other provisions	27,969	-	-	27,969
Other current and non-current consideration and acquisition options	-	8,112	-	8,112
<b>Total</b>	<b>1,425,159</b>	<b>8,634</b>	<b>-</b>	<b>1,433,793</b>

\* Other receivables excluding tax items.

**Measurement of financial assets and liabilities as at 12/31/2022**

<b>Financial assets</b>	<b>Financial assets/liabilities measured at amortized cost</b>	<b>Financial assets/liabilities measured at fair value through profit/loss</b>	<b>Financial assets/liabilities measured at fair value via other comprehensive income</b>	<b>Total carrying amount</b>
Other non-current receivables	51,025	-	-	<b>51,025</b>
Trade receivables	222,632	-	-	<b>222,632</b>
Other receivables*	27,905	-	-	<b>27,905</b>
Cash and cash equivalents	776,341	-	-	<b>776,341</b>
Receivables in associates	26,249	-	-	<b>26,249</b>
<b>Total</b>	<b>1,104,152</b>	-	-	<b>1,104,152</b>
<b>Financial liabilities</b>				
Liabilities to credit institutions	1,098,416	-	-	<b>1,098,416</b>
Lease liabilities	117,426	-	-	<b>117,426</b>
Trade payables	121,430	-	-	<b>121,430</b>
Contingent consideration	-	637	-	<b>637</b>
Accrued expenses	418,462	-	-	<b>418,462</b>
Other provisions	21,912	-	-	<b>21,912</b>
Other current and non-current consideration and acquisition options	-	12,512	-	<b>12,512</b>
<b>Total</b>	<b>1,777,646</b>	<b>13,149</b>	-	<b>1,790,795</b>

\* Other receivables excluding tax items.

For current receivables and liabilities, such as accounts receivable and trade payables, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that have been set off in the accounts or that are covered by a legally binding netting agreement. The assets' maximum credit risk consists of the net amounts of the carrying amounts in the tables above. The Group has not received any pledged collateral for the net financial assets.

**Measurement at fair value**

Fair value is the price that at the time of measurement would be obtained on the sale of an asset or paid on the transfer of a liability through an orderly transaction between market participants. The table below shows financial instruments measured at fair value, based on how the classification in the fair value hierarchy is made. The different levels are defined as follows:

Level 1 – Listed prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable input data for assets or liabilities other than quoted prices included in level 1, either directly (i.e., as price quotations) or indirectly (i.e., derived from price quotations).

Level 3 – Asset or liability input data that is not based on observable market data (i.e., non-observable input data).

There were no financial assets measured at fair value as at December 31, 2023 or December 31, 2022. For financial liabilities see below.

<b>Financial liabilities measured at fair value as at December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Contingent consideration	-	-	522	<b>522</b>
Acquisition option	-	-	8,112	<b>8,112</b>

<b>Financial liabilities measured at fair value as at December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Contingent consideration	-	-	637	<b>637</b>
Acquisition option	-	-	12,512	<b>12,512</b>

#### **Acquisition option**

Storytel's acquisition option (put/call option) refers to the future acquisition of the remaining 13.3% of the shares in Earselect AB, which will result in an additional transferred consideration of 8,112 TSEK, due in March 2024 and 2025. The acquisition option is reported at fair value in the statement of financial position, measured in accordance with IFRS 9 and categorized in accordance with Level 3 of the IFRS 13 fair value hierarchy. Since the price of the option is not dependent on any conditions beyond the time aspect, and since the discounting effect attributable to the time value is insignificant, no discounting has taken place, and the carrying amount is considered to correspond to the fair value of the acquisition option.

#### **Contingent consideration**

The contingent consideration related to the acquisition of Aula is reported at fair value in accordance with Level 3 of the valuation hierarchy. The fair value was previously estimated by using a valuation model that discounts the present value of expected outgoing cash flows by a risk-adjusted discount rate.

#### **Present value assessment**

In 2023, the debt decreased and the discount calculation has no longer a significant impact on the outstanding debt. Based on these factors we ceased the present value assessment based on the discounts model of the debt. The carrying amount is now considered to correspond to the fair value of the acquisition option.

## Note 19 Inventories

	<b>12/31/2023</b>	<b>12/31/2022</b>
Finished goods and goods for resale	101,933	114,980
Products under construction	12,053	10,429
Obsolescence	-54,177	-23,302
<b>Carrying amount</b>	<b>59,808</b>	<b>102,107</b>

## Note 20 Prepaid expenses and accrued income

	<b>12/31/2023</b>	<b>12/31/2022</b>
Prepaid royalties	219,561	213,795*
Other prepaid expenses	42,758	76,870
Accrued income	15,553	-
<b>Carrying amount</b>	<b>277,872</b>	<b>290,665*</b>

\*Restated amount, see Note 1

## Note 21 Cash and cash equivalents

	<b>12/31/2023</b>	<b>12/31/2022</b>
Bank balance	436,143	776,341
<b>Carrying amount</b>	<b>436,143</b>	<b>776,341</b>

## Note 22 Group companies

The holdings of the Parent Company, Storytel AB (publ), in direct and indirect subsidiaries that are covered by the consolidated financial statements are shown in the table below:

Business	Main activity	Corp.ID	Registered office	Share of capital/ voting rights 12/31/2023	Share of capital/ voting rights 12/31/2022
Storytel AB (publ)	Management	556575-2960	Sweden	Parent Company	Parent Company
Storytel AG, liquidated	Management	CHE-112413562	Switzerland	-	100%
Storytel Sweden AB	Streaming	556696-2865	Sweden	100%	100%
Storytel NL BV	Streaming	58216111	Netherlands	100%	100%
Storytel Publishing NL B.V	Digital publishing	62057707	Netherlands	100%	100%
Storyside AB	Digital publishing	556630-2906	Sweden	100%	100%
Mofibo Books ApS	Streaming	35228691	Denmark	100%	100%
Storytel Production AB <sup>3</sup>	Streaming	556977-0166	Sweden	-	100%
Storytel Gmbh	Streaming	439493p	Austria	100%	100%
Storytel Sp. z o.o.	Streaming	0000608730	Poland	100%	100%
Storytel Oy	Streaming	2792250-7	Finland	100%	100%
Storytel LLC	Streaming	1147847137020	Russia	100%	100%
Norstedts Förlagsgrupp AB	Publishing	556045-7748	Sweden	100%	100%
Barnens Bokklubb AB <sup>3</sup>	Publishing	556103-0445	Sweden	-	100%
Brombergs Bokförlag AB	Publishing	556716-8488	Sweden	100%	100%
Gummerus Kustannus Oy	Publishing	0482813-9	Finland	100%	100%
Peoples Press A/S	Publishing	26608694	Denmark	100%	100%
Storytel Bulgaria EOOD	Streaming	202130119	Bulgaria	100%	100%
Storytel Iceland EHF	Streaming	570504-3040	Iceland	100%	100%
Storytel Turkey Yayıncılık Hizmetleri A.S.	Streaming	35728/5	Turkey	100%	100%
Storyside India LLP	Digital publishing	AAH-6929	India	95%	95%
Storytel Italy S.rl	Streaming	10127220969	Italy	100%	100%
Storytel S.L	Streaming	B66996729	Spain	100%	100%
Storytel Servicios S. de R.L. de C.V	Streaming	N-2018042772	Mexico	100%	100%
Storytel Latin America S. de R.L. de C.V	Streaming	N-2018043761	Mexico	100%	100%

1 The Storytel Group owns 87 percent of the shares in Earselect AB, but the holding is reported at 100 percent, without regard to non-controlling interests, based on the acquisition option attached to the acquisition.

