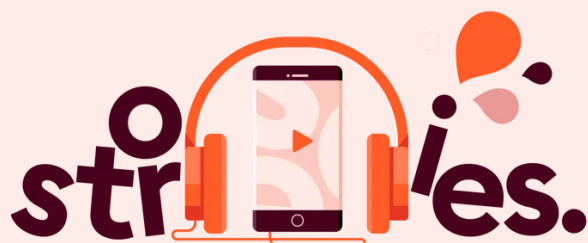


# Corporate Governance Report



Storytel AB (publ) is a public limited liability Swedish company, 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 68,281,911 on 31 December 2021, of which 68,281,276 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; however, all shares have an equal right to the company's assets and profits. On 31 December 2021, Jonas Sjögren and associated companies was Storytel's largest shareholder, holding 11 per cent of the votes and share capital in the company. The company's five largest shareholders on 31 December 2021 are shown below and in the Directors' Report.

### Largest shareholders as of 31 December 2021

Shareholder	Capital, %	Votes, %
Jonas Sjögren & associated companies	11.0%	11.0%
EQT	11.0%	11.0%
Swedbank Robur Fonder	7.5%	7.5%
Jonas Tellander	7.2%	7.2%
Annamaria Tellander	4.4%	4.4%
Other shareholders	58.9%	58.9%
	100%	100%

# Governance Structure



## General Meeting of Shareholders

The general meeting of shareholders is Storytel's highest decision-making body. All shareholders have the opportunity at the general meeting to influence the company 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, appropriation of profit/loss, composition of the Board, and Board fees. 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 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. 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 communiqués from a general meeting are published on the company's website. The AGM 2022 will be held on Wednesday, 4 May 2022.

## AGM 2021

The AGM 2021 was held on 4 May 2021. In order to prevent the spread of COVID-19, the meeting was held without physical presence, and shareholders were instead allowed to exercise their voting rights only by postal voting in accordance with the Act (2020:198) on temporary exemption to facilitate the implementation of general and association meetings. Prior to the meeting, the shareholders were given the opportunity to submit questions in writing to the Board and the CEO. Recorded presentations by the company's auditor, the chair of the nomination committee and the company's CEO were published on the company's website. The AGM resolved in accordance with each of the proposals of the Board and the nomination committee regarding:

- Adoption of balance sheet and income statement.
- No dividend to shareholders.
- Release from liability for the Board members and the CEO.
- Adoption of the number of Board members elected by the AGM (seven) without deputies and that the company must have one registered auditing firm as auditor.
- Election of Stefan Blom, Helen Fasth Gillstedt, Malin Holmberg, Nils Janse, Rustan Panday, Jonas Sjögren and Jonas Tellander as Board members. Re-election of Rustan Panday as the chair of the Board.
- That fees for the members of the Board will amount to a total of SEK 2,600,000, including fees for committee work (SEK 1,860,000 the previous year). Resolution that SEK 250,000 (SEK 200,000) will be paid to each non-employed Board member (at the time: Jonas Sjögren, Nils Janse, Stefan Blom, Malin Holmberg and Helen Fasth Gillstedt) and SEK 750,000 (SEK 600,000) to the chair of the board; that SEK 50,000 (SEK 30,000) would be paid to each non-employed member of the audit committee and SEK 200,000 (SEK 200,000) to the chair of the committee who is also not employed; and that SEK 50,000 (SEK 30,000) would be paid to each of the non-employed members of the remuneration committee and SEK 200,000 (SEK 200,000) to the chairman of the committee who is also not employed.
- Re-election of Ernst & Young Aktiebolag as the company's auditor. Ernst & Young Aktiebolag announced that authorised public accountant Beata Lihammar would continue to be the auditor-in-charge. Resolution that fees to the auditor will be paid according to an approved invoice.
- Authorisation for the Board of Directors, up through the next AGM, with or without deviation from shareholders' preferential rights, on one or several occasions, to decide on a new issue of shares or issue of warrants and/or convertibles of a maximum of ten per cent of the Company's share capital.
- A change in the capital limits and the limits on the number of shares in the Articles of Association and the introduction into the Articles of Association of the possibility of proxy collection and postal voting before the general meeting.
- Establishment of an employee stock option program for employees and key consultants as well as a warrant program for senior executives and key personnel.

