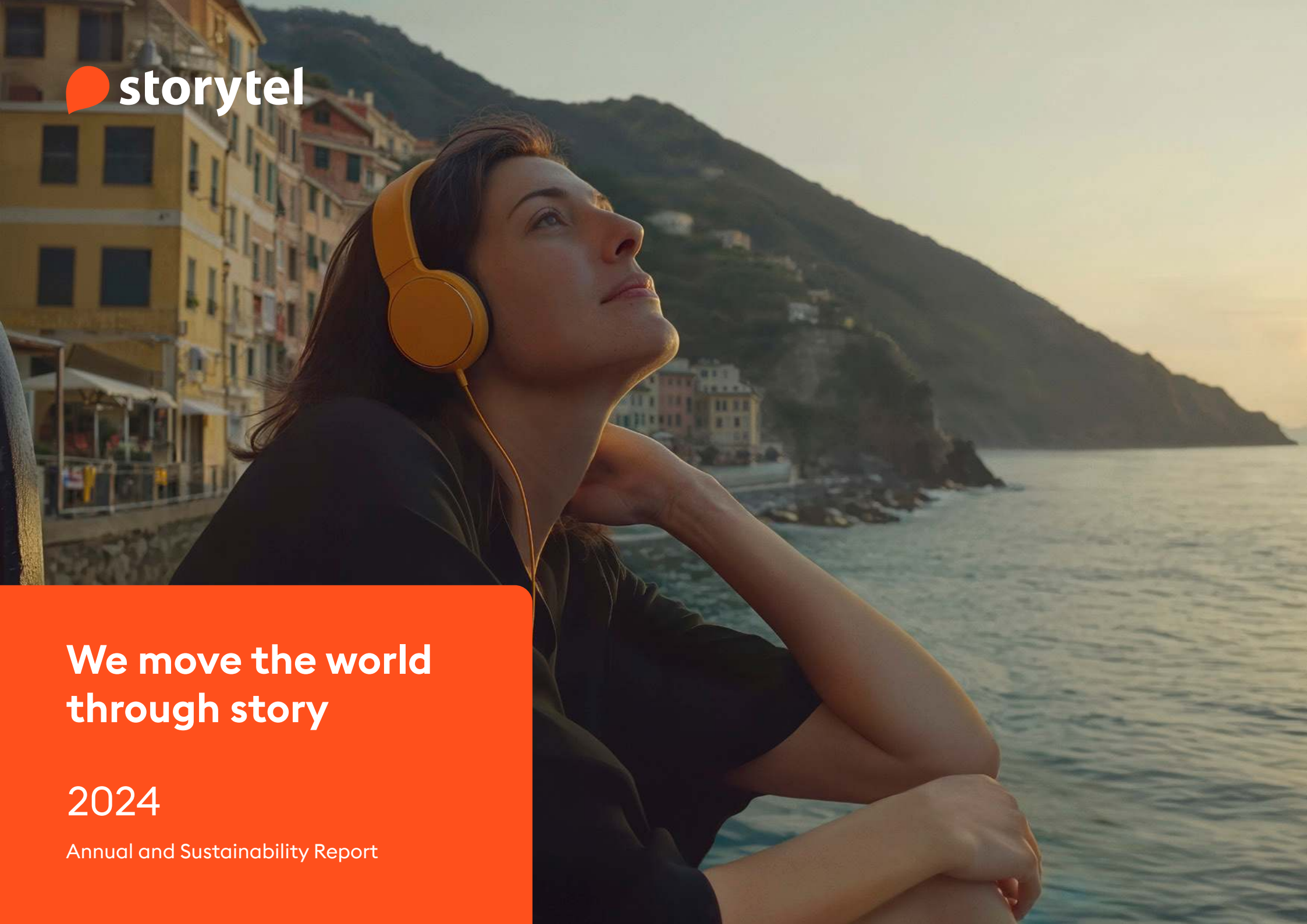


storytel

We move the world through story

2024

Annual and Sustainability Report

Table of contents

Introduction

3 Vision & Mission
4 This is Storytel Group
5 Our global footprint
6 2024 in brief
7 Letter from the CEO
9 Investment case
10 Our story

Operations

12 Our operations
13 Market position
14 Our business areas
15 Streaming
16 Publishing
17 Our publishers

Strategy

19 Our strategy
20 Nordics
21 Non-Nordic core markets
22 The rest of the world
23 Trends
24 Outlook and financial targets

Sustainability

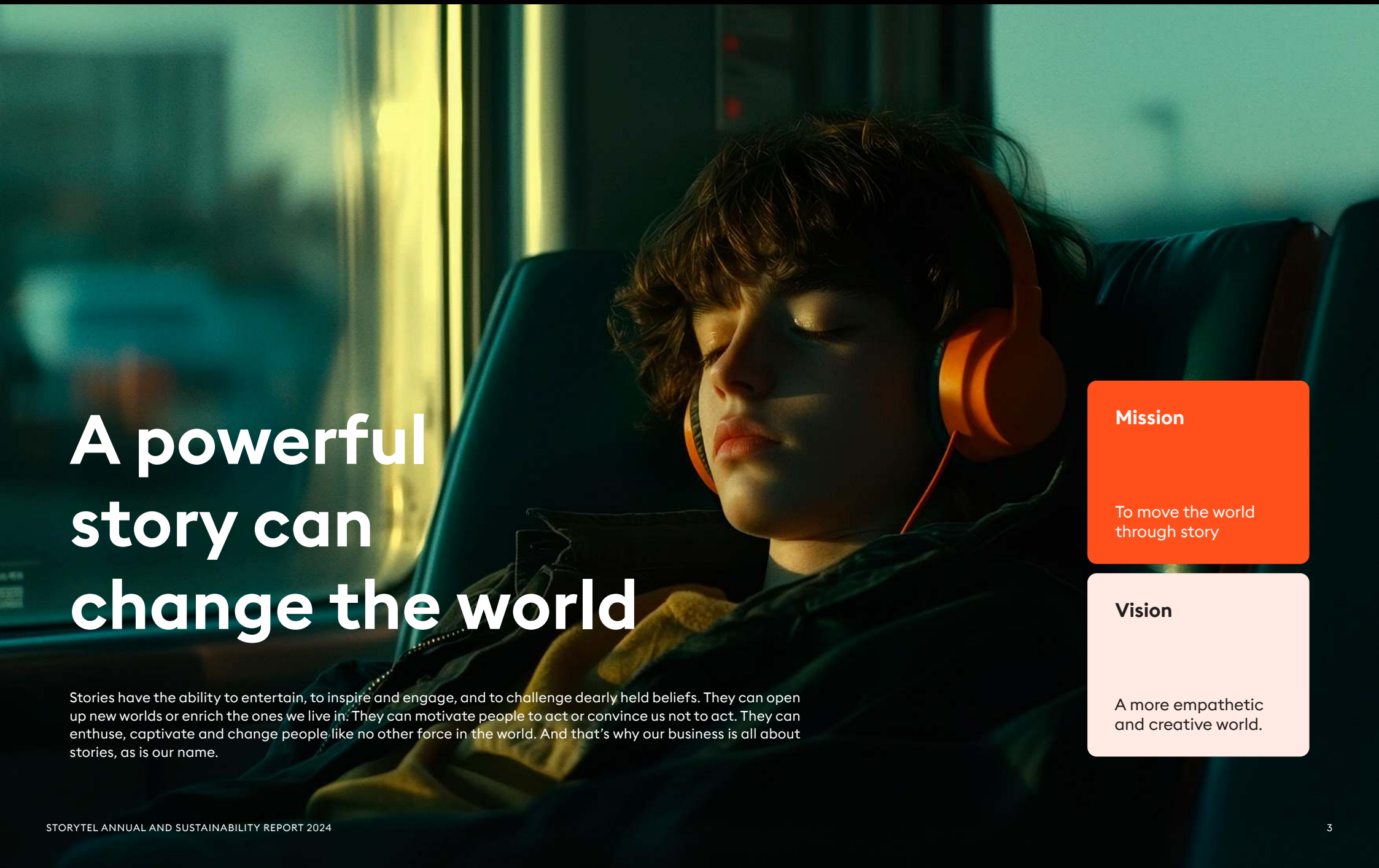
26 A word from the CFO
27 About the 2024 Sustainability Report
28 ESG at Storytel
31 Footprint
34 Brainprint
37 Fingerprint
43 Impact through publishing

Corporate governance

45 The share
46 Letter from the chairman
47 Corporate governance
52 The Board of Directors
54 Management
57 Financial reporting
59 Risks and Risk Management

Financial information

61 Director's report
65 Financial statements
69 Notes
110 Parent company financial statements
114 Parent company's notes
119 Auditor's report



A powerful story can change the world

Stories have the ability to entertain, to inspire and engage, and to challenge dearly held beliefs. They can open up new worlds or enrich the ones we live in. They can motivate people to act or convince us not to act. They can enthuse, captivate and change people like no other force in the world. And that's why our business is all about stories, as is our name.

Mission

To move the world through story

Vision

A more empathetic and creative world.

This is Storytel Group

Storytel Group inspires and entertains people around the world through stories told using modern technology. The business consists of two business areas: Streaming and Publishing. Through our streaming service, we offer a digital platform for books, while our Publishing business area focuses on publishing operations. Together, these areas create a strong proposition that delivers first-class value to our customers. Storytel Group has its headquarters in Stockholm.