2 Owned 100 percent by Bokförlaget Lind & Co AB.

3 The group companies Ztorylabs AB, Storytel Production AB and Barnens Bokklubb AB have been merged into Kitab Sawti AB during 2023.



Business	Main activity	Corp.ID	Registered office	Share of capital/ voting rights 12/31/2023	Share of capital/ voting rights 12/31/2022
Storytel Pte Ltd	Streaming	201842070G	Singapore	100%	100%
Storytel Services UK Limited	Streaming	11708468	England	100%	100%
Storytel Brasil Distribuição de Audiolivros Ltda	Streaming	31.982.312/0001-71	Brazil	100%	100%
Ztorylabs AB <sup>3</sup>	Streaming	556928-7641	Sweden	-	100%
Storytel South Korea LLC	Streaming	110114-0238631	South Korea	100%	100%
Storytel Thailand Ltd	Streaming	0105562091258	Thailand	100%	100%
Storytel Germany Audio GmbH	Streaming	HRB 221514	Germany	100%	100%
iCast Ltd	Streaming	51-374645-3	Israel	100%	100%
Kitab Sawti AB	Streaming	559052-8534	Sweden	100%	100%
Kitab Sawti Mena FZ LLC	Streaming	94673	United Arab Emirates	100%	100%
Kitab Sawti LLC, in liquidation	Streaming	144132	Egypt	100%	100%
Earselect AB <sup>1</sup>	Digital book production	556920-7425	Sweden	87%	80%
Storytel Books AB	Management	559286-0240	Sweden	100%	100%
Storytel France SAS	Streaming	552 006 769	France	100%	100%
Bokförlaget Lind & Co AB	Publishing	556608-8737	Sweden	70%	70%
Kustannusosakeyhtiö Aula & Co	Publishing	2741820-4	Finland	100%	100%
Legolas Holding Parent Corporation	Management	-	USA	100%	100%
Legolas Holding Corporation	Management	-	USA	100%	100%
Storytel Audiobooks USA LLC	Streaming	-	USA	100%	100%
Storytel Audiobooks Canada, Inc	Streaming	-	Canada	100%	100%
Bokförlaget Dar Al-Muna AB <sup>2</sup>	Publishing	556795-0406	Sweden	70%	70%
Wydawnictwo Lind & Co Polska sp. z o o <sup>2</sup>	Publishing	000097628	Poland	70%	70%

1 The Storytel Group owns 87 percent of the shares in Earselect AB, but the holding is reported at 100 percent, without regard to non-controlling interests, based on the acquisition option attached to the acquisition.

2 Owned 100 percent by Bokförlaget Lind & Co AB.

3 The group companies Ztorylabs AB, Storytel Production AB and Barnens Bokklubb AB have been merged into Kitab Sawti AB during 2023.

## Note 23 Associated companies and joint ventures

	12/31/2023	12/31/2022
Opening acquisition value	15,708	5,986*
Acquisition of associated companies	1,071	14,413
Shareholder contribution	2,000	-
Share of profit for the year	12,366	-1,070
Dividend	-2,242	-3,621
Translation difference	-58	-
<b>Closing cost</b>	<b>28,845</b>	<b>15,708*</b>

The list below includes the Group's shares in associated companies and joint ventures (joint venture, and refers to Storytel AS in the table below).

Company, registered office	Corp. ID No.	Closing equity 12/31/2023	Profit/loss 2023	Share of capital and voting rights	Number of shares	Carrying amount 12/31/2023	Carrying amount 12/31/2022
Storytel AS, Oslo (joint venture)	913211421	16,150	23,782	50%	100,000	8,374	-1,275*
Bokinfo Norden HB, Stockholm	969698-9996	6,559	-230	25%	-	1,666	1,723
Helsinki Literary Agency Oy, Helsinki	2803858-8	56	-	25%	1	155	155
Nuanxed AB, Stockholm	559315-2456	4,226	4,403	40%	16,666	7,116	5,355
Mockingbird Publishing Software AB, Stockholm	559222-7333	3,435	-2,509	49%	24,500	10,463	9,750
Other associated companies		-	-	-	-	1,071	-
						<b>28,845</b>	<b>15,708*</b>

\* Restated amount, see Note 1.

### Financial information associated companies

Summary financial information for the Group's associated companies is specified in the table below. The information refers to 100 percent of the sales, net profit/loss, assets and liabilities.

	Storytel AS		Other associated companies	
	2023	2022	2023	2022
Sales	388,546	369,028	36,346	27,374
Net profit/loss	23,782	4,508	1,664	-10,932
Assets	125,583	105,645	34,793	25,864
Liabilities	109,433	98,763	20,517	16,270

## Note 24 Equity

### Share capital

The registered share capital as of December 31, 2023 consists of class A-shares and B-shares.

	A-shares	B-shares
Type of share	Ordinary share	Ordinary share
Votes per share	10	1
Quota value December 31, 2022	0.5	0.5
Quota value December 31, 2023	0.5	0.5

#### Amounts in thousand

<b>Opening number of shares January 1, 2022</b>	<b>68,282</b>
Increase via new share issue	8,791
<b>Closing number of shares December 31, 2022</b>	<b>77,073</b>
Increase via new share issue	35
<b>Closing number of shares December 31, 2023</b>	<b>77,108</b>

All shares are fully paid, and no shares are reserved for transfer.

### Other capital contributions

Other capital contributions consists of capital contributed by Storytel's owners in the form of new issues, including premium payments regarding warrants.

### Translation reserve

The Group's translation reserve includes all exchange rate differences that arise when translating financial statements from foreign operations that have prepared their financial statements in a functional currency other than the currency in which the Group's financial reports are presented. The Group presents its financial statements in Swedish kronor (SEK). Accumulated translation difference is recognized in profit/loss upon divestment of the foreign operation.

### Hedging reserve

The Group's hedging reserve refers to cash flow hedges.

### Retained earnings including profit/loss for the year

Retained earnings consist of the sum of the year's earnings and profit/loss from previous years, including revaluation of defined-benefit pension plans and derivatives that are hedged.