## Extraordinary General Meeting September 2021

Storytel held an extraordinary general meeting on 23 September 2021. In order to prevent the spread of COVID-19, the meeting was held without physical presence, and shareholders were instead allowed to exercise their voting rights only by postal voting in accordance with the Act (2020:198) on temporary exemption to facilitate the implementation of general and association meetings. Prior to the meeting, the shareholders were given the opportunity to submit questions in writing to the Board and the CEO. The extraordinary general meeting resolved, in accordance with the Nomination Committee's proposal, that the Board will consist of seven members and no deputies and that Joakim Rubin be elected as a new Board member and Stefan Blom as the new chair of the Board. Nils Janse stepped down from the Board in conjunction with the general meeting. The meeting further resolved that the Board and Committee fees resolved by the AGM 2021 would continue to apply and, where applicable, be distributed pro rata in relation to each respective general meeting's election of the chair of the Board and Board member, respectively.

## Extraordinary General Meeting November 2021

Storytel held an extraordinary general meeting on 30 November 2021. In order to prevent the spread of COVID-19, the meeting was held without physical presence, and shareholders were instead allowed to exercise their voting rights only by postal voting in accordance with the Act (2020:198) on temporary exemption to facilitate the implementation of general and association meetings. Prior to the meeting, the shareholders were given the opportunity to submit questions in writing to the Board and the CEO.

The extraordinary general meeting resolved, in accordance with the proposal of the nomination committee, that the Board will consist of eight members and no deputies and to elect Richard Stern as a new Board member. The meeting further resolved that the newly elected Board member should receive a fee of SEK 250,000 on an annual basis, to be distributed pro rata for the part of the year in which he is appointed.

## Extraordinary General Meeting February 2022

Storytel held an extraordinary general meeting on 11 February 2022. In order to prevent the spread of COVID-19, shareholders, in accordance with the company's Articles of Association, were given the opportunity to exercise their voting rights at the meeting by postal vote.

The extraordinary general meeting resolved, in accordance with the Nomination Committee's proposal, that the Board will consist of eight members and no deputies, and to elect Hans-Holger Albrecht as a new Board member and chair of the Board. Stefan Blom stepped down from both the chair and the Board in conjunction with the general meeting. The meeting further resolved that the newly elected Board member and chair of the Board should receive a fee of SEK 750,000 on an annual basis, to be distributed pro rata for the part of the year in which he is appointed.

## Annual General Meeting 2022

The AGM 2022 will take place on Wednesday, 4 May 2022. The date of the AGM was made available in conjunction with the presentation of the Q3 interim report. The notice is expected to be published in April 2022. For more information, please visit <https://investors.storytel.com/eng/>.

## 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. The Chair of the Board presents every year 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 2020, must consist of four members, three of whom must be appointed by the company's three largest shareholders. The fourth must be the company's chair of the Board. Unless otherwise agreed between the members, the member that is appointed by the largest shareholder is named the chair of the nomination committee. A Board member may never be the chair of the nomination committee. The principles for the nomination committee can be found in their entirety via <https://investors.storytel.com/en/nomination-committee/>.

### Meetings of the Nomination Committee

The nomination committee held three minuted meetings prior to AGM 2022. No fees were paid for the work of the nomination committee.



## Nomination Committee prior to AGM 2022

Members	Appointed by	Independence in relation to:	
		The company and executive management	The largest shareholder in the company in terms of votes
Lars Bergqvist, chair	Roxette Photo NV	Yes	No
Jonas Tellander*	Jonas & Annamaria Tellander	No	Yes
Fredrik Åtting	EQT	Yes	Yes
Hans-Holger Albrecht**		Yes	Yes

\* Jonas Tellander's votes include Annamaria Tellander's votes.

\*\* Hans-Holger Albrecht replaced Stefan Blom after the extraordinary general meeting on 11 February 2022 when Stefan Blom stepped down from the Board and Hans-Holger Albrecht was elected new chair of the Board.

## 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 complying with applicable laws and its Articles of Association. The Board of Directors is also responsible for ensuring that the Group has an appropriate structure so the Board can optimally exercise its owner responsibility over the Group, including subsidiaries, and 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 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 members elected by the meeting who are elected annually at the AGM for the period until the end of the following AGM. The AGM 2021 resolved that the Board shall consist of seven members elected by the meeting. Furthermore, the AGM 2021 appointed Rustan Panday, Jonas Tellander, Helen Fasth Gillstedt, Jonas Sjögren, Nils Janse, Stefan Blom and Malin Holmberg as Board members for the period until the end of the AGM 2022 and Rustan Panday chair of the Board. At the extraordinary general meeting in September 2021, Joakim Rubin was elected as a new Board member and Stefan Blom was elected as new chair of the Board. Nils Janse stepped down from the Board at the same time. The extraordinary general meeting in November 2021 resolved that the Board shall consist of eight members and that Richard Stern was elected as a new Board member. At an extraordinary general meeting on 11 February 2022, Hans-Holger Albrecht was elected as a new Board member and the chair of the Board. Stefan Blom stepped down at the same time from the Board and as chair.