Streaming

Our streaming service is one of the world's leading subscribed audio and e-book services, with more than 2.4 million paying subscribers. The business operates under the Storytel, Mofibo, and Audiobooks.com brands in more than 25 markets, with the Nordics accounting for more than half of its revenues. The streaming service offers listening and reading of more than 1.6 million titles in 40+ languages.

Publishing

Our publishing unit is grouped within the Publishing business area and is home to almost 20,000 authors. It includes renowned publishing houses and imprints such as Norstedts, Printz Publishing, Rabén & Sjögren, B. Wahlströms, Lind & Co, the Danish publisher People's, the Finnish publisher Gummerus and the global audio publisher Storyside.

30%

of all the listening on Storytel's platforms comes from titles published by our own publishers.

1.6 mil

available titles on Storytel.

2.4 mil

users of Storytel's streaming services.

40%

of our users listen to Storytel everyday.

82%

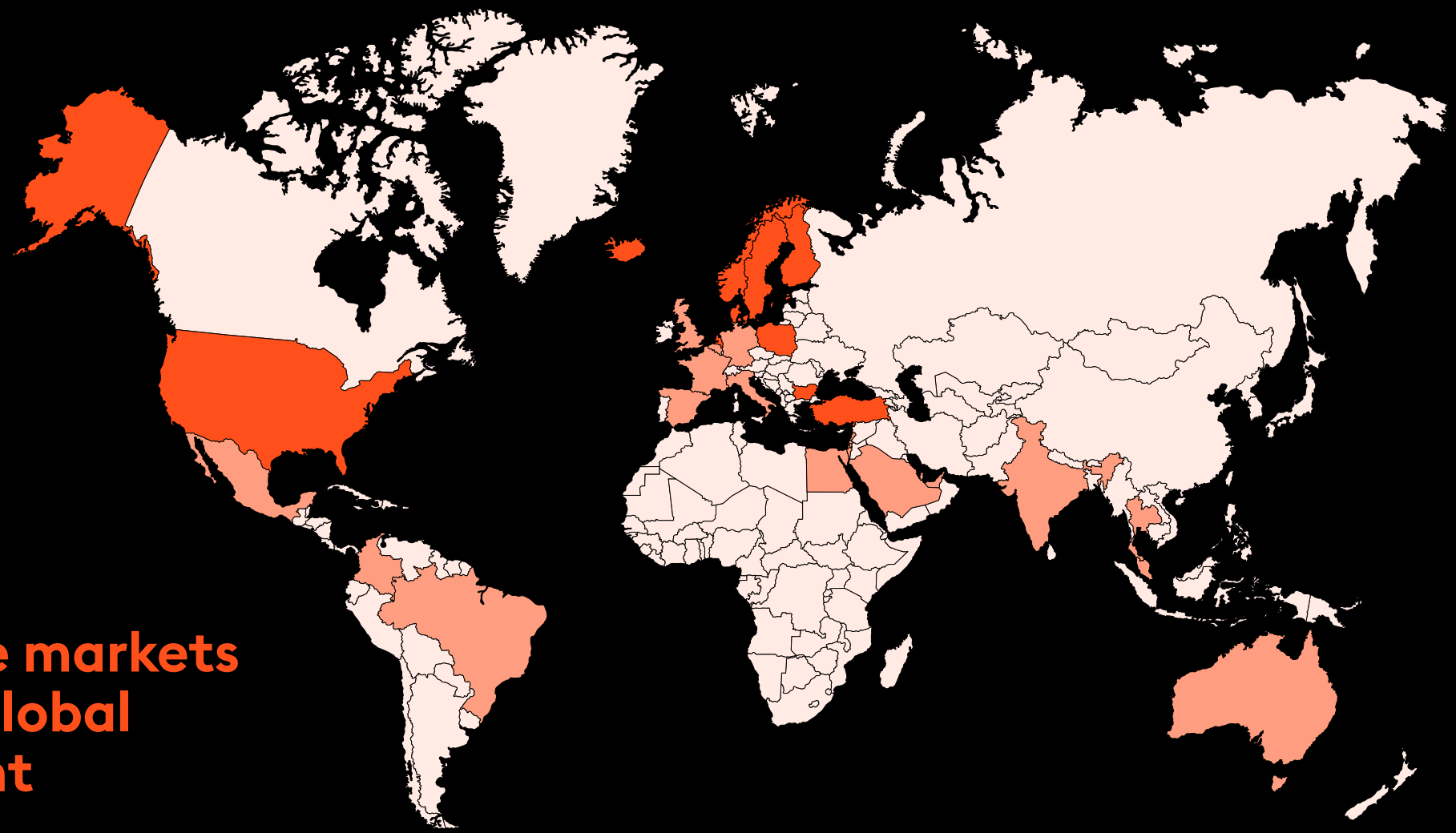
read more since they started using Storytel.

60,000+

audio books have been published by our publishers.

70%

of our publishers' total sales come from audiobooks and e-books.



Core markets
Other markets

Ten core markets with a global footprint

Storytel Group focuses on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. In addition to these, we have a presence in over fifteen markets globally.

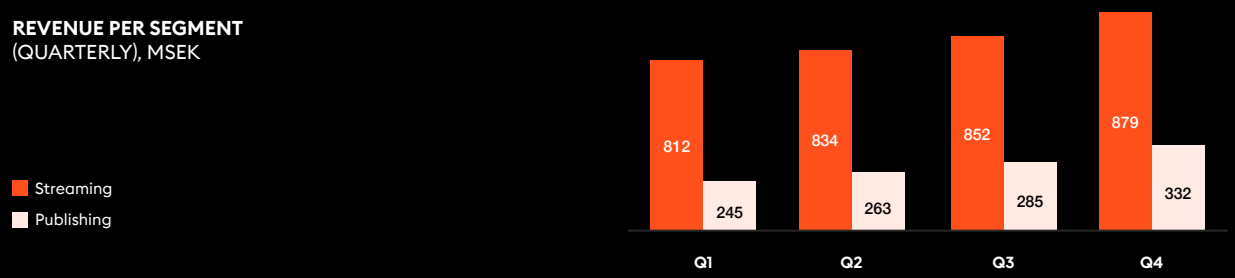
2024 in brief

During the year, Storytel Group reached several important milestones in its mission to move the world through story. With innovative user experiences and a wide range of engaging, high-quality content, we have strengthened our position as a leading streaming provider, which also resulted in the best financial performance in the company's history.

STORYTEL GROUP

Revenue	Subscribers
3,798 MSEK	2.4 mil
Adjusted EBITDA	**Adjusted EBITDA Margin**
602 MSEK	15.8%

REVENUE PER SEGMENT
(QUARTERLY), MSEK



Highlights in 2024

- Storytel, Mofibo and Audiobooks.com exceeded 2.4 million paying subscribers.
- The total number of paying subscribers increased by over 14 percent since the beginning of the year, with strong growth in both the Nordics and internationally.
- The number of users consuming at least one book per month exceeded 1.1 million.
- The number of customers choosing to cancel their subscription reached its lowest level ever.
- Several new subscriptions, including *Flex Plan* and *Student Forever*, were launched in the Nordics.
- Bodil Eriksson Torp took over as CEO of Storytel Group on October 1, 2024, replacing Johannes Larcher.
- Norstedts released bestseller Denise Rudberg's *Femte kollusionen* and Gummerus Juha Itkonen's audio drama *Sivuraide*, which contributed to record high listening on Storytel's platforms.
- Significant improvement in operating profit within the Publishing segment, from -14.2 MSEK to 141.1 MSEK, driven by strong digital sales growth and effective cost-saving measures.
- Gross margin improved by five percentage points to 44.9 percent – driven by a larger share of internally produced content and implemented efficiency measures.
- Increase in adjusted EBITDA by 112 percent YoY to 602 MSEK – the highest so far in Storytel's history – driven by increased revenue and successfully implemented cost-saving measures.

Letter from the CEO

In 2024, Storytel Group successfully implemented its strategy for profitable growth and delivered the best financial results in the company's history.

When I took over as CEO on October 1, 2024, I was impressed by the potential within Storytel Group. Our strong history of entrepreneurship, our incredible team, our loyal customers, our high-quality content and our innovative streaming services in multiple markets give us a unique competitive advantage – and I am convinced that Storytel Group is well equipped for a stronger market position going forward.

Strong financial position and well equipped for the future
The Group showed continued growth during the year. Revenue increased by 9 percent and gross profit by 36 percent. A contributing factor was the improved gross margin. The Group's adjusted EBITDA improved and amounted to an increase of 112 percent to 602 MSEK, corresponding to a margin of 15.8 percent. Efforts to increase the company's efficiency accelerated in 2024, driven by increased cost discipline and continued revenue growth. The previously communicated financial targets for 2026, an adjusted EBITDA margin above 15 percent and an operating cash flow above 10 percent of revenue, were already achieved in 2024. This achievement significantly strengthens our financial position.

The majority of our investments in content, marketing and personnel remained in our ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria and the US, through Audiobooks.com.

In spring 2024, we introduced innovative, customer-focused initiatives in several of our core markets. These initiatives contributed to an increase of 10.9 percent in the average number of subscribers to our streaming platforms. With our new Flex and student subscriptions, we have not only attracted new target groups with tailored offers, but also

Bodil Eriksson Torp
CEO Storytel Group

achieved significant improvements in both subscriber growth and customer loyalty, along with record-low churn rates.

2024 was a strong year for our non-Nordic core markets in Europe: The Netherlands, Turkey, Poland and Bulgaria. Despite price increases in all markets, we saw revenue growth of more than 20 percent and more paying subscribers compared to last year. While these markets are still in the early stages of audiobook adoption, the pace of development is strong.