## Note 25 Financial risks

The Group's earnings, financial position and cash flow are affected both by changes in the rest of the world and by the Group's own actions. The risk management work aims to clarify and analyse the risks that the company encounters and, as far as possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed to various types of financial risks: credit risk, market risks (interest rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board has the overall responsibility for the Group's risk assessment, including financial risks. The risk management includes identifying and evaluating the risks that the Group faces. Priority is given to the risks that, in an overall assessment regarding possible impact, probability and consequence, are judged to have the most negative impact on the Group. The Group's overall objective for financial risks is to ensure short- and long-term capital supply, achieve a long-term and stable capital structure with a granular maturity structure and achieve low risk exposure.

### Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument will not be able to fulfil its obligation and thereby cause the Group a financial loss. The Group's credit risk arises primarily through receivables from customers and when investing cash and cash equivalents. At each reporting occasion, the Group evaluates the credit risk of existing exposures, taking into account forward-looking factors.

Below are the financial assets the Group has reserved expected credit losses for. In addition to the assets below, the Group also monitors provisions for other financial instruments. In cases where the amounts are not deemed to

be insignificant, a provision is made for expected credit losses for these financial instruments as well.

### **Credit risk in accounts receivable (simplified method for credit risk reserve)**

For the Group, credit risk is primarily in accounts receivable, and Storytel's goal is to have a continuous follow-up of this credit risk. The Group's customers consist of both companies and consumers. The Group has established guidelines to ensure that sales of products and services are made to customers with a suitable credit background and that the credit risk is reduced if necessary and if possible through, for example, advance payment and that subscriptions are terminated if payment is not made. The payment terms normally amount to between 30–60 days depending on the counterparty. The historical credit losses amount to a small amount in relation to the Group's sales. Despite the challenging economic market due to inflation and high interest rates, Storytel has not identified any increased risk of customer losses.

The Group applies the simplified method for reporting expected credit losses for accounts receivable. This means that expected credit losses are reserved for the remaining term, which is expected to be less than one year for all receivables. The Group's customers are segmented into three groups: customers with credit ratings, large global corporate customers or other. Credit risk for customers with a credit rating is assessed on the basis of an established credit rating. Customers within each other group are judged to have a similar risk profile, which is why the credit risk is initially assessed collectively for all customers in each group. In the event of receivables that are more than 30 days due for payment or where the credit risk is deemed significant, the credit provision for these receivables is as-

essed per counterparty based on historical loss ratio, other known information and forward-looking factors, including information about individual customers and management's assessment of impact from the economy of the industry.

The Group has defined default as when payment of the receivable is 90 days late or more or if other factors indicate that there is a suspension of payment. In these cases, an individual assessment is made to estimate further expected credit loss. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to receive payment have been terminated.

### **Age analysis accounts receivable, Net**

	12/31/2023	12/31/2022
Non-overdue accounts receivable	164,051	181,380
Overdue accounts receivable:		
0-30 days	26,164	32,865
31-60 days	1,119	8,051
61-90 days	240	-301
91-120 days	1,005	556
> 120 days	1,420	81
<b>Total</b>	<b>193,999</b>	<b>222,632</b>

The credit quality of receivables that are not overdue for more than 90 days is judged to be good, based on historically low customer losses and consideration of forward-looking factors.

### Expected trade losses for accounts receivable and contract assets (according to simplified method)

	12/31/2023	12/31/2022
Opening carrying amount	-2,034	-2,203
Provision for expected losses	-891	-283
Change ECL	14	463
Reversed, previously written off amounts	-	16
Closing carrying amount	-2,910	-2,034

#### Cash and cash equivalents

The Group's credit risk also arises from the investment of cash and cash equivalents. Storytel's goal is to have a continuous follow-up of credit risk attributable to investments. One way of counteracting credit risk is for the Group to have bank accounts in several different financial institutions with a high credit rating.

#### Provision for expected credit losses (general method)

The financial assets that are covered by provisions for expected credit losses according to the general method consist of financial assets in other non-current receivables, other receivables and cash and cash equivalents where other receivables largely relate to blocked funds in bank accounts regarding non-contingent considerations. According to the general method, credit risk is measured for the next twelve months. The Group applies a rating-based method where expected credit losses are measured on the product of the probability of default, loss given default and exposure in the event of default. Consideration is also given to other known information and forward-looking factors for assessing expected credit losses. As at the balance sheet date, no significant increase in credit risk has been deemed to exist for any receivable or asset. Such an assessment is based on whether payment is 30 days late or more or if there is a significant deterioration in credit rating resulting in a credit rating below investment grade. In the event of a significant increase in credit risk, the credit risk is measured for

the remaining term of the exposure. The Group has defined default as when payment of the receivable is 90 days late or more or if other factors indicate that there is a suspension of payment.

#### Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of accounts receivable, other long-term receivables, other receivables and cash and cash equivalents.

The Group uses several banks where the majority of cash and cash equivalents is invested in banks with a credit rating of between A-1 and A-1 + (short-term) and A + and AA- (long-term) (S&P), respectively. Other receivables largely consist of blocked funds in bank accounts, and the credit risk exposure for most of these is thus the same as for cash and cash equivalents. As these funds are invested in banks with a high credit rating, ECL is considered to be negligible. Other items in other long-term receivables and other receivables have been assessed to be in stage 1, i.e., there has been no significant increase in credit risk.

The Group's accounts receivable are spread over a large number of different customers and are also diversified in terms of size, country of origin, with a certain concentration of credit risk to certain major corporate customers. Accounts receivable within the Group's publishing operations mainly consist of major resellers of printed books and streaming services in the Nordic markets. The largest accounts receivable within the Group's streaming operations consist of global companies that provide payment solutions. Concentrations of credit risks relating to other accounts re-

ceivable in the streaming business are limited as the customer base is large and diversified.

#### Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. According to IFRS, market risks are divided into three types: currency risk, interest risk and other price risks. The market risk that affects the business consists mainly of currency risk.

#### Interest risk

Interest risk is the risk that fair value or future cash flows from a financial instrument will vary due to changes in market interest rates. The goal is not to be exposed to future fluctuations in interest rate changes that affect the Group's cash flow and earnings to a greater extent than Storytel can handle. A significant factor that affects interest risk is the fixed interest period. The Group is primarily exposed to interest risk for the Group's loans to credit institutions. The Group's borrowings normally are at a variable interest rate. The interest risk is low as the Group's interest expenses are low in relation to total profit.

Given the interest-bearing assets and liabilities, including unutilized overdraft facilities and credit facilities, which exist on the balance sheet date, an interest rate increase of 2 percentage points over a one-year period has an effect on net interest before tax of TSEK -15,000 and an effect on equity after tax of TSEK -11,910.