Since the extraordinary general meeting in February 2022, the Board has consisted of Hans-Holger Albrecht, Joakim Rubin, Helen Fasth Gillstedt, Malin Holmberg, Rustan Panday, Jonas Sjögren, Jonas Tellander and Richard Stern, with Hans-Holger Albrecht as chair of the Board.

The average age of the members elected by the general meeting at the turn of the year was 52.6 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 Policy

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.



## Independence of the Board

Of the Board's eight members, six are independent in relation to the company and executive management and seven 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 sustainability 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, the quorum, issues of bias, the work of the committees, internal and external reporting, procedures for the notice of meeting, meetings and the minutes. Furthermore, the Board reviews on an annual basis and adopts a Code of Conduct and policies for the work environment, sustainability, information security, insider information and communication, risk and compliance, and finance.

## 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 prior to the AGM. In 2021, Omino Business Psychology Advisors prepared an external Board evaluation. All Board members were interviewed and assessed the Board and its work. Selected members of the management team were also interviewed to offer their view of the Board's work. The results of the survey were reported to and discussed by the Board and the nomination committee.

## Board Meetings

In 2021, the Board held 40 meetings, of which 18 per capsulam and three inaugural meetings. The CEO, the CFO and the Chief Legal 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, and at the AGM on 4 May 2021, Rustan Panday was re-elected chair of the Board. At the extraordinary general meeting on 23 September 2021, Stefan Blom was elected new chair of the Board. At the extraordinary general meeting on 11 February 2022, Stefan Blom stepped down from the Board and Hans-Holger Albrecht was elected new chair of the Board. The chair of the Board should lead the Board's work and monitor that the Board discharges 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.

## 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. In 2021, the audit committee consisted of members Helen Fasth Gillstedt (chair), Jonas Sjögren and Rustan Panday, and Joakim Rubin replaced Jonas Sjögren on the audit committee following the extraordinary general meeting on 23 September 2021. 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 2021, the audit committee held six 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. In 2021, the remuneration committee consisted of Malin Holmberg (chair), Helen Fasth Gillstedt, and Rustan Panday, and Stefan Blom replaced Rustan Panday in the remuneration committee after the extraordinary general meeting on 23 September 2021.

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 approved by the remuneration committee following recommendations by the CEO. 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 2021, the remuneration committee held three meetings and two preparatory meetings.

### Sustainability Committee

On 21 June 2021, the Board decided to form a sustainability committee consisting of Helen Fasth Gillstedt and Jonas Tellander. In the future, the committee's members will be appointed by the Board at the first board meeting in conjunction with the AGM, and the committee will then appoint its chair from among its members.

The sustainability committee is responsible for ensuring that the company works strategically and systematically with sustainability throughout the business, manages objectives and follow-up and strengthens relationships with external parties. The sustainability committee supports the Board in fulfilling its responsibilities regarding issues concerning climate and the environment, human rights, working conditions and anti-corruption. The sustainability committee must meet at least four times each year. The meetings of the sustainability committee must be recorded in minutes. The sustainability committee must inform the Board about the matters it has handled during the year. Since its formation in June 2021, the sustainability committee has held two meetings.

## CEO and Group 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.

Jonas Tellander has been the CEO of Storytel since it was founded. On 31 December 2021, in addition to the CEO, Group management consisted of four department heads, the Chief Financial Officer, the Chief Commercial Officer, the Chief Content Strategy Officer, the Chief Technology Officer, and the Chief Product Officer. In 2022, Group management has been expanded to also include a Chief Operating Officer and a Chief Business Officer. Further in 2022, the Chief Commercial Officer was appointed Deputy CEO of Storytel. On 18 February 2022, Jonas Tellander resigned as CEO of Storytel and was replaced by Deputy CEO Ingrid Bojner, until further notice. For information about the CEO and other members of Group management, see the Management Team page.

Group management holds regular management meetings, and in 2021 the meetings were held weekly. The meetings focus on the Group's strategic and operational development and result follow-ups.

Linda Säresand has been the CEO of the wholly owned subsidiary Storytel Books AB since April 2021, which since the beginning of 2021 has led Storytel's publishing operations, which are conducted through a number of Nordic subsidiaries.