Our other markets maintained revenue through strategic partnerships, self-funded marketing initiatives and a strong cost focus. One example is our partnership with leading occupational health platform Wellhub in several of our expansion markets.

Focusing on innovation and content
Our goal is to deliver content of the highest quality and a seamless experience to our users, whether they are commuting, exercising or relaxing after a long day. During the year, we successfully launched our innovative Voice Switcher in Sweden, Finland and Denmark. Voice Switcher allows users to customize their listening experience by choosing an alternative narrator that suits their preferences. The feature, powered by generative AI and speech synthesis, is now available for over 100 titles in English, Polish, Swedish, Finnish and Danish. We plan to expand the number of titles and languages in 2025.

We aim to be the preferred destination for authors, publishers and storytellers. Through strong partnerships, we deliver engaging content to our users while creating sustainable value for our creative partners. In 2024, we launched over 170 Storytel Originals, such as the Danish title *My brother in 75 parts*, which was the single largest driver of new signups in Denmark in 2024. Two other high-profile Originals were Viktoria Berggren's gripping life story in *Är det nu jag dör*, which was a strong revenue driver in Sweden, and the Finnish hit *Allu* by Aleksi Jalli.

During the year, our publishers released a number of titles that topped the bestseller lists. People's had a great success with Katherine Diez's *I egen barm*, which dominated the Danish book sales and audiobook market in the fall. Similarly, in Sweden, Norstedts Publishing Group saw great

"We strive to be the go-to choice for authors, publishers and storytellers

success with Denise Rudberg's *Femte kollusionen* and *Killer Queen* as well as the ninth volume of the children's favourite, *Handbok för superhjältar* by Elias & Agnes Vahlund. Lind & Co's *Draken* by Dag Öhrlund was one of the most listened-to titles of the year on Storytel. Gummerus released one of the best-selling books of the year in Finland, *Mirabilis* by Anni Kytömäki and was also the Finnish publisher for Nobel Prize laureate Han Kang.

In the spring, Norstedts signed a prestigious book deal with tennis legend Björn Borg for his upcoming memoirs, to be published in 2025. Audiobook phenomenon Sammy Jeridi and crime writer Mons Kallentoft also signed multi-book deals with both Norstedts and Storytel, underlining the strong synergies between the streaming platform and the Group's Publishing business.

As part of our strategy to own and develop significant intellectual property rights in our core markets, Storytel Group has acquired the rights to two popular Swedish children's book characters, Sune and Bert, and their respective universes which also encompasses the popular character Håkan Bråkan. These beloved Swedish children's book characters, created by Anders Jacobsson and Sören Olsson, will help to further strengthen our family-friendly content.

Powerful stories for the future.
In addition to our core business, we place great emphasis on sustainability and corporate responsibility. Our aim is to help people find the right stories at the right time, to promote reading and to make books more accessible and a natural part of everyday life. We are proud that 1.1 million people choose to consume at least one book per month on our platform. We support several important initiatives that promote a love for reading in children, such as "The Reading Ladder" ("Lässtegen"), an initiative by Rabén & Sjögren designed to inspire a love for reading among preschoolers, and "The Great Reading Challenge" ("Den stora läsutmaningen"), a nationwide challenge that in 2024 engaged a record number of fourth graders and resulted in over 1,100,000 hours of reading. Our aim is to inspire young readers and to help shape a future where reading becomes a lifelong habit.

During my first months as CEO, I have focused on gaining a deep understanding of Storytel Group's strengths and identifying areas for growth. I have met with our talented employees, customers and partners to build a strong foundation for Storytel Group's continued success. I look forward to continuing Storytel's successful journey together with our team. Together, we will celebrate and spread stories, increase the engagement of both authors and users of all formats with an improved storytelling experience. The more people we can attract to our Storytel universe, where reading, listening and delightful experiences become a lifelong habit, the more we can contribute to making the world a more empathetic place. I hope that all our employees, customers, partners and shareholders want to be part of our great journey.

Bodil Eriksson Torp
CEO Storytel Group

Invest in Storytel

Storytel Group is a leading audio and e-book streaming service combined with a successful publishing business. Through our strong brands in both Publishing and Streaming, we reach a wide audience and drive growth with high-quality content and innovative services.

Below are five reasons to invest in Storytel Group.

01

Profitable Business Model
A pioneer, with a proven business model, which over the past two decades has established itself as one of the leading streaming services for audio and e-books.

02

Strong revenue and cash flow generation
Attractive finance profile with large portion of recurring revenues, strong unit economics, scalable business model and stable cash generation.

03

Strong presence in core markets with continued growth potential
With a powerful position in our core markets and a disciplined operating strategy, we see significant opportunities for continued growth.

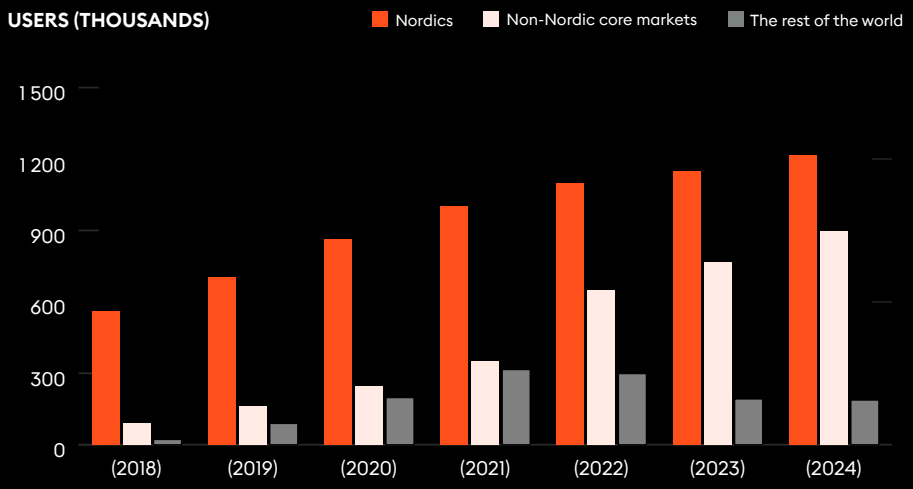
04

Internal synergies between business areas
Combination of Publishing and Streaming businesses creates synergies and strengthens our customer proposition and competitive position.

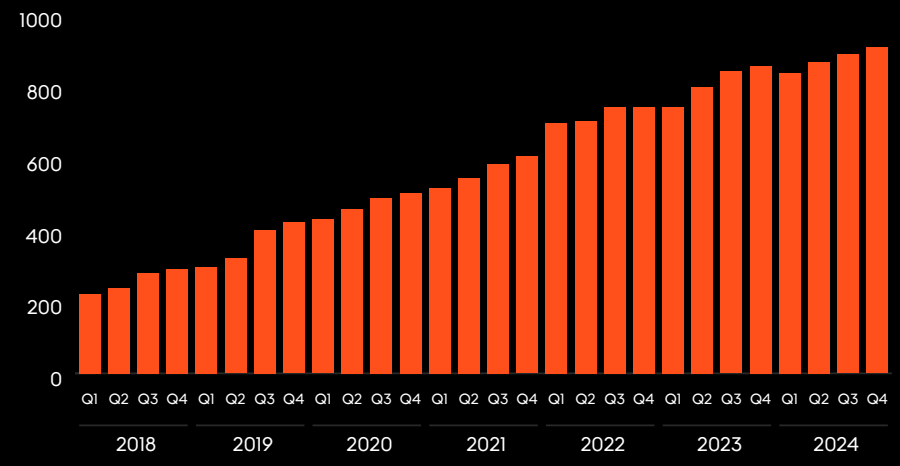
05

Strong brands
Attracting both customers and the best authors to build a unique platform and user experience.

USERS (THOUSANDS)