Below are credit contracts/frameworks that Storytel has entered into:

Carrying amount	Currency	Maturity	Interest	12/31/2023	12/31/2022
Liabilities to credit institutions	SEK	Nov 2024	Floating	749,266	1,100,000
<b>Total</b>				<b>749,266</b>	<b>1,100,000</b>



### Currency risk

Currency risk is the risk that fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks are found primarily in the translation of foreign operations' assets and liabilities into the Parent Company's functional currency, so-called translation exposure. The Group's sales and purchases in foreign currencies, so-called transaction exposure, constitutes a currency risk. In summary, the Group conducts operations worldwide with a revenue and expense base in local currency and is thus exposed to currency risk.

Storytel in certain cases may apply currency hedging with forward contracts to manage currency risks related to acquisitions.

A significant portion of purchasing and sales occurs on markets outside of Sweden and thus in currencies other than Swedish Krona, SEK. This means that the Group's profit/loss is exposed to currency risk since the Group's profit/loss is consolidated in SEK. As can be seen from the following table, the Group's main transaction exposure consists of DKK, EUR, and USD.

The Group strives to match purchases and sales in the same currencies if possible, but the result will still be affected by changes in exchange rates in the future. The company's global presence also provides a diversified currency exposure, which thus provides a certain natural hedge.

Currency exposure (%)	2023		2022	
	Operating income	Operating expenses	Operating income	Operating expenses
DKK	15.9%	12.9%	17.3%	15.0%
EUR	17.7%	14.2%	19.8%	16.8%
USD	10.5%	18.5%	12.8%	10.9%
Other currencies	10.3%	8.4%	14.2%	12.5%

Sensitivity analysis – Exchange rate fluctuations against the Swedish krona, +/- 10%	2023		2022	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
DKK	+/- 795	+/- 7,172	+/- 579	+/- 6,495
EUR	+/- 1,882	+/- 5,514	+/- 2,104	+/- 6,471
USD	+/- 3,736	+/- 3,424	+/- 894	+/- 10,554

### Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will have difficulty fulfilling obligations that are related to financial liabilities that are settled with cash or other financial assets. The company manages liquidity risk through continuous follow-up of operations and by maintaining a Group account structure that ensures the companies' credit needs. The company continuously forecasts future cash flows based on various scenarios to ensure that financing takes place on time.

The risk is mitigated by the Group's good liquidity reserves, which are immediately available. The Group's operations are essentially financed via capital raised from the capital market and through bank loans. The Group has a revolving credit facility amounting to TSEK 850,000 and the bridge loan of TSEK 500,000 which was taken up in conjunction with the acquisition of Audiobooks.com in 2021, was repaid partly by TSEK 200,000 in Q1 2023 and the rest was re-

financed with the utilization of RCF loan of TSEK 100,000 and a new term loan of TSEK 200,000. The term loan has conditional quarterly TSEK 50,000 prepayments starting in Q3 2023 with maturity at end of Q2 2024. The total liquidity reserve consists of cash and unutilized buffer in the revolving credit facility. The bank's financing has conditions in the form of key ratios based on net debt in relation to EBITDA in mature markets, monitoring churn rate, a minimum solvency ratio and a minimum liquidity. The conditions have been met throughout 2023.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be retained, extended, expanded, refinanced or that such financing can only take place on terms that are unfavourable to the company. The need for refinancing is regularly reviewed by the company and the Board to ensure financing of the company's expansion and investments. The goal is to ensure that the Group has ongoing access to external borrowing without the cost of borrowing increasing significantly. The refinancing risk is reduced by structuring and starting the refinancing process in good time. For larger loans, the process begins no later than three to nine months before the due date. The company also maintains a continuous dialogue with several lenders.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. Financial instruments with variable interest rates have been calculated with the interest rate that existed on the balance sheet date. Liabilities have been included in the period when repayment can be demanded at the earliest.

<b>Maturity analysis as of 12/31/2023</b>	<b>&lt;6 months</b>	<b>6-12 months</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Liabilities to credit institutions	749,266	-	-	-	-	<b>749,268</b>
Lease liabilities	20,679	20,679	35,419	7,722	6,829	<b>91,328</b>
Trade payables	269,854	4,805	-	-	-	<b>274,658</b>
Other current liabilities	46,596	7,093	-	-	-	<b>53,689</b>
<b>Total</b>	<b>1,086,395</b>	<b>32,576</b>	<b>35,419</b>	<b>7,722</b>	<b>6,829</b>	<b>1,168,942</b>

<b>Maturity analysis as of 12/31/2022</b>	<b>&lt;6 months</b>	<b>6-12 months</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Liabilities to credit institutions	300,000	100,000	700,000	-	-	<b>1,100,000</b>
Lease liabilities	17,915	17,918	43,065	30,658	7,867	<b>117,426</b>
Trade payables	120,586	844	-	-	-	<b>121,430</b>
Other current liabilities	45,364	4,050	-	-	-	<b>49,414</b>
<b>Total</b>	<b>483,868</b>	<b>122,812</b>	<b>743,065</b>	<b>30,658</b>	<b>7,867</b>	<b>1,388,270</b>

Below are credit contracts/frameworks that Storytel has entered into:

	<b>Amount 12/31/2023</b>	<b>Utilized 12/31/2023</b>	<b>Amount 12/31/2022</b>	<b>Utilized 12/31/2022</b>
Overdraft facility	850,000	650,000	850,000	600,000
Credit facility B	-	-	500,000	500,000
Term loan	200,000	100,000	200,000	-
<b>Total</b>	<b>1,050,000</b>	<b>750,000</b>	<b>1,550,000</b>	<b>1,100,000</b>

### Capital management

The Board's objective is to maintain an optimal structure that contributes to maintaining investor, lender and market confidence and to form a basis for continued development of the business. The capital consists of total equity. The Board of Directors does not propose a dividend to shareholders. In the long term, Storytel has a continued focus on revenue growth and an improved EBITDA margin compared with the previous year.

## Note 26 Provisions

	Sales return reserves		Other provisions*		Total	
	2023	2022	2023	2022	2023	2022
<b>Opening balance as at January 1</b>	<b>16,581</b>	<b>14,884</b>	<b>24,290</b>	<b>19,043</b>	<b>40,871</b>	<b>33,927</b>
Additional provisions	12,324	16,694	8,937	8,119	21,261	24,813
Utilized during the year	-13,451	-13,932	-6,333	-	-19,784	-13,932
Returned unutilized amounts	-562	-1,122	-	-2,924	-562	-4,046
Other	-	57	-	52	-	109
<b>Closing balance as at December 31</b>	<b>14,892</b>	<b>16,581</b>	<b>26,894</b>	<b>24,290</b>	<b>41,786</b>	<b>40,871</b>

\* Other provisions consist primarily of acquisition-related items.