## 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 owners takes place at the AGM through the auditor's report. At the AGM on 4 May 2021, the registered auditing company Ernst & Young Aktiebolag was re-elected as the company's auditor with the authorised public accountant Beata Lihammar as the auditor-in-charge. On 3 August 2021, the authorised public accountant Johan Holmberg was appointed as new auditor-in-charge.

# Governance Structure





# Financial Reporting

The Board is responsible for ensuring that the company's organisation 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 of Directors must monitor the financial performance, safeguard the quality of the financial reporting and internal control, and regularly follow up on and evaluate the operations.**

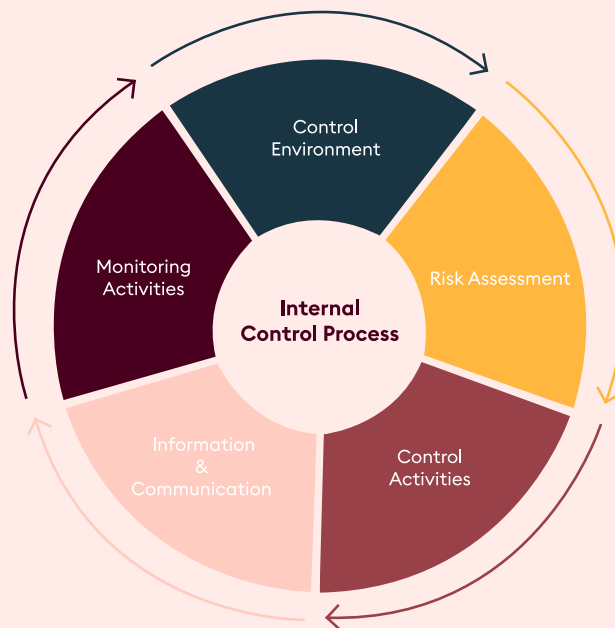
The audit committee is responsible for the preparation of the Board's work to ensure the quality of the company's financial reporting. However, the audit committee does not address only the Group's financial statements and more significant accounting issues but also issues regarding internal control, 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 President/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 drawn up twice a year for the coming 12 months and is then adopted at the regular board meetings in June and December.

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

- Interim reports
- Annual report
- Press releases with key announcements that are judged to potentially have an impact on the share price
- Presentations for financial analysts, investors, and the media on the day the year-end report and interim reports are published and on Capital Markets Day
- Meetings with financial analysts and investors held regularly during the year

## 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 on listed companies and specifically Nasdaq First North Growth Market, where Storytel's share is listed. An internal control framework has been established within Storytel and has been continuously developed in recent years with the aim of supporting the organisation 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 regarding financial reporting, are the Financial policy, Signing and Approval policy and the 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 Group management and the Audit Committee.

## 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 both manual and 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 the past two years, an onsite visit programme has been rolled out with the aim of evaluating subsidiaries' processes and control structures. This has led to a more systematic approach when working to identify local risks, risks in the financial reporting, and documentation and evaluation of controls for how such risks are managed. The controls will be further adapted in 2022 to each legal entity's working processes and system structure with the aim of enabling self-assessment. A greater focus will also be placed on improving the formalisation of key controls and risks in significant business processes for the subsidiaries within Storytel Books.



## 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 affected 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 Head of Risk and Internal Control 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.

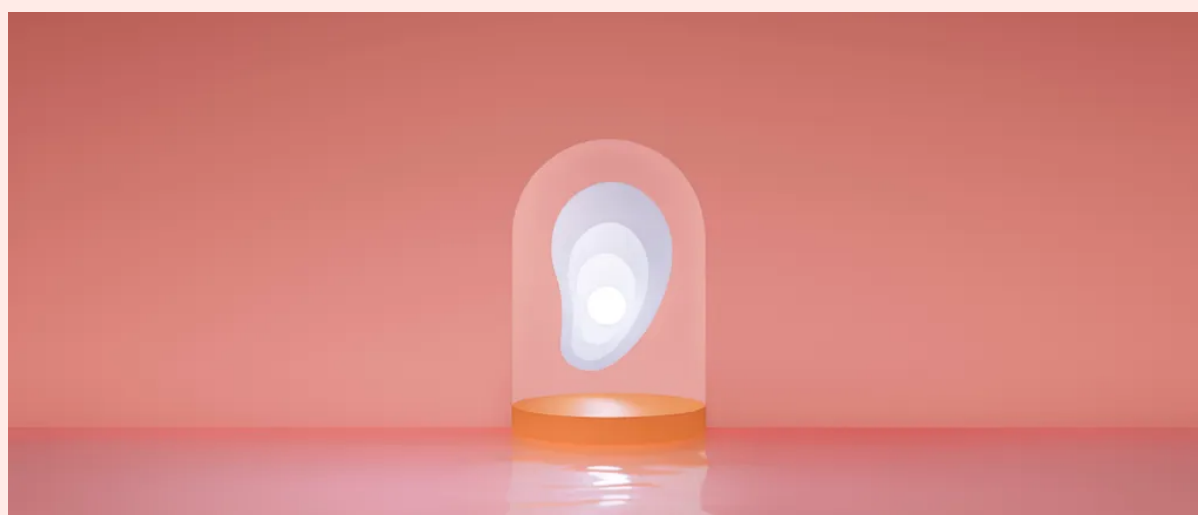
The monitoring activities of internal control also occur as part of the statutory external audit. The Audit Committee follows up on the financial accounting and receives reports from both the Head of Risk and Internal Control and the External Auditors.