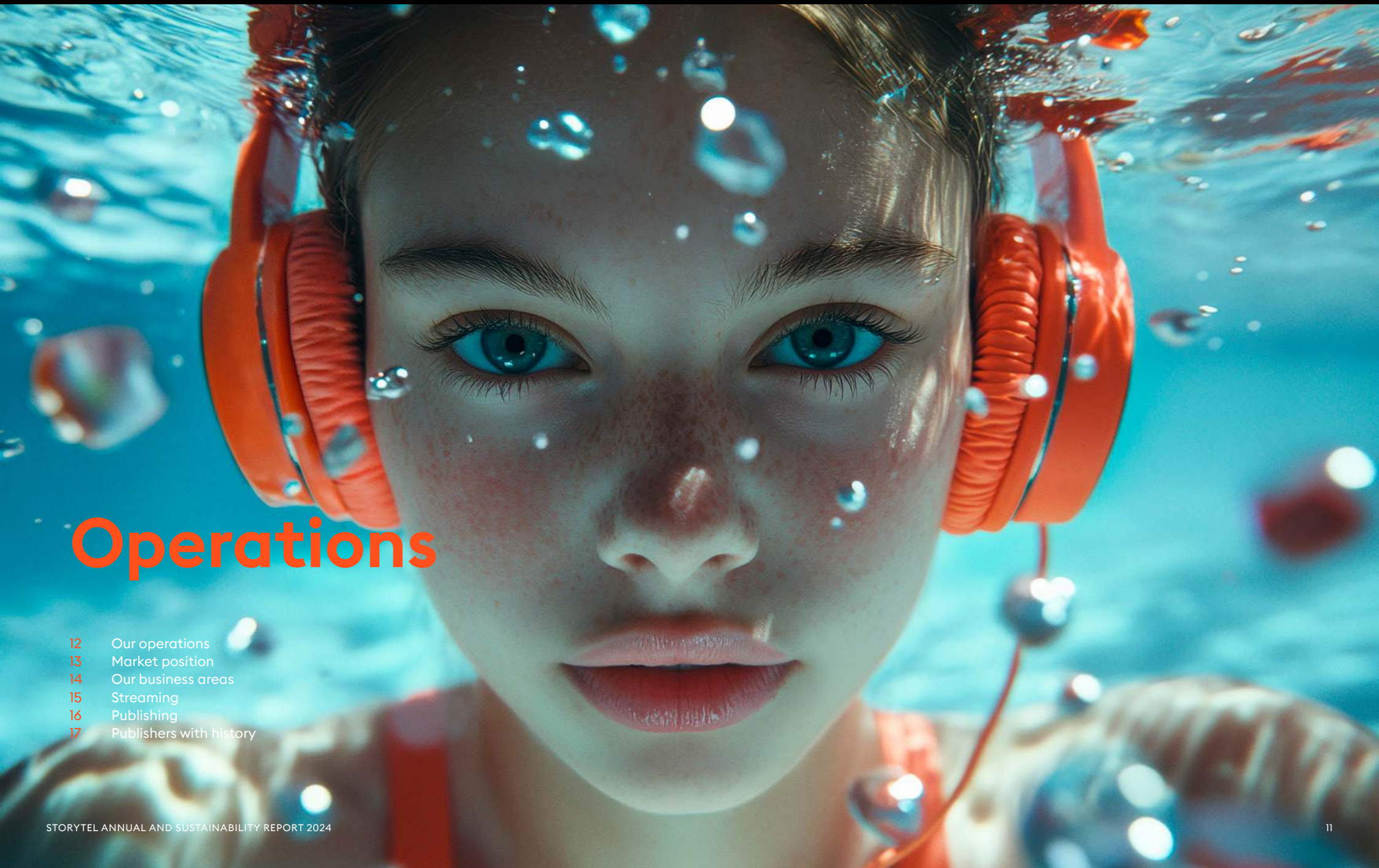


REVENUE STREAMING (MSEK)



Our story

- **2005**
  Jonas Tellander and Jon Hauksson founded the Bokilur audiobook service with its Unlimited subscription, which later became Storytel.
- **2011**
  The first Storytel-produced audiobook is launched on the Swedish market.
- **2013**
  Storytel acquires audiobook publisher Storyside.
- **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 services in Finland and Poland.
- **2017**
  Storytel acquires People's Press, Denmark's fourth largest publisher.
- **2018**
  Storytel is listed on Nasdaq Stockholm First North. Our own e-reader launches.
- **2019**
  Storytel passes a new milestone: one million paying subscribers. Storytel acquires publisher Gummerus.
- **2021**
  Storytel surpassed the milestone one million paying subscribers in the Nordics. Storytel also acquires a majority stake in publishing house Lind & Co.
- **2022**
  Storytel finalizes acquisition of US-based streaming service Audiobooks.com. New milestones were reached when passing 2 million paying subscribers, the global catalog passed 1 million titles, and more than 150 Storytel Originals were produced.
- **2023**
  Norstedts Publishing Group celebrates its 200th anniversary. Storytel surpassed 2 billion SEK in streaming revenues in the Nordics and 1 million subscribers outside the Nordics.
- **2024**
  The full rights to the children's characters Sune and Bert were acquired.



Operations

12 Our operations
13 Market position
14 Our business areas
15 Streaming
16 Publishing
17 Publishers with history

Streaming and Publishing in alliance

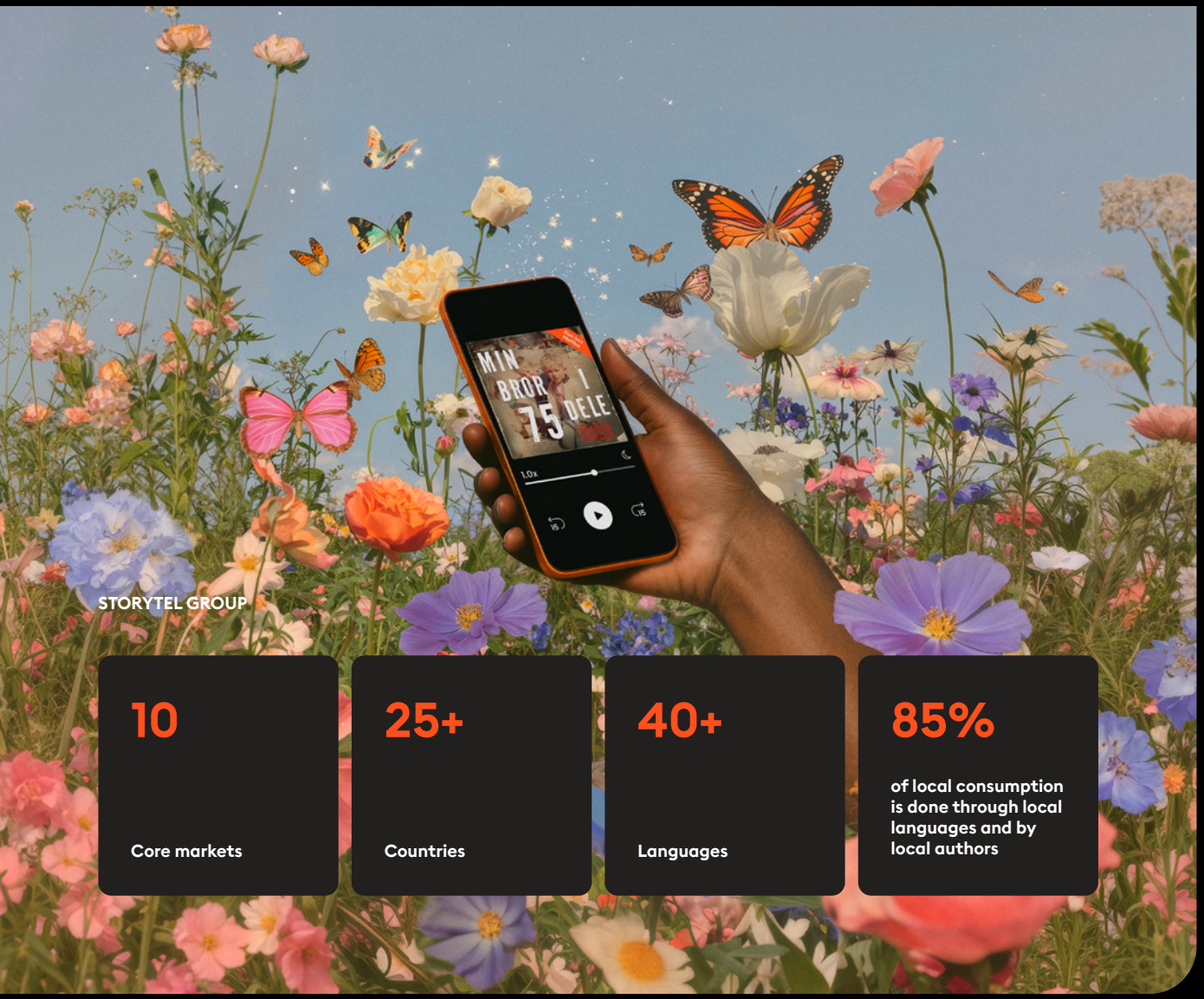
As a leader in audio and e-book streaming, combined with a strong publishing business, Storytel Group has built a unique platform that unites users and content creators. This combination allows us to offer our customers personalized and high-quality listening and reading experiences while contributing to promoting interest in reading and literature in society.

Through our innovative platform and wide offering, we aim to make stories available to everyone. Our business is driven by a clear customer focus, where we continuously improve the platform with personalized recommendations and flexible subscriptions to increase both engagement and customer satisfaction.

Our streaming business enables our publishers' authors to reach a wider audience, while the publishers provide attractive content that engages both new and existing users.

By investing in innovative technology, such as AI-powered features like Voice Switcher, we are working to improve the user experience and stay at the forefront of our industry.

Market position



STORYTEL GROUP

10
Core markets

25+
Countries

40+
Languages

85%
of local consumption is done through local languages and by local authors

The audiobook market is highly local, with around 85 percent of all hours of listening relating to local authors and local languages, meaning that our local presence and long-term relationships with publishers are fundamental to our success.

Storytel Group's favorable position as a pioneer in several of our core markets has allowed us to build a strong brand that is known for audiobooks and high quality. We are the leading player in the Nordics and the market leader in the audiobook and e-book segment, where most of our revenues are generated. We have built a strong presence with operations in over 25 countries and content in more than 40 languages, making us one of the leading players in digital storytelling. Through localized catalogs, we offer content in local languages that is adapted to the specific content preferences of each market.

We are well-positioned in our core markets, not only as a streaming service but also through our publishers such as Norstedts Publishing Group, Gummerus, People's, Storyside and Lind & Co. Our publishers attract the best authors and contribute to synergies between our two business areas. Through strong brands such as Storytel, Mofibo and Audiobooks.com, we also reach target groups in several different markets, thereby strengthening our market position.

We offer one of the most extensive ranges of audio and e-books with over 1.6 million titles, including exclusive original titles such as Storytel Originals. We see a high level of engagement among our more than 2.4 million users. Over 40 percent of these listen daily, reflecting our high customer satisfaction and loyalty.