## Note 27 Accrued expenses and deferred income

	12/31/2023	12/31/2022
Deferred income	133,537	123,302
Accrued holiday pay	46,175	35,416
Accrued social security contribution	19,734	23,666
Accrued royalties	174,652	314,322
Accrued interest	7,436	8,695
Short term incentive program	30,248	-
Other accrued expenses	99,849	95,445
<b>Carrying amount</b>	<b>511,631</b>	<b>600,846</b>

## Note 28 Cash flow statement

Adjustments for non-cash items	2023	2022
<i>Adjustments in operating profit</i>		
Depreciation/amortization and impairment	907,042	331,463
Provisions	29,789	21,785*
Profit from participations in associates	-12,276	1,070
Capital gains	188	-2,906
Incentive programs	17,275	54
Defined-benefit pension plans	-8,744	-
Obsolescence/Write-down booked to inventories	14,842	-
Exchange rate effects and other non-cash items	-9,848	-51,368
Other	-3,061	-
<b>Total</b>	<b>941,327</b>	<b>300,098*</b>

\* Restated amount, see Note 1.

Non-cash flow changes	1/1/2023	Cash flows from financing	Business combinations	Leases	Translation difference	Remeasurement	12/31/2023
Liabilities to credit institutions	1,100,000	-350,000	-	-	-	-732	749,268
Lease liabilities	117,426	-33,097	-	114	155	6,730	91,328
<b>Total liabilities attributable to financing activities</b>	<b>1,217,426</b>	<b>-383,097</b>	<b>-</b>	<b>114</b>	<b>155</b>	<b>5,998</b>	<b>840,596</b>

Non-cash flow changes	1/1/2022	Cash flows from financing	Business combinations	Leases	Translation difference	Remeasurement	12/31/2022
Liabilities to credit institutions	-	735,871	369,979	-	-5,850	-	1,100,000
Lease liabilities	131,659	-35,590	3,088	14,750	3,519	-	117,426
Derivative	10,031	-	-10,031	-	-	-	-
<b>Total liabilities attributable to financing activities</b>	<b>141,690</b>	<b>700,281</b>	<b>363,036</b>	<b>14,750</b>	<b>-2,331</b>	<b>-</b>	<b>1,217,426</b>

## Note 29 Pledged assets and contingent liabilities

The Storytel Group has lodged a security of MSEK 20 to PRI (Pension egen regi) in the form of funds held in an escrow account. Storytel AB (publ) has also acted as a guarantor for Group company Norstedts Förlagsgrupp AB. The security and parent company guarantee are related to the Norstedts Förlagsgrupp pension obligation to its employees, which takes the form of a pension fund.

### Pledged assets for own liabilities and obligations to credit institutions

	12/31/2023	12/31/2022
Floating charges	84,400	83,400
Shares in Group companies	1,469,483	2,210,317
<b>Total</b>	<b>1,552,883</b>	<b>2,293,717</b>

The carrying amount of liabilities for which liens in participations in Group companies have been pledged amounts to TSEK 749,266 (1,098,416).

### Pledged assets for other non-current and current liabilities

	12/31/2023	12/31/2022
Pension commitment	4,768	4,382
Blocked bank funds*	20,000	20,000
Bank guarantee	216	100
<b>Total</b>	<b>24,984</b>	<b>24,482</b>

<b>Contingent liabilities</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
PRI Pension guarantee	3,375	3,113
Associate in partnership	4,696	4,692
<b>Total</b>	<b>8,071</b>	<b>7,805</b>

\* Blocked bank funds are reported as other non-current receivables.

## Note 30 Transactions with related parties

Related parties to the Storytel Group include associated companies, joint ventures and Storytel's Board and Group Management along with related parties.

For information on remuneration to senior executives, see Note 9 Employees and personnel costs.

The table below shows transactions and outstanding balances with related parties, which mainly consist of Storytel's joint venture Storytel AS in Norway and the Finnish company Kustannusosakeyhtiö Otava.

Storytel has purchased content from Kustannusosakeyhtiö Otava, which is a related party to Storytel based on the company's relationship to board member Alexander Linholm. In addition, Storytel has purchased licenses from Delibr for TSEK 92 (115), with the aim of facilitating and simplifying the sale of books, purchased services from Group associated company Bokinfo for TSEK 538 (472) in 2023 and from associated company Helsinki Literary Agency for TSEK 223 (392). The Group also purchased digital services from associated company Mockingbird for TSEK 718 (960) and translation services from the associated company Nuanxed for TSEK 8,295 (2 810). In 2022, Storytel purchased recruitment services from Michael Berglund AB amounting to TSEK 2,332. Michael Berglund AB was previously considered as a related party to Storytel due to its affiliation with former board member Rustan Panday. Delibr AB is considered a related party to Storytel based on the company's relationship with Jonas Tellander.

The Group has not identified any transactions with other related parties, other than those specified in this note and in the referenced notes. Sales and purchases have been made on market terms.

<b>Storytel AS</b>	<b>2023</b>	<b>2022</b>
Sales of goods/services	62,845	44,406
Dividend received from Storytel AS	2,242	3,622
Other, recharged costs	35,000	34,443
Receivable on the balance sheet date	19,613	23,249
<b>Kustannusosakeyhtiö Otava</b>	<b>2023</b>	<b>2022</b>
Purchase of goods/services	5,783	-
Liabilities on the balance sheet day	6,689	-
<b>Other</b>	<b>2023</b>	<b>2022</b>
Sales of goods/services	-	24
Purchase of goods/services	9,550	4,749
Liabilities on the balance sheet day	-	693

A list of the Group's subsidiaries, which are also the companies that are related parties to the Parent Company, is provided in Note 22 Group companies. All transactions between Storytel AB and its subsidiaries have been eliminated from the consolidated accounts. Further information on the Parent Company's transactions with subsidiaries can be found in the Parent Company's Note 14 Transactions with related parties.



## Note 31 Business combinations

### Acquisitions 2023

No significant acquisitions during 2023.

### Acquisitions 2022

On January 7, 2022, Storytel acquired 100 percent of the shares and votes in the streaming company Audiobooks.com. Audiobooks.com is one of the leading audiobook experience services in the United States. Through the acquisition of Audiobooks.com, Storytel is continuing its expansion journey into the world's largest English-speaking market. Audiobooks.com is a growing and profitable company that puts its customers and partners first and gives Storytel a new platform for growth.

The transferred compensation (consideration) was paid in cash and amounted to TSEK 893,591.

On July 19, 2022, Storytel acquired a small Swedish publisher, Dar Al-Muna.