## 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 2021 assessed that existing structures for follow-up and evaluation is satisfactory. If a need arises for any internal special audit, external efforts can be conducted.

# Risk Management and Risks

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 objectives.



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

On an annual basis, a risk assessment is carried out for Storytel Group to identify, evaluate and prioritise 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 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 is carried out at least annually and is included in reporting to the Audit Committee and the Board.

As part of the work to reduce risk exposure in selected areas, different types of insurance are also taken out for the risks that are insurable. These include property and interruption insurance, general product and liability, CEO and Board liability as well as insurance that covers business travel. These are reviewed annually in consultation with insurance brokers.

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

## The Coronavirus Pandemic

The coronavirus pandemic has continued to affect society as a whole throughout 2021 and has, among other things, led to great uncertainties about consumption trends in both the short and long term, challenges in the manufacturing and transport sector and an accelerated digitalisation transition linked to the physical book trade. There is a risk that Storytel will not be able to effectively monitor and adapt the business quickly enough to new conditions in, among other things, customer behaviour and resale channels as a result of the coronavirus pandemic. To manage this risk, Storytel carefully follows and analyses trends and market conditions.

Storytel has, like other companies, transitioned its internal working methods and implemented work environment adaptations to find effective ways to work together in a digital environment and to work proactively with our employees' health and well-being. This has meant, among other things, less travel and fewer physical meetings as well as increased efforts to prevent mental illness. More about Storytel's work to promote a good working environment can be read in our sustainability report.

In order to deal with future uncertainties linked to the coronavirus pandemic, there is a continuing need to be able to act swiftly in conducting risk assessments and implement appropriate risk responses. This includes listening to and cooperating with external stakeholders and an enhanced focus on internal communication and employee health.





## Competition in a Broader Perspective

Storytel's competition includes not only the actors who perform audiobook and publishing activities but also the overall competition for consumers' time, and this competition is expected to increase in the future. This also includes risks regarding the ability and possibility to reach out with marketing in a cost-effective way. Storytel works to constantly develop and improve the offer to our customers and review and improve our business models.

## Content Risks

In order for Storytel to be able to offer high-class content and reach a broad international customer group, we need to identify and manage the risks arising from our content. Risks associated with our 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. Storytel has also made, and plans to continue, investments in self-produced content in targeted markets to offer unique listening experiences.

Storytel Streaming provides content for our customers that we can stand behind and that, for example, lives up to requirements associated with human rights and freedoms. There is a risk that we will not detect and prevent offensive content from being made available in our service. A certain type of content could have a negative impact on, for example, our credibility with various stakeholder groups, such as customers and investors. Storytel has established a committee to set up general content requirements and review specific material. Storytel's customers can also report content that is perceived as offensive. Read more about this in our sustainability report.

## Product and Production Risks

Storytel is and will continue to be a premium product when it comes to our app and its user-friendliness. An increasingly digital world in combination with high competition also places ever higher demands on the app's areas of use and compatibility, as well as product development at the forefront. Storytel has therefore strengthened our expertise in product development and innovation during the year.

In Storytel Books and the production of physical books, the ongoing, and worldwide, shortage of paper involves risks linked to the size of book editions and publishing. This includes both risks that are due to editions being delayed or smaller than planned and thus leading to lower sales than expected, or that editions become too large, thereby resulting in high inventory and high capital tie-up. In Storytel Books, the key ratio sold edition compared to printed edition is followed continuously to ensure optimisation.