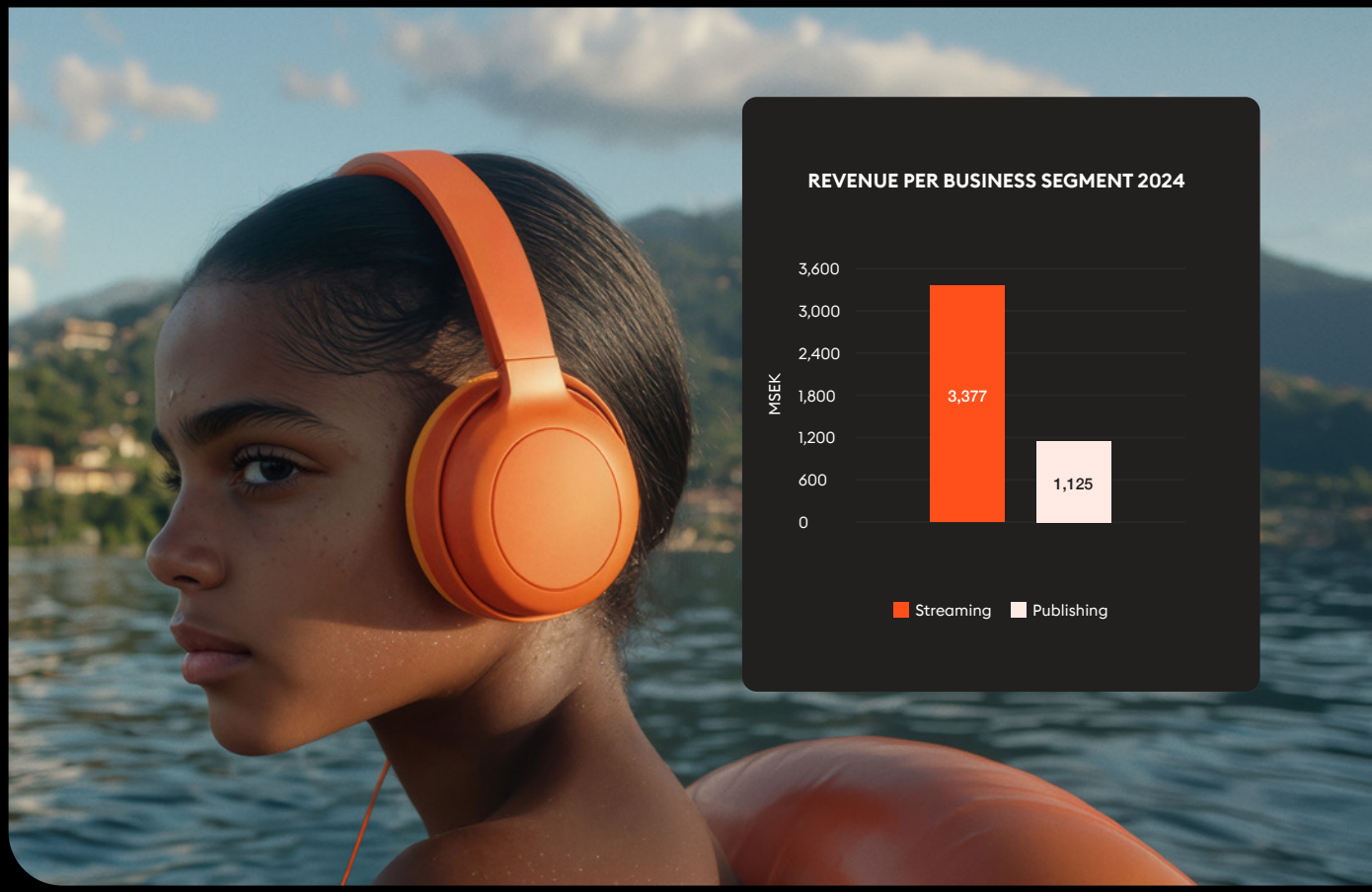
Growth in markets outside the Nordics is strong, particularly in countries such as the Netherlands, Poland, Bulgaria and Turkey. Together, these factors place us in a unique position with a unique ability to continue gaining market share in several markets.

Our business areas

Storytel Group focuses on two business areas and ten core markets. By creating synergies between our Streaming and Publishing businesses, combined with cost-saving measures, we have managed to drive both growth and profitability.

In 2024, this operating strategy resulted in consolidated revenue of 3,798 MSEK and adjusted EBITDA of 602 MSEK, up 9 and 112 percent respectively from the previous year. Efficiency improvements have also resulted in an improved operating cash flow of 459 MSEK, a significant improvement from negative 125 MSEK the year before.

Our aim is to continue to create more engaging stories and experiences for our users while increasing profitability and efficiency through strategic initiatives.



STREAMING

storytel
mofibo a part of storytel
audiobooks.com

PUBLISHING

GUMMERUS
LIND&CO
people's
Story Side
NORSTEDTS FÖRLAGSGRUPP

Streaming

Highlights in 2024

- During the year, Storytel continued to strengthen its position through strategic launches and partnerships. The new *Flex Plan* and *Student Forever* subscription plans attracted more users, and more than 1 million subscribers regularly consumed more than 10 hours of content per month. At the same time, customer churn reached its lowest level ever, reflecting increased customer loyalty.
- Growth was particularly strong in non-Nordic core markets, where strategic partnerships played a key role. Partnerships include Wellhub, as well as new agreements with Swisscom, Singtel, and VodafoneZiggo, which strengthen Storytel's presence in the respective markets.
- Innovative technologies continued to improve the user experience, and the launch of Voice Switcher in Sweden, Finland and Denmark marks a step towards more personalized and flexible listening options through AI.

Key figures 2024

Paying subscribers	**2.4 Million**
Average revenue per user	**125 SEK/month**
Total streaming revenue	**3,377 MSEK**
Adjusted EBITDA	**432.3 MSEK**
Adjusted EBITDA Margin	**12.8%**

Partnership with VodafoneZiggo

Storytel has entered into a partnership with VodafoneZiggo, one of the Netherlands' leading telecom providers. The agreement offers over 5.5 million mobile subscribers access to Storytel's wide range of audio stories, including popular Dutch titles and international bestsellers. The partnership strengthens Storytel's presence in the Dutch market, broadens its customer base, and contributes to continued growth in one of the company's core markets.

The streaming business is conducted under the brands Storytel, Mofibo and Audiobooks.com. Combined, the platforms provide access to 1.6 million audio and e-books in over 40 different languages for more than 2.4 million paying subscribers.

The majority of the investments in content, marketing, and personnel are concentrated in our ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. Collectively, these markets represent an addressable market of 400 million people, including the US, or +130 million excluding the US. Core markets account for more than 90 percent of the company's turnover, and in all of them, we are either the market leader or a strong challenger in audiobook streaming.

Besides the core markets, our streaming service is offered in several other countries, including South Korea, the Arabic-speaking Middle East, Brazil, Mexico, Italy, Spain, and Germany. These are nascent markets in their early development, and some of them may become more central to our future growth.

Publishing

Highlights in 2024

- Storyside acquired the full rights to two of Sweden's most beloved children's characters, Sune and Bert.
- Gummerus was the publisher of Nobel Prize winner Han Kang in Finland.
- People's had great success with Katherine Diez's *I egen barm*, which dominated both the sales of printed books and the audiobook market and received a lot of media attention in the fall.
- Norstedts Publishing Group published several best-sellers, including Ruth Kvarnström-Jones' *Väninnorna på Nordiska Kompaniet* and Denise Rudberg's *Femte kollusionen* and *Killer Queen*. Additionally, a prestigious book deal was signed with tennis legend Björn Borg.
- Rabén & Sjögren published several successful children's book titles, including new editions in the series *Handbok för superhjältar*, *Skurkskolan* by IJustWantToBeCool and *Sommarskuggan*.
- Lind & Co released *Draken* by Dag Öhrlund, which was one of the most listened-to titles of the year on Storytel.

Key figures 2024

Releases by Storytel Originals	**170+**
Net sales	**1,125 MSEK**
Adjusted gross profit	**355.8 MSEK**
Adjusted EBITDA	**303.8 MSEK**
Adjusted EBITDA Margin	**27%**

New exclusive multi-book deals

In the fall, both audiobook sensation Sammy Jeridi and bestselling author Mons Kallentoft signed multi-book deals with Norstedts and Storyside. These two examples demonstrate the successful synergies between the streaming platform and the Group's Publishing business. The streaming platform helps publishers to attract and retain the best authors, while publishers contribute high-quality content that strengthens the customer proposition.

Storytel Group includes prestigious publishers such as Norstedts Publishing Group, Lind & Co, People's, Gummerus and our digital publisher Storyside. These publishers publish a wide range of titles from well-known and award-winning authors in different genres.

The Publishing business publishes books in all formats and includes printed books as well as audiobooks and e-books. Norstedts Publishing Group and Lind & Co in Sweden, People's in Denmark, and Gummerus in Finland publish books in a variety of genres, from suspense novels to children's books. Revenue from digital formats continues to grow, reflecting the growth of the digital market and the increased demand for audiobooks and e-books.

Storyside is one of the world's largest digital audiobook publishers and has played a central role in Storytel's global audiobook distribution. The publisher currently focuses on publishing titles tailored to Storytel's core markets and offers over 50,000 audiobooks in 38 languages. By acquiring audio rights from third parties and producing its own content adapted to the audio format, Storyside has strengthened its position in the market. Since 2016, Storyside has also produced Storytel Originals, unique content that helps to differentiate Storytel.