Net assets at the date of acquisition (preliminary)	Audiobooks.com	Dar Al-Muna
Intangible assets, excluding Goodwill	645,014	-
Property, plant and equipment	332	-
Right-of-use assets	3,088	-
Financial non-current assets	-	-
Deferred tax asset	33,838	-
Inventories	-	1,860
Accounts receivable and other receivables	4,806	9,820
Cash and cash equivalents	39,063	5,264
Interest-bearing liabilities	-369,979	-
Lease liabilities	-3,088	-
Deferred tax liability	-145,273	-1,224
Accounts payable and other operating liabilities	-40,283	-6,730
<b>Identified net assets</b>	<b>167,518</b>	<b>8,990</b>
Goodwill	726,073	5,081
<b>Total consideration</b>	<b>893,591</b>	<b>14,071</b>
<b>The consideration consists of:</b>		
Cash	893,591	14,071
<b>Total consideration</b>	<b>893,591</b>	<b>14,071</b>

Acquisition's impact on consolidated cash flow in 2022	Audiobooks.com	Dar Al-Muna	Lind & Co	Total
Cash part of consideration	893,591	14,071	-	907,662
<b>Less:</b>				
Cash (acquired)	39,063	5,264	-	44,327
Received payments:				
Non-contingent consideration	-	-	23,760	23,760
<b>Net cash outflow</b>	<b>854,528</b>	<b>8,807</b>	<b>23,760</b>	<b>887,095</b>

## Note 32 Events after the balance sheet date

Storytel announced on January 24th updated mid term financial targets, and an efficiency optimization initiative that will be implemented during the first quarter of 2024, including a 13% reduction in workforce.

Storytel Books and Nextory reached an agreement to distribute Storytel Books' titles on Nextory's platform as of 1 February 2024.

Storytel extended the existing revolving credit facility (RCF) until 2 April 2025 and reduced the facility to 750 MSEK, at otherwise unchanged terms.

On February 22nd Storytel entered a partnership with Dutch telco VodafoneZiggo, a leading Dutch telecom company in one of Storytel's core markets.

## Note 33 Definitions and key figures, including alternative key figures

Storytel reports a number of different items and financial key ratios in the consolidated financial statements. The key figures aim to make it easier for investors and other stakeholders to analyse and understand Storytel's operations and development in the same way that the business and its development are monitored by management. Of these measures, some are defined in IFRS while others are not defined either in the financial framework or in other legislation. Definitions of financial concepts and key figures used are presented below. For key figures that are not defined in IFRS, their purpose and how they relate to the financial statements presented in accordance with IFRS are also presented.

### Net sales

Operating main income, invoiced costs, incidental revenue and revenue adjustments.

### Gross profit/loss

Profit before Other external costs, personnel costs, depreciation/amortization, impairment, interest and tax.

Purpose: Make it easier for investors and other stakeholders to understand profitability.

### Gross profit %

Operating profit as a percentage of sales.

Purpose: Make it easier for investors and other stakeholders to understand profitability as a share of sales.

### Operating profit before depreciation/ amortization and impairment (EBITDA)

Profit before depreciation/amortization, impairment, interest and tax.

Purpose: Make it easier for investors and other stakeholders to understand profitability.

### Operating profit before depreciation/ amortization and impairment (%)

Profit before depreciation/amortization, impairment, interest and tax as a percentage of sales.

Purpose: Make it easier for investors and other stakeholders to understand profitability as a share of sales.

### Operating profit (EBIT)

Profit before interest and tax.

### Operating margin (%)

Operating profit as a percentage of sales.

Purpose: Make it easier for investors and other stakeholders to understand profitability as a share of sales.

### Profit after financial items (EBT)

Profit after financial income and expenses, before tax.

### Profit margin (%)

Profit after tax as a percent of net sales.

Purpose: Make it easier for investors and other stakeholders to understand profitability as a share of sales.

### Equity-to-assets ratio (%)

Adjusted equity (equity and untaxed reserves less deferred tax, including non-controlling interests) as a percentage of the balance sheet total.

Purpose: Make it easier for investors and other stakeholders to understand indebtedness and long-term solvency.

### Equity

The net assets of the business, i.e., the difference between assets and liabilities, including non-controlling interests.

### Balance sheet total

The company's total assets.

### Number of employees

Average number of employees during the financial year.

## Parent company's income statement

Amounts in TSEK	Note	2023	2022
Net sales		46,142	43,096
<b>Gross profit/loss</b>		<b>46,142</b>	<b>43,096</b>
Administrative expenses	3,4	-41,973	-54,223
Other operating income		18	224
Profit from participations in associates		-	15,608
<b>Operating profit</b>		<b>4,187</b>	<b>4,705</b>
Other interest income and similar profit/loss items	5	45,139	33,163
Interest expense and similar profit/loss items	6	-64,415	-38,421
<b>Profit after financial items</b>		<b>-15,089</b>	<b>-553</b>
<b>Profit before tax</b>		<b>-15,089</b>	<b>-553</b>
Tax	7	-	-1,437
<b>Profit for the year</b>		<b>-15,089</b>	<b>-1,990</b>

## Parent company's statement of comprehensive income

Amounts in TSEK	2023	2022
Profit for the year	-15,089	-1,990
<b>Total comprehensive income for the year</b>	<b>-15,089</b>	<b>-1,990</b>

## Parent company's balance sheet

Amounts in TSEK	Note	12/31/2023	12/31/2022
<b>ASSETS</b>			
<b>Financial non-current assets</b>			
Participations in Group companies	8	4,500,422	4,331,405
Receivables in Group companies	9,14	395,500	497,500
Other non-current receivables		20,321	20,031
<b>Total financial assets</b>		<b>4,916,244</b>	<b>4,848,936</b>
<b>Total non-current assets</b>		<b>4,916,244</b>	<b>4,848,936</b>
<b>Current assets</b>			
Receivables in Group companies	9,14	101,641	226,276
Other receivables		37	269
Prepaid expenses and accrued income		1,299	1,867
Cash and bank balances		40,992	365,813
<b>Total current assets</b>		<b>143,970</b>	<b>594,225</b>
<b>TOTAL ASSETS</b>		<b>5,060,213</b>	<b>5,443,161</b>

Amounts in TSEK	Note	12/31/2023	12/31/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	10		
Share capital		38,554	38,537
Statutory reserve		7,555	7,555
<b>Restricted equity</b>		<b>46,109</b>	<b>46,092</b>
Share premium reserve		4,128,701	4,128,701
Profit/loss brought forward		36,016	37,735
Profit for the year		-15,089	-1,990
<b>Non-restricted equity</b>		<b>4,149,629</b>	<b>4,164,446</b>
<b>Total equity</b>		<b>4,195,738</b>	<b>4,210,538</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	9,11	-	598,416
<b>Total non-current liabilities</b>		<b>-</b>	<b>598,416</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	9,11	749,266	500,000
Trade payables		83	3,709
Liabilities to Group companies		97,511	108,122
Current tax liabilities		406	-
Other liabilities		3,314	3,859
Accrued expenses and deferred income		13,896	18,517
<b>Total current liabilities</b>		<b>864,476</b>	<b>634,207</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,060,213</b>	<b>5,443,161</b>