In book production, there are also risks that picture books for children and other non-book products do not meet applicable safety requirements. We place high demands on our suppliers, outlined in the Code of Conduct for suppliers within Storytel Books for physical products and we require adherence to established safety directives and product certifications in the area; more about this is available to read in the publishers' sustainability reports.





## Product Stability in a Digital World

Storytel believes that the global threat of being exposed to cyber attacks, intrusions, overloading, data leaks and service interruptions remains high. Since product stability is of paramount importance to our business, and to maintain a high level of trust among customers, content creators and other stakeholders, Storytel has introduced a risk category called cyber resilience. The introduction of this risk category enables more efficient and structured management of cyber-related risks. During 2021, Storytel has continuously worked to further strengthen the stability and continuity of our product and the modernization of our infrastructure. The work has also included additional recruitment of staff with IT-security expertise to increase our ability to handle incidents, monitoring and proactive strengthening the information security work.

## Rapid Growth Requires a Scalable Organisation

Storytel's growth strategy also places high demands on a scalable organisation, and there is a risk that processes, IT systems and competence will not keep pace with development. As the organisation grows, both organically and through company acquisitions, higher demands are placed on clear goal management, coordination and business follow-up. A rapidly growing organisation increases the risk of the emergence of subcultures as well as risks associated with inefficiency in small-scale or manual processes. Storytel works actively to improve processes to integrate acquisitions in a sustainable and efficient way and to clarify roles and responsibilities by creating good structures for governing documents, procedure descriptions and KPIs for follow-up.

## Strategic Workforce Planning and Talent Acquisition

Storytel's business model and growth strategy place high demands on the skill of our employees. There are risks that Storytel lacks important skills in key roles such as publishers or in areas such as senior leadership and product development. Storytel works actively to develop and improve the offer we can give our employees in the form of remuneration and development opportunities and invests heavily in creating a workplace where we can recruit and retain competent employees regardless of their nationality or domicile. During the year, Storytel also carried out recruitments in important leadership roles in line with the growth strategy and continues to invest in employee health and activities to promote the corporate culture.

## Legal and Regulatory Risks

The Storytel Group operates in several different jurisdictions and is thus exposed to various legal risks which also increase as the business expands into more geographical markets. There is a risk that Storytel will not take into account the complexity that legal requirements entail and/or succeed in establishing efficient and safe processes. 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 support the business in managing various legal risks and works regularly with external advisers.



## Personal Data

Following the entry into force of the GDPR (General Data Protection Regulation) in 2018, Storytel has continuously worked to implement organisational, technical and administrative changes and resources to meet the requirements of the 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. Interpretation of this regulation is thus constantly changing. This places high demands on the 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. GDPR also has severe penalties 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.

## Business Ethics

Storytel places great value on conducting responsible business free from bribery, corruption or other types of unethical conduct. There is a risk of unwanted behaviour on the part of internal staff as well as external suppliers and partners. Storytel has adopted a Code of Conduct as well as a number of other governing documents and guidelines that all employees must read and understand in conjunction with employment. There is also a compliance program with the aim of maintaining and developing knowledge in compliance with the rules and what it means for individual employees, as well as specific training that is carried out for selected groups under the guidance of Storytel's lawyers. Storytel has established a process and channel for whistleblowing that is accessible to employees and managed by a team with relevant skills. Since unethical behaviour by an external party can also damage Storytel, Storytel is vigilant in choosing partners and works continuously to improve the work of setting requirements for our partners and suppliers. During the year, Storytel also committed to following the ten principles of the UN Global Compact; more about this is available in our sustainability report.



## Global Presence and Expansion Increase Risk Exposure in Several Directions

An important part of Storytel's growth consists of expansion into new markets. When Storytel expands to markets where audiobook listening is still low, risks arise regarding how new customers are to be acquired and retained, as well as risks regarding the ability to be innovative and current in the market in question. There is a risk that Storytel will not sufficiently take into account the market conditions that an expansion entails, both in terms of customer behaviour but also based on the regulatory situation or other country-specific conditions. There is also a risk that the overall acquisition strategy or the actual company acquisitions that are carried out will not succeed in delivering the expected growth. This risk is managed by continuously reviewing, clarifying and developing the process prior to an acquisition decision, as well as in the subsequent integration process.

Storytel Books places considerable focus on the cooperation between publishers in order to strengthen its market position in the geographical areas where they are present and continue to be able to offer rights holders a stronger offer in an increasingly globalised and competitive market.

