



## **Storytel announces its intention to carry out a directed share issue through an accelerated book building process**

**INSIDE INFORMATION: Storytel AB (publ) (“Storytel” or the “Company”) hereby announces its intention, with deviation from the shareholders’ preferential rights, to carry out a directed issue of class B shares, corresponding to approximately SEK 400 million through an accelerated book building process (the “Directed Issue”). The Directed Issue will be directed to Swedish and international institutional investors. Storytel has engaged ABG Sundal Collier AB and Swedbank AB (publ) to explore the conditions for completing the Directed Issue through an accelerated bookbuilding procedure to be commenced immediately. Storytel’s two largest shareholders, EQT Public Value Investment Sàrl (“EQT”) and Roxette Photo NV (“Roxette”), as well as the Finnish strategic investor Otava Ltd. (“Otava”), have indicated that they intend to subscribe for significant amounts in the transaction. The proceeds from the Directed Issue are intended to be used to partially repay a bridge loan facility provided by Swedbank AB (publ) and to strengthen Storytel’s balance sheet and capital structure and thereby increase the Company’s financial flexibility to pursue future strategic opportunities in line with the Company’s implemented strategy of profitable growth. Swedbank AB (publ) has offered to refinance SEK 200 million of the outstanding bridge loan facility with a term loan of the same amount.**

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### **The Directed Issue**

Storytel has, partly based on the authorization given by Storytel’s Annual General Meeting on May 4, 2022 (“**Tranche 1**”) and partly subject to subsequent approval by an Extraordinary General Meeting (“**Tranche 2**”), engaged ABG Sundal Collier AB and Swedbank AB (publ) to investigate the possibilities to conduct a directed issue, with deviation from the shareholders’ preferential rights, corresponding to approximately SEK 400 million directed to Swedish and international institutional investors through an accelerated book building process. The book building process will commence immediately and will end before trading on Nasdaq First North Growth Market commences on 10 November 2022. The Board of Directors may decide to extend or shorten the application period and can at any moment decide to terminate the book building process and thus refrain from conducting the Directed Issue.

The Company intends to use the net proceeds from the Directed Issue, inter alia, to partially repay a bridge loan facility totalling SEK 500 million provided by Swedbank AB (publ), as part of the Company’s financing of the acquisition of Audiobooks.com, which was announced on 12 November 2021 and 7 January 2022. Swedbank AB (publ) has offered to refinance SEK 200 million of the outstanding bridge loan facility with a term loan of the same amount. The proceeds will also strengthen Storytel’s balance sheet and capital structure and thereby increase the Company’s financial flexibility to

pursue future strategic opportunities in line with the Company's implemented strategy of profitable growth.

Subject to the completion of the Directed Issue, Storytel's two largest shareholders, EQT and Roxette, as well as Otava, have indicated that they intend to subscribe for significant amounts in the transaction. The part of the Directed Issue subscribed for by EQT, Roxette and Otava will, to some extent, not be able to be subscribed within Tranche 1 and will instead be decided within the framework of Tranche 2, which is subject to approval by an Extraordinary General Meeting, which will be convened in connection with the announcement of the results of the Directed Issue. The Board of Director's decision on Tranche 1 is independent of whether or not a decision on Tranche 2 is made.

The Company's Board of Directors has made an overall assessment and carefully considered the possibility of a rights issue to raise the required equity, but believes that this would, inter alia, entail a risk that the Company would not be able to meet its capital needs while maintaining an optimal capital structure without the implementation of a rights issue with deviation from the shareholders' preferential rights. The Board of Directors has concluded that a rights issue would entail significantly longer execution time and thereby increased market risk exposure compared to a directed issue. In addition, given the market volatility that has been observed in 2022, and which is still ongoing, the Board of Directors has assessed that a rights issue would also require significant underwriting commitments from a underwriting syndicate, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such underwriting commitments. Moreover, unlike a rights issue, the Directed Issue is expected to broaden the shareholder base and provide the Company with new reputable institutional owners and strategic investors, which the Board of Directors believes will strengthen the liquidity of the shares and be beneficial to the Company. Furthermore, the Board of Directors considers that an additional reason for the deviation from the shareholders' preferential rights is to ensure a strong balance sheet and a balanced overall level of risk in the current market situation. In light of the above, the Board of Directors has made the assessment that the Directed Issue with deviation from the shareholders' preferential rights is the most favourable alternative for Storytel and in the best interest of the Company's shareholders.

As the subscription price in the Directed Issue will be determined through a bookbuilding process with institutional investors, it is the Board of Director's assessment that the subscription price will reflect current market conditions and demand and will therefore be in line with market conditions.

#### **Advisers**

In conjunction with the Directed Issue, the Company has engaged ABG Sundal Collier AB and Swedbank AB (publ) as Joint Bookrunners. KANTER Advokatbyrå KB is legal advisor to the Company and Baker & McKenzie Advokatbyrå KB is legal advisor to the Joint Bookrunners.

#### **Lock-up undertakings**

In connection with the Directed Issue, the Company has, subject to customary exceptions, agreed to a lock-up undertaking on future share issuances for a period of 90 days following completion of the Directed Issue. Members of the Company's Board of Directors and management, have, subject to customary exceptions, agreed to not sell their shares in the Company for a period of 90 days after the date of registration of the shares issued in connection with the Directed Issue with the Swedish Companies Registration Office.

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

*FNCA Sweden AB is the Company's certified adviser.*

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### **About Storytel**

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