## Parent company's statement of changes in equity

Amounts in TSEK	Restricted equity			Non-restricted equity		Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Profit for the year	
<b>Opening equity as of 1/1/2023</b>	<b>38,537</b>	<b>7,555</b>	<b>4,128,701</b>	<b>37,735</b>	<b>-1,990</b>	<b>4,210,538</b>
Appropriation in accordance with the annual general meeting resolution	-	-	-	-1,990	1,990	-
Profit for the year	-	-	-	-	-15,089	<b>-15,089</b>
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-15,089</b>	<b>-15,089</b>
<b>Transactions with the group's owners</b>						
New share issue	17	-	-	-	-	<b>17</b>
Issue expenses	-	-	-	-1,074	-	<b>-1,074</b>
Employee stock options	-	-	-	1,345	-	<b>1,345</b>
<b>Total</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>-</b>	<b>288</b>
<b>Closing equity as at 12/31/2023</b>	<b>38,554</b>	<b>7,555</b>	<b>4,128,701</b>	<b>36,016</b>	<b>-15,089</b>	<b>4,195,738</b>
<b>Opening equity as of 1/1/2022</b>	<b>34,141</b>	<b>7,555</b>	<b>3,742,029</b>	<b>-1,138</b>	<b>37,636</b>	<b>3,820,223</b>
Appropriation in accordance with the Annual General Meeting resolution	-	-	-	37,636	-37,636	-
Profit for the year	-	-	-	-	-1,990	<b>-1,990</b>
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,990</b>	<b>-1,990</b>
<b>Transactions with the Parent Company's owner</b>						
New share issue	4,396	-	395,604	-	-	<b>400,000</b>
Issue expenses	-	-	-8,932	-	-	<b>-8,932</b>
Employee stock options	-	-	-	1,237	-	<b>1,237</b>
<b>Total</b>	<b>4,396</b>	<b>-</b>	<b>386,672</b>	<b>1,237</b>	<b>-</b>	<b>392,305</b>
<b>Closing equity as at 12/31/2022</b>	<b>38,537</b>	<b>7,555</b>	<b>4,128,701</b>	<b>37,735</b>	<b>-1,990</b>	<b>4,210,538</b>



## Parent company's cash flow statement

Amounts in TSEK	Note	2023	2022
<b>Operating activities</b>			
Profit after financial items		-15,089	-553
Adjustments for non-cash items	12	-842	1,763
<b>Cash flow from operating activities before changes in working capital</b>		<b>-15,931</b>	<b>1,210</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		58,163	-75,015
Change in operating liabilities		-15,979	20,706
<b>Cash flow from operating activities</b>		<b>26,253</b>	<b>-53,099</b>
<b>Investing activities</b>			
Surplus from liquidation of Group company		-	21,194
Shareholders contribution		-	-1,563,670
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-1,542,476</b>
<b>Financing activities</b>			
New share issue		-1,074	391,069
External borrowings		300,000	1,200,000
Amortization of loans		-650,000	-100,000
<b>Cash flow from financing activities</b>		<b>-351,074</b>	<b>1,491,069</b>
<b>Cash flow for the year</b>		<b>-324,821</b>	<b>-104,506</b>
Cash and cash equivalents at beginning of year		365,813	470,232
Foreign exchange differences		-	87
<b>Cash and cash equivalents at year-end</b>		<b>40,992</b>	<b>365,813</b>

# Parent company's notes

## Note 1 Significant accounting principles

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The Parent Company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the deviations listed below. The accounting principles for the Parent Company set out below have been applied consistently to all periods presented in the Parent Company's financial reports, unless otherwise stated.

### Preparation

The income statement and balance sheet are prepared for the Parent Company in accordance with the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the statement of cash flow are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

### Income from shares in subsidiaries

Dividends are reported when the right to receive payment is deemed secure. Gains from the sale of subsidiaries are reported when control of the subsidiary has been transferred to the buyer.

### Taxes

In the Parent Company, deferred tax liabilities attributable to the untaxed reserves are reported with gross amounts in the balance sheet. The year-end appropriations are reported gross in the income statement.

### Participations in subsidiaries

Participations in subsidiaries are reported in the Parent Company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the holding. Where the book value exceeds the companies' consolidated value, a write-down is made that is charged to the income statement. An analysis of impairment needs is carried out at the end of each reporting period. Where a previous write-down is no longer justified, it is reversed.

Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and forms the basis for any write-downs or reversals. The assumptions that affect the recoverable amount the most are future earnings development, the discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the reported values of the Parent Company's assets change.

### Group contributions and shareholder contributions

The Parent Company reports both received and paid Group contributions and appropriations in accordance with the alternative rule. Shareholder contributions provided by the Parent Company are charged directly against equity at the recipient and are reported as shares and participations with the Parent Company. Shareholders' contributions received are reported as an increase in non-restricted equity.

### Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments according to IFRS 9 are not applied in the Parent Company as a legal entity, but the Parent Company applies the cost method in accordance with the Annual Accounts Act. In the Parent Company, fi-

ancial non-current assets are thus measured at cost and financial current assets at the lower of cost or net realisable value, with the application of impairment for expected credit losses in accordance with IFRS 9 regarding assets that are debt instruments. Contingent consideration is measured at the amount that the Parent Company deems would need to be paid if it was settled at year-end. Derivative instruments with negative fair value are reported at fair value. The Parent Company has no items to which hedge accounting has been applied.

The Parent Company applies the exemption from valuing financial guarantee agreements for the benefit of subsidiaries and associated companies and joint ventures in accordance with the rules in IFRS 9, but instead applies the principles for valuation in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

### Impairment of financial assets

Financial assets are written down for expected credit losses. For a method regarding impairment for expected credit losses, see the Group's Note 25 Financial risks.

Expected credit losses for cash and cash equivalents have not been reported, as the amount has been judged to be insignificant.

### Leases

The Parent Company currently has no leases.

## Note 2 Significant estimates and judgements

There are no Parent Company-specific items that require material estimates and assessment. See the Group disclosures.

## Note 3 Employees and personnel costs

For salaries and remuneration to employees and senior executives as well as information on the number of employees, see the Group's Note 9 Employees and personnel costs.

## Note 4 Auditor's fees

Audit assignments refers to the auditor's work for the statutory audit, and auditing activities refers to different types of quality assurance services. Other services refers to services that are not included in audit assignments or tax advice.