One third of the revenue from the Publishing business area comes from the sale of printed books, while two thirds come from digital sales. The internal sales to Storytel Streaming saw an increase of 13.4 percent during 2024. To address market challenges, publishers have implemented strategic cost savings and price adjustments during the year, with the aim of improving margins and strengthening profitability in 2025.

Publishers with history: Creators of the stories of the future

Printz Publishing

Printz Publishing specializes in the romance genre, with authors such as Jojo Moyes, Sophie Kinsella, and Ruth Kvarnström-Jones. The publisher was founded in 2010 and has been part of Norstedts Publishing Group since 2018, with offices on Riddarholmen in Stockholm.

Brombergs

Brombergs was founded in 1975 and publishes fiction and non-fiction. Over the years, the publishing house has published works by no less than four Nobel Prize winners. It has been part of Norstedts Publishing Group since 2020 and is located on Riddarholmen in Stockholm.

Lind & Co

Lind & Co publishes fiction, non-fiction, and children's books. Founded by Kristoffer Lind in 1999, the publishing house also publishes audiobooks in Norway, Finland, Poland, Iceland, Bulgaria, Italy, and the Netherlands. Lind & Co has an office in Stockholm.

Rabén & Sjögren

Rabén & Sjögren is Sweden's leading publisher of books for children and adolescents and was founded in Stockholm in 1942. The publisher is part of Norstedts Publishing Group, which is located on Riddarholmen in Stockholm.

B. Wahlströms

B. Wahlströms, known for its red and green spines, is Sweden's oldest children's book publisher. The publisher was founded in Stockholm in 1914. B. Wahlströms is part of Norstedts Publishing Group, which is located on Riddarholmen in Stockholm.

Norstedts

Norstedts is the oldest and most prominent book publisher in Sweden. They publish fiction and non-fiction in all genres, from poetry and thrillers to cookbooks and biographies. Norstedts was founded in Stockholm in 1823.

Storyside

Storyside is one of the world's largest digital publishers. They are revolutionizing storytelling with innovative audio formats and a wide range of genres. Storyside offers almost 50,000 audiobooks in 38 different languages.

Gummerus

Gummerus is the oldest and one of the most respected publishing houses in Finland. Founded in 1872, it has grown into a dynamic and independent force under the motto: "For the Joy and Benefit of All Finnish People". Today, Gummerus is the third largest book publisher in Finland.

People's

People's (formerly People's Press) is an innovative Danish publisher founded in Copenhagen in 2002. People's publishes fiction and non-fiction in many categories.

Tiden

Tiden is a digital-first publisher of fiction and non-fiction, founded in 2018. This imprint is part of Norstedts Publishing Group, which is located on Riddarholmen in Stockholm.

Strategy

19 Our strategy
20 Nordics
21 Non-Nordic core markets
22 The rest of the world
23 Initiatives and drivers
24 Outlook and financial targets

Innovative thinking combines with 200 years of legacy

Storytel Group combines tradition with innovation to give people access to stories that concerns, regardless of format. By combining unique stories with strategic initiatives, we build experiences that reach all – anytime, anywhere.

Increased profitability and internal sales

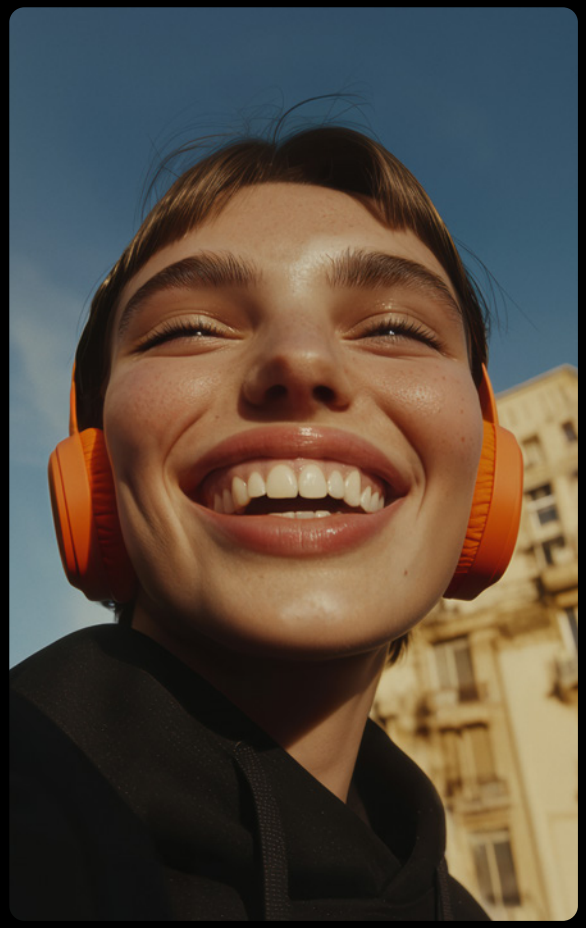
By leveraging our publishing resources internally, we reduce our dependence on external licences, reinforcing our control over revenue streams and improving profitability. In 2024, internal sales between Publishing and Streaming reached record levels, clearly reflecting the success of our approach and our ability to create added value.

Efficient feedback

Storytel Group's ecosystem enables an efficient feedback loop of relevant and up-to-date user data. Data and feedback can be used to quickly develop and curate content that engages our users. With feedback, the streaming platform can more efficiently suggest a new book to listen to, increasing user activity and strengthening loyalty to the platform.

Exclusive and differentiated content lineup

Through Storytel Originals, we secure exclusive publishing deals that allow us to offer unique titles that engage our users and build customer loyalty. Moreover, by owning the rights and licensing periods for the content, we can also create new revenue opportunities beyond the traditional book format.



Our ecosystem

Our publishing houses are dedicated to bringing exceptional stories to readers and listeners, featuring popular, critically acclaimed, and award-winning authors from a variety of genres. With the help of our streaming platforms, we make it easy for authors to connect with a broader audience while offering top-notch marketing support to boost their success.

Publishing

- 200 years of publishing
- A blend of traditional and innovative formats
- Strong legacy in print and digital distribution

NORSTEDTS FÖRLAGSGRUPP

GUMMERUS

LIND&CO

people's

Story Side

High-quality content

Increased added value for authors

Streaming

- Access to 2.4 million international audio and e-book users
- Insights and data on audience preferences and behaviors
- Marketing exposure and boosted consumption of backlist titles

storytel

audiobooks.com

mofibo a part of storytel

Still leading in the Nordics...

... and we have maintained our position as the market leader in audiobooks and e-books for almost 20 years. The Nordics are our most mature market, where we see high customer loyalty and engagement, as well as a high willingness to pay for audiobook subscriptions. Our strategy here is clearly focused on generating substantial profitability and cash flow, providing us with the stability to support expansion in other markets.

The growth target for the streaming business in the region is at least five percent, with a focus on balanced growth, maintaining a strong customer base and maximizing profitability, without aggressive expansion. This strategic position allows us to build on the strong foundation we have in the Nordics and use the revenues to invest in other markets.

This success has been driven by several factors, such as the expansion of local catalogs, new flexible subscriptions such as Flex, Student Forever, and Premium For Life, as well as the release of exclusive titles. These efforts have not only increased the number of paying subscribers but also strengthened our proposition to both new and existing customers.

Our strategy in the Nordics is to continue to develop our range of exclusive original content together with local authors, offering our users an even more varied and exciting selection. The integration between Streaming and Publishing is a key driver for our strategy and continued activities in the region.

NORDICS

Number of paying subscribers	Average revenue per user (month)	Revenue growth	Adj. gross margin
1,279K	154 SEK	5.6%	36.9%

Non-Nordic core markets

We also operate our streaming service in several core markets outside the Nordics, such as the Netherlands, Poland, Bulgaria, Turkey and the US through Audiobooks.com.

Growth markets

Our four Non-Nordic growth markets: The Netherlands, Poland, Bulgaria, and Turkey are less penetrated than the Nordics but are showing strong growth, achieving more than 20 percent revenue growth in 2024. Our strategy is to grow the audiobook category and become the go-to choice for consumers while working towards getting more people to discover the benefits of audiobooks. We are also focusing on developing partnerships on the distribution side to effectively increase our reach. In parallel, we will actively maximize the output of our internal publisher to ensure a consistent flow of fresh and locally relevant content.

The North American market

In North America, Storytel operates under the brand Audiobooks.com which is a niche player in the market. The business is profitable and part of our priority core markets. We intend to continue growing thanks to several initiatives around our market strategy, some of which are already being tested. In the US, we are working on a credit model for purchases and see potential to implement this in other markets where it may be relevant for commercial or content-related objectives.

NON-NORDIC CORE MARKETS

Number of paying subscribers	Average revenue per user (month)	Revenue growth	Adj. gross margin
966K	95 SEK	16.3%	48.9%

Rest of world

Other markets

Besides our ten core markets, we drive a careful and capital-efficient strategy for our streaming service in a limited number of high-potential markets selected from the company's earlier expansion efforts. We have a disciplined investment approach in these markets through organic and self-funded marketing efforts, combined with a focus on efficiency. Collectively, these markets account for less than ten percent of our total revenue, with an expectation to grow modestly. In markets like South Korea, Italy, Brazil, and Germany, we focus on growing their respective user bases through low but highly efficient investments. Our ambition is to maintain the revenue generated from these markets through our strategic partnerships, self-financed marketing efforts, and disciplined focus on efficiency.