For our publishers at Storytel Books who work with publishing, rights holders and journalistic issues, there are also risks associated with political unrest along with a broad global presence that involves risks related to our basic foundations in freedom of expression and human rights. The publishers within the group support both the domestic PEN organisations in each country as well as international PENs and other bodies that promote freedom of expression. These organisations are important voices for protecting free speech as well as persecuted and harassed writers.

## Sustainability-Related Risks

Storytel breaks its sustainability work down into three areas: Footprint, Brainprint and Fingerprint. During the year, Storytel joined the UN Global Compact and will continue to pay even more attention to value-creating work with sustainability-related risks under the leadership of the Board's sustainability committee. Read more about Storytel's sustainability-related risks and its management in our sustainability report.

## Financial Risks

Storytel is in an expansionary phase and could thus be dependent on external financing to achieve its strategic objectives. 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 in the future. Storytel manages its financing strategy on the basis of a financial policy adopted by the Board, 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 these issues at Group level. For information on Storytel's financial risks and their management, see Note 25.

# 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 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 board assignments:** Chair of the board of Scout24 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:** Hans-Holger holds 30,000 class B shares in the Company.

**Warrants:** -

**Call options:** 101,955

## Jonas Tellander

Board member since 2005.

**Born:** 1970

**Education/background:** Jonas is the founder of Storytel and CEO 2005-2022. 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 board assignments:**

-

**Independent in relation to the company and management:** No  
**Independent in relation to major shareholders:** Yes

**Holdings in the Company:** Jonas holds 4,950,000 class B shares in the Company.

**Employee stock options:** 17,847

**Warrants:** 62,500

## Rustan Panday

Board member since 2011. Chair of the Board 2015-2021.

**Born:** 1969

**Education/background:** Rustan Panday has a broad experience and has worked within the media sector for more than 20 years. He is an entrepreneur and founder of Mediaplanet AB, a media company with operations in 18 countries.

**Other significant board assignments:** Chair of the board Never Eat Alone Invest II. Board member Never Eat Alone Invest I. Advisory Board UNHCR Sverige. Board member in Norstedts Förlagsgrupp AB.

**Independent in relation to the company and management:** No  
**Independent in relation to major shareholders:** Yes

**Holdings in the Company:** Rustan holds 2,037,910 class B shares in the Company.

**Warrants:** -

**Call Options:** -





## Jonas Sjögren

Board member since 2008.

**Born:** 1966

**Education/background:** MSc in Electrical Engineering from Chalmers University of Technology, an MBA from INSEAD as well as licensed physician from Sahlgrenska Academy.

**Other significant board assignments:**

Board member in Orbit Esport AB and Deputy Board member in Delibr AB.

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

**Independent in relation to major**

**shareholders:** No

**Holdings in the Company:** Jonas owns 16,6% of Roxette Photo NV that in turn holds 9,098,565 class B shares in Storytel, and 171,143 class B shares that are owned privately, partly through a capital insurance and partly through a pension plan.

**Warrants:** -

**Call Options:** -

## Helen Fasth Gillstedt

Board member since 2019. Chair of the Audit Committee and Chair of the Sustainability Committee.

**Born:** 1962

**Education/background:** MSc in International Business and Finance & Control from the Stockholm School of Economics. Studies in Sustainable Societal Development, at Stockholm Resilience Center/Stockholm University. She was previously a board member of amongst others Humana AB, AcadeMedia AB, Lindorf AS, NAI Svefa AB, Intrum AB, Swedesurvey AB, Precise Biometrics AB and Technology Nexus AB. She has also been Vice President in different areas, in the SAS Group and within the Statoil Group A/S.

**Other significant board assignments:** Board member and Chair of the Audit Committee in Munters AB, PowerCell AB, and Viva Wine Group AB. Board member in Sortera AB. Board member and member of the Remuneration Committee at Handelsbanken Fonder AB, which she also represents in several Nomination Committees.

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

**Independent in relation to major**

**shareholders:** Yes

**Holdings in the Company:** Helen holds 5,000 class B shares in the Company.

**Warrants:** 10,000

**Call options:** 10,000

## Malin Holmberg

Board member since 2020. Chair of the Remuneration Committee.

**Born:** 1971

**Education/Background:** MBA from INSEAD and MSc in Economics and International Business from Stockholm School of Economics. Leading positions include Partner at the European venture capital firm Target Global, Chief Product Officer at Tele2 and CEO Tele2 Netherlands. She is currently CEO EMEA and AsiaPac at Experian, a world leading, global information services company.