	2023	2022
<b>Ernst &amp; Young AB</b>		
Audit assignment	2,309	1,696
Other auditing activities	-	157
Other services	423	-
<b>Total</b>	<b>2,732</b>	<b>1,853</b>

## Note 5 Interest income and similar profit/loss items

Amounts in TSEK	2023	2022
<i>Assets measured at amortized cost</i>		
Interest income	4,526	-
Interest income, Group companies	35,887	20,229
<b>Total interest income</b>	<b>40,413</b>	<b>20,229</b>
<i>Other financial income</i>		
Dividend	4,726	-
Exchange rate gains on financial items	-	11,487
Other financial income	-	1,447
<b>Total other financial income</b>	<b>4,726</b>	<b>12,934</b>
<b>Total financial income</b>	<b>45,139</b>	<b>33,163</b>

## Note 6 Interest expense and similar profit/loss items

Amounts in TSEK	2023	2022
<i>Liabilities measured at amortised cost</i>		
Interest expenses	60,839	38,152
Interest expenses, Group companies	3,576	269
<b>Total interest expenses and similar profit/loss items</b>	<b>64,415</b>	<b>38,421</b>

## Note 7 Tax

Amounts in TSEK	2023	2022
Change in deferred tax relating to temporary differences	-	-1,437
<b>Reported tax</b>	<b>-</b>	<b>-1,437</b>
<b>Reconciliation of effective tax</b>		
<b>Profit before tax</b>	<b>-15,089</b>	<b>-553</b>
Tax according to the current tax rate for the Parent Company	3,108	114
Tax effect from:		
Non-taxable income	974	7,343
Non-deductible expenses	-5,221	-2,328
Dissolution of deferred tax asset	-	-1,437
Increase in loss carryforwards without corresponding capitalization of deferred tax assets	1,138	-5,129
<b>Reported tax</b>	<b>-</b>	<b>-1,437</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>260%</b>

## Note 8 Participations in Group companies

Amounts in TSEK	12/31/2023	12/31/2022
<b>Opening acquisition value</b>	<b>4,352,948</b>	<b>2,794,863</b>
Acquisition/shareholder contribution	169,018	1,563,671
Liquidation	-	-5,586
<b>Closing cost</b>	<b>4,521,966</b>	<b>4,352,948</b>
<i>Impairment of shares in Group companies</i>		
<b>Opening accumulated impairment</b>	<b>-21,543</b>	<b>-21,543</b>
<b>Closing accumulated impairment</b>	<b>-21,543</b>	<b>-21,543</b>
<b>Closing carrying amount</b>	<b>4,500,423</b>	<b>4,331,405</b>

The list below includes shares and participations directly owned by the Parent Company. For information on the Parent company's indirectly owned shares and participations, see Note 22 Group companies.

Business	Corp. ID No	Domicile	Share of capital and voting rights
Storytel Books AB	559286-0240	Stockholm	100%
Storytel Sweden AB	556696-2865	Stockholm	100%

## Note 9 Financial instruments

For financial instruments in the parent company the carrying amount is considered to be a good approximation of the fair value.

The assets' maximum credit risk consists of the carrying amounts. The Parent Company has not received any pledged collateral for the financial assets.

## Note 10 Equity

For information on equity, see Group Note 24 Equity.

## Note 11 Maturity analysis for non-current liabilities

12/31/2023	Within 1 year	Between 1-5 years	After 5 years	Total
Liabilities to credit institutions	749,266	-	-	749,266
<b>12/31/2022</b>				
Liabilities to credit institutions	400,000	700,000	-	1,100,000

## Note 12 Cash flow information

Adjustments for non-cash items	2023	2022
<i>Adjustments in operating profit</i>		
Employee stock options	1,345	1,763
Other	-2,187	-
<b>Total</b>	<b>-842</b>	<b>1,763</b>

Change in liabilities attributable to financing activities	1/1/2023	Changes in cash items	Changes in noncash items	12/31/2023
Liabilities to credit institutions	1,100,000	-350,000	-734	749,266
<b>Total</b>	<b>1,100,000</b>	<b>-350,000</b>	<b>-734</b>	<b>749,266</b>

Change in liabilities attributable to financing activities	1/1/2022	Changes in cash items	Changes in noncash items	12/31/2022
Liabilities to credit institutions	-	1,100,000	-	1,100,000
<b>Total</b>	<b>-</b>	<b>1,100,000</b>	<b>-</b>	<b>1,100,000</b>

## Note 13 Pledged assets and contingent liabilities

Pledged collateral for obligations to credit institutions and PRI	12/31/2023	12/31/2022
Blocked bank funds	20,000	20,000
Pledged shares in subsidiaries	4,500,422	4,331,405
<b>Total</b>	<b>4,520,422</b>	<b>4,351,405</b>

## Note 14 Transactions with related parties

Group Companies	2023	2022
Sales of goods/services	46,142	43,096
Purchase of goods/services	-	4,109
Receivable on the balance sheet date	497,141	723,776
Liabilities on the balance sheet date	97,511	108,122

In 2022, the parent company purchased recruitment services from Michael Berglund AB amounting to TSEK 2,332. Michael Berglund AB was previously considered as a related party to Storytel due to its affiliation with former board member Rustan Panday.

Transactions between Storytel AB and its subsidiaries have taken place on market terms.

## Note 15 Events after the balance sheet date

Storytel extended the existing revolving credit facility (RCF) until 2 April 2025 and reduced the facility to 750 MSEK, at otherwise unchanged terms.

## Note 16 Proposed appropriation of profits

The following profits are available to the Annual General Meeting, Amounts in TSEK	12/31/2023
Retained earnings	36,016
Share premium reserve	4,128,701
Profit for the year	-15,089
<b>Total</b>	<b>4,149,629</b>
<b>The Board proposes that profits be distributed such that:</b>	
To shareholders (SEK 0 per share)	-
To be carried forward	4,149,629
<b>Total</b>	<b>4,149,629</b>

## Note 17 Definitions of key ratios

The definitions of key figures for the Parent Company are the same as those for the Group in addition to the key figures below.

### Equity-to-assets ratio (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

### Equity

The company's net assets, i.e. the difference between assets and liabilities.

### Profit after financial items

Profit after financial income and expense, but before appropriations.





**Storytel AB (publ)**

556575-2960  
Stockholm

**Hans-Holger Albrecht**

Chair of Board

**Jonas Tellander**

Board member

**Lina Brouneus**

Board member

**Joakim Rubin**

Board member

**Lutz Finger**

Board member

**Adine Grate**

Board Member

**Alexander Lindholm**

Board Member

**Jonas Sjögren**

Board Member

**Johannes Larcher**

CEO

**Our auditor's report was submitted on the date as evidenced by our electronic signature.**

Ernst & Young AB

**Johan Holmberg**

Certified Public Accountant



*This is a translation from the Swedish original.*

# Auditor's report

To the general meeting of the shareholders of Storytel AB (publ), corporate identity number 556575-2960

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Storytel AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 54-113 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated statement of income, consolidated statement of other comprehensive income and consolidated statement of financial position for the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-53. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take

into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate

the company, to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## **Report on other legal and regulatory requirements**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Storytel AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assess-

ment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's

profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm on the day indicated in our electronic signature

#### **Ernst & Young AB**

Johan Holmberg  
Authorized Public Accountant





Production: Storytel in collaboration with  
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**Our vision is to make the world a more emphatic and creative place**



Annual and Sustainability Report 2023