Partnership with Wellhub

In 2024, we initiated a partnership with Wellhub in several of our other markets. Through this partnership, Wellhub's three million users will have access to Storytel Unlimited as part of their holistic health program. Occupational health has become increasingly central to organizations, and audiobooks play an important role in supporting mental relaxation and intellectual stimulation. This initiative strengthens our position in the growing health trend and opens up new ways to engage companies and their employees.

REST OF WORLD

Number of paying subscribers	Average revenue per user (month)	Revenue growth	Adj. gross margin
196K	73 SEK	-2.8%	36.1%

Initiatives and drivers

AI voices "Voice Switcher"

In 2024, Storytel launched Voice Switcher in Sweden, Finland, Denmark and Poland – an innovative feature that allows audiobook listeners to easily switch between different narrators. Using AI technology, Storytel offers five synthetic voices that complement the original human narrator and are specifically adapted for fiction. With the Voice Switcher, listeners can now customize their experience according to their preferences.

Synergies that benefit authors

More and more authors realize the benefits of publishing their work both digitally and in print, and Storytel Group is bringing these two worlds together through an integrated ecosystem that combines streaming and publishing. Examples include the multi-book deal with crime writer Sammy Jeridi from September 2024, involving both Norstedts and Storytel, as well as earlier deals with Denise Rudberg.

Nostalgic characters for new generations

During the year, Storytel acquired the full rights to two of Sweden's most beloved children's characters, Sune and Bert. The acquisition is in line with our strategy to develop and strengthen our content portfolio while meeting the growing demand for family-friendly content and nostalgia. We look forward to working closely with Anders Jacobsson and Sören Olsson to create new stories about Sune, Bert and Håkan Bråkan, with the ambition to release 3-5 titles annually.

Development of subscription models

Our subscription models have been developed in line with market maturity and customers' growing demands for flexibility and value. For Storytel, this means continuous adaptation to meet different needs and preferences. The introduction of the "Flex Plan" and "Student Forever" has made it possible to attract new target groups and offer tailored solutions, resulting in customer turnover falling to record low levels. The maturity of the model shows our ability to balance pricing and content, with products that match customers' listening habits.

Consumption on-the-go

Audiobooks have become an indispensable part of everyday life, especially for people with busy schedules. Storytel enables people to enjoy literature and stories while commuting, exercising or doing household chores – a phenomenon known as "consumption on the go". With user-friendly features, personalized recommendations and a wide range of titles, our users can seamlessly integrate stories into their everyday lives. By meeting this need, we engage a broad audience that values the convenience of listening anytime, anywhere.

Outlook and financial targets

Storytel Group focuses on building sustainable, scalable, and competitive operations in ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland, Bulgaria, and the USA. In our other markets, we plan to maintain our current business operations and do not expect significant revenue growth between 2024 and 2026.

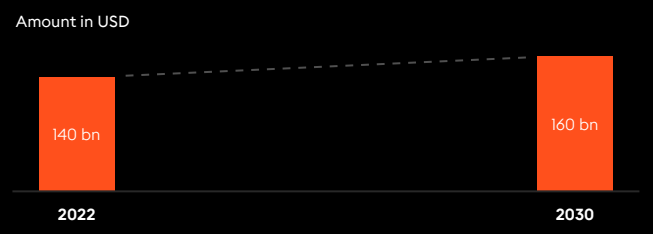
Our goal is to offer the world's best stories, whether it's a printed book, a podcast, our own original content, or content we license from our 1,600+ publishers. Through the Storytel app, people worldwide gain easy access to their favorite stories anytime and on any device.

Until 2026, we expect increasing EBITDA margins as a result of reinvestments that enable the group to further benefit from economies of scale. Over time, EBITDA margins of 20 percent are potentially within reach.

Storytel Group intends to present an updated strategic direction during the second quarter of 2025. For the 2025 financial year as a whole, and subject to this strategic review, continued organic growth with increased profitability is expected. Financial goals set by the board in June 2023 are presented below.

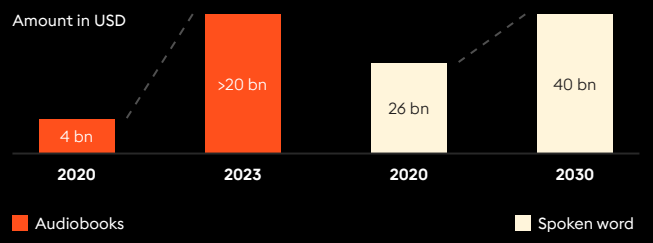
GLOBAL BOOK PUBLISHING MARKET

Source: Grand View Research

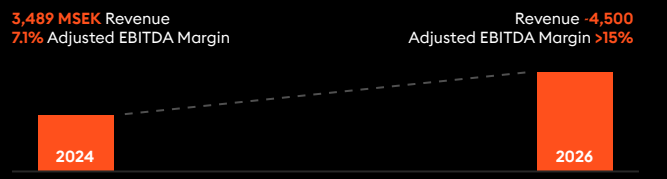


GLOBAL AUDIO MARKET (EXCLUDING MUSIC)

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



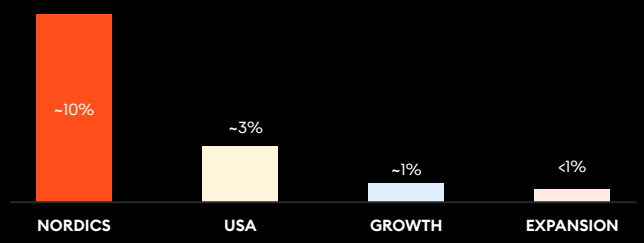
KEY DRIVERS FOR SUSTAINABLE PROFITABLE GROWTH



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

AUDIOBOOK PENETRATION ACROSS REGIONS

Source: Storytel Analysis; Storytel Market Research

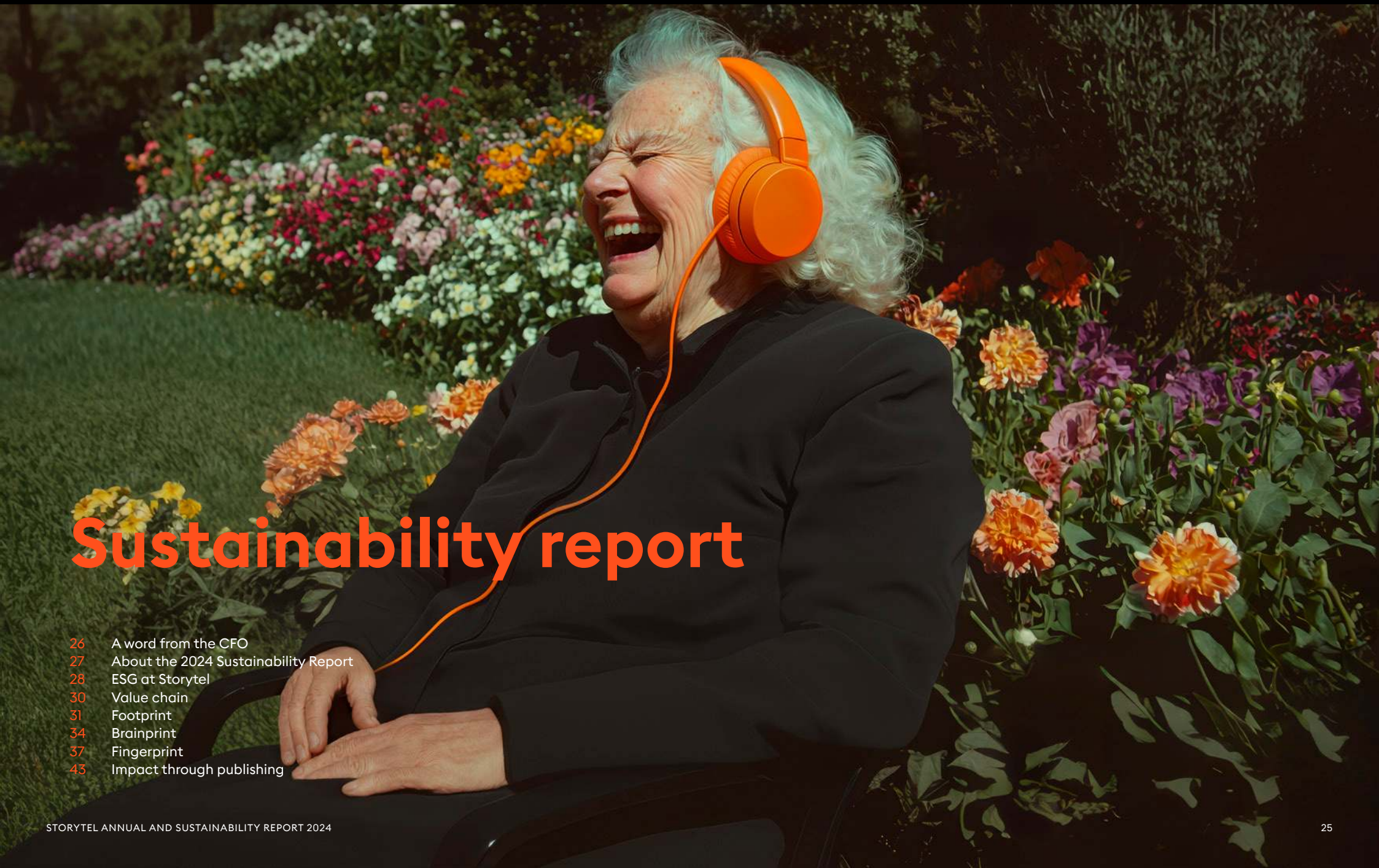


Storytel Group in 2026

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



Sustainability report

26 A word from the CFO
27 About the 2024 Sustainability Report
28 ESG at Storytel
30 Value chain
31 Footprint
34 Brainprint
37 Fingerprint
43 Impact through publishing

A word from the CFO

Sustainability has been a focus at Storytel Group for several years, and we are continuously focusing on sustainability and Environmental, Social and Governance (ESG) matters through the group's "Footprint", "Brainprint", and "Fingerprint", in the same way as it's been described in previous years.