**Other significant assignments:** -

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

**Independent in relation to major**

**shareholders:** Yes

**Holdings in the Company:** Malin holds 3,200 class B shares in the Company.

**Warrants:** 25,000

**Call options:** 10,000



## 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 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:** -

**Warrants:** -

**Call Options:** -

## Richard Stern

Board member since 2021.

**Born:** 1977

**Education/background:** Richard has a degree from Bard College. He has held leading positions in fast-growing digital media companies such as Amazon Studios, Sony Playstation and Audible, where he served as the Chief Product Officer. He is currently the CEO of TuneIn, one of the world's leading platforms for live audio with over 80m listeners globally.

**Other significant board assignments:** -

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

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

**Holdings in the Company:** Richard holds 7,000 class B shares in the Company.

**Warrants:** -

**Call options:** -

## Stefan Blom

Board member 2020-2022, and Chair of the Board 2021-2022 until he stepped down and was succeeded by Hans-Holger Albrecht.



# Management Team



## Ingrid Bojner

Interim CEO since 2022. Chief Commercial Officer (CCO) 2018-2022. Board member 2016-2018.

**Born:** 1973

**Education/background:** Master of Science in Business Administration from the Stockholm School of Economics and studies at the MBA program at UCLA. Ingrid has 12 years of experience from working at McKinsey & Company and left in 2010 as a Local Partner. She has also been Vice President and Head of Sales at TeliaSonera, Deputy CEO and CMO at the SSE ExEd and run her own company Dirgni Development.

**Holdings in the Company:** Ingrid Bojner holds 46,860 class B shares in the Company.

**Employee stock options:** 13,901

**Warrants:** 52,000



## Johan Stähle

Chief Product Officer (CPO) since 2021.

**Born:** 1984

**Education/background:** Master of Science in Business Administration from the Stockholm School of Economics. Johan has a background as an entrepreneur and co-founded Dreams, and BBH Stockholm. He has held several CPO positions and been an expert engagement manager at McKinsey.

**Holdings in the Company:** Johan Stähle holds 594 class B shares in the Company.

**Employee stock options:** –

**Warrants:** 15,000



## Sofie Zettergren

Chief Financial Officer (CFO) since 2013.

**Born:** 1986

**Education/background:** MSc in Economics from Uppsala University and studies at Singapore Management University. Before joining Storytel, she worked with auditing at Ernst & Young.

**Holdings in the Company:** Sofie Zettergren holds 21,000 class B shares in the Company.

**Employee stock options:** 10,708

**Warrants:** 27,000



## Helena Gustafsson

Chief Content Strategy Officer (CCSO) 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 Strategy Officer, Helena is the CEO of Storyside. She has previously had several key roles at Storytel such as Head of Global Publishing.

**Holdings in the Company:** Helena Gustafsson holds 18,258 class B shares in the Company.

**Employee stock options:** 7,066

**Warrants:** –



## Mark Pasternak

Chief Technology Officer (CTO) since 2021.

**Born:** 1978

**Education/background:** MSc in Computer Science at Stockholm University. Mark has more than 20 years of experience in the tech industry. He has held several senior leadership roles across leading Nordic tech and media companies. His experience includes leading product and platform teams as Director of Engineering at Schibsted Media Group and Epidemic Sound.

**Holdings in the Company:** –

**Employee stock options:** –

**Warrants:** 15,000



## Åse Ericson

Chief Business Officer (CBO) Nordics since 2022.

**Born:** 1976

**Education/background:** Bachelor of Arts, TV-production from Dramatiska Institutet and Executive Leadership Program from Stockholm School of Economics. Åse joined Storytel in 2019 as country manager for Sweden and since 2021, Regional Manager for the Nordic operations. She has held several management roles prior to Storytel, most recently as Head of Marketing and Sales at Novamedia.

**Holdings in the Company:** Åse Ericson holds 550 class B shares in the Company.

**Employee stock options:** 11,484

**Warrants:** 15,000



## Claus Wamsler-Nielsen

Chief Operating Officer (COO) since 2022.

**Born:** 1975

**Education/background:** MSc in Economics from Copenhagen Business College. Before joining the management team as the COO, he was country manager for Denmark between 2018 and 2021. Prior to joining Storytel, his experiences include various management positions at Telmore A/S.

**Holdings in the Company:** Claus Wamsler-Nielsen holds 4,056 class B shares in the Company.

**Employee stock options:** 14,832

**Warrants:** 10,000



## Jonas Tellander

Founder of Storytel, and board member since 2005. CEO 2005-2022 until he resigned and was succeeded by Ingrid Bojner.