In 2024, Storytel Group continued its focus on adapting to changed reporting requirements for environmental and social impact. A key milestone was the conclusion of our double materiality assessment. This aligns with Storytel's commitment to transparency and accountability, which we believe are crucial for both Storytel Group and the industry to ensure fair comparisons and to drive necessary changes regarding environmental and social impact globally.

As our company vision is "to make the world a more empathetic and creative place", we are proud to support both short- and long-term initiatives that promote reading among children. We view our efforts not only as "creating readers" among children today but also as building a foundation for our common future.

We are actively standardizing our ESG reporting, and continuously developing our sustainability efforts in response to evolving external factors and their impact on our business. This enhances transparency and comparability, enabling stakeholders to better assess our sustainability performance and progress. Furthermore, our commitment to the UN Global Compact, which we joined in 2021, remains steadfast, guiding our actions toward the wellbeing of the people and the planet.

Peter Messner,
CFO Storytel Group

> **"We view our efforts not only as "creating readers" among children today but also as building a foundation for our common future.**

About the 2024 sustainability report

2024 Objectives	Comment
Brainprint • Help more than 1.15 million people consume at least one book per month.	In Q4 of 2024, 1.11 million customers consumed more than 10 hours of content per month, just below our ambitious 2024 target of 1.15 million. This highlights the significant value we deliver to our users, fostering a culture of regular, meaningful engagement with enriching stories.
Footprint • Align our data collection and reporting with the CSRD/ESRS.	During 2024, a double materiality assessment was conducted in accordance with CSRD, and the result lays the groundwork for Storytel Groups ESG framework. A new sustainability platform was also procured to support Storytel's data collection. The preparation phase has been implemented to address potential gaps, secure data quality and internal processes, which will continue throughout 2025.
Fingerprint • Continue preparing the Storytel Group for compliance with the Corporate Sustainability Reporting Directive (CSRD)	

Overall objective 2025

- Enhance data collection and reporting to achieve a more standardized reporting format, and to ensure consistency and comparability across reporting periods.

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 Group

Storytel Group aspires to be a leader in innovative storytelling. The Company consists of two business areas, Streaming and Publishing, which operate within the media & entertainment and the publishing industry, respectively. Being a digital platform provider of stories as well as a publishing group, allows Storytel Group 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 constitutes 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.

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

ESG & Risk Management

On an annual basis, a risk assessment is carried out within the Storytel Group to identify, evaluate and prioritize the key risks in 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 reports 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 reviews and approves. Within the Board of Directors, the Audit Committee reviews the Group's sustainability work 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 Audit Committee also ensures 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.

Double Materiality Assessment

Storytel Streaming conducted its first materiality assessment in 2018 to establish a foundation for its initial sustainability strategy and focus areas. The materiality assessment was subsequently refined in 2022, and included representatives from publishing to cover the Group level. In 2024, the Storytel Group undertook a double materiality assessment. This process involved identifying and evaluating impacts, risks, and opportunities (IROs) as the basis for determining the materiality of sustainability issues, resulting in a comprehensive double materiality assessment (DMA).

To identify the material sustainability matters, a range of stakeholders were engaged through interviews, workshops and desktop research, as well as a review of prior materiality assessments. Alongside this, financial risks and opportunities related to sustainability issues were assessed, evaluating whether any financial impacts might arise from identified dependencies or impacts within these areas.

Internal leads with in-depth knowledge of key stakeholders and sustainability topics were appointed as stakeholder representatives to offer insights into relevant sustainability matters and to identify and assess IROs. Each sustainability matter underwent a thorough review and scoring process through multiple interviews and workshops with the designated representatives. Scoring methods followed ESRS guidelines, with thresholds and time horizons grounded, wherever possible, in Storytel's enterprise risk management (ERM) framework and supported by desktop research on the various sustainability factors across the value chain.

Impact Materiality

Environmental
- Energy (E1)

Social
- Personal safety for consumers and end-users (S4)
- Social inclusion of consumers and end-users (S4)

Governance
- Social Corporate culture (G1)
- Protection of whistleblowers (G1)

Double materiality

Environmental
- Climate change mitigation (E1)

Social
- Equal treatment and opportunities for all (S1)
- Working conditions for own workforce (S1)
- Working conditions for workers in the value chain (S2)
- Information-related impacts for consumers & end-users (S4)

Non material

- Pollution of soil
- Direct impact drivers on biodiversity loss
- Resource inflows
- Waste
- Other work-related rights (Own WF)
- Other work-related rights (WVC)
- Affected communities
- Rights of indigenous people
- Management of relationships with suppliers
- Political engagement
- Pollution of air
- Pollution of water
- Impacts on the state of species
- Resource outflows
- Equal treatment and opportunities for all (WVC)
- Rights of affected communities

Financial materiality

Environmental
- Climate change adaptation (E1)

Social
- Corruption and bribery prevention and detection including training (G1)

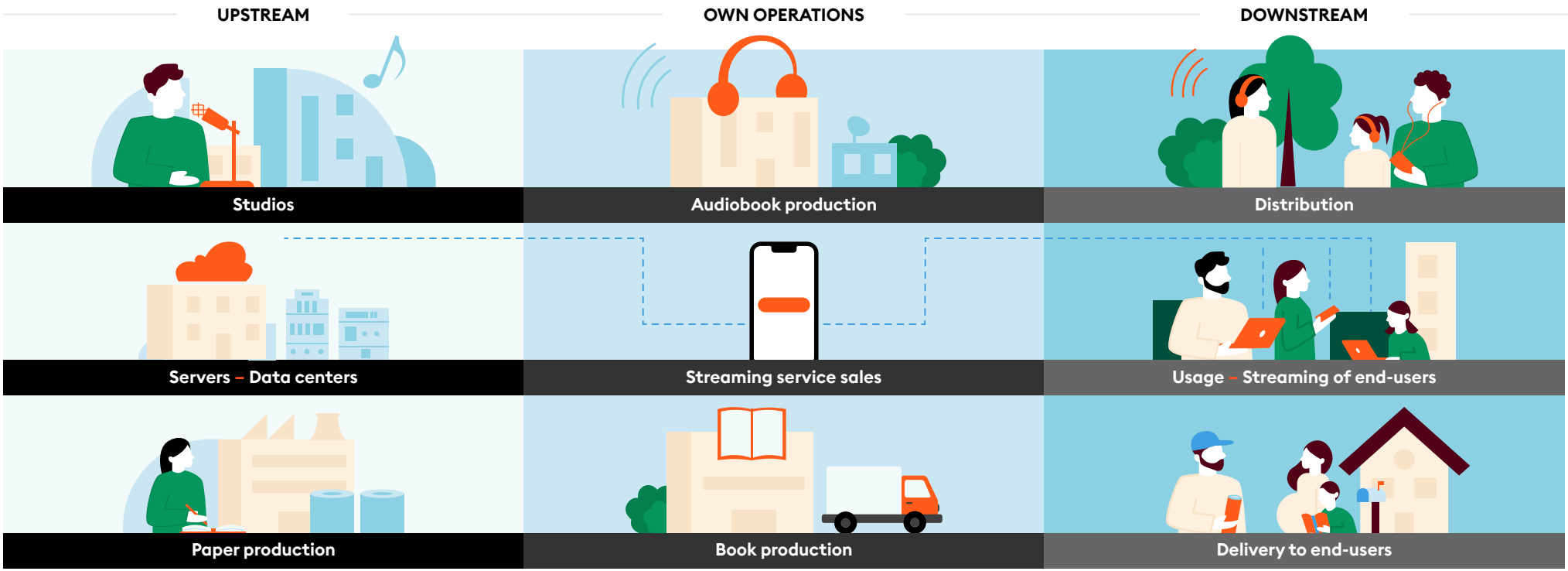
Storytel Group's Material and Double Material ESRS sub-topics

Result of Double Materiality Assessment

The double materiality assessment disclosed Storytel Group's impact, financial and double materiality across the ESG framework, as well as the respective sub-topics within each European Sustainability Reporting Standard. After completing the DMA, the focus shifted to analyzing reporting requirements and conducting gap assessments for the material areas.

The matrix shows the final result of the conducted double materiality assessment.

Value chain



Storytel's key upstream operations involve content creation partners and technical infrastructure providers. Authors, studios, and professional narrators collaborate to produce our audiobooks, while specialized printing services and paper suppliers support our print book production. Our technical foundation relies on data centers and server providers who maintain the digital infrastructure necessary for content storage and distribution. These upstream partnerships are essential for delivering high-quality storytelling across both digital and physical formats, ensuring our content meets platform requirements before reaching customers.

Storytel's own operations center on content production and platform development. Our audiobook production facilities handle recording, editing, and quality assurance, with specialized equipment and software to create finished audio products. Key operational partners include studio facility providers, technical equipment suppliers, and quality control specialists. Our technology development teams maintain and enhance the streaming platform infrastructure, requiring data hosting services, development tools, and testing environments. These operations generate digital waste that requires secure data deletion processes and hardware recycling services. Our business operations team manages subscription services, billing systems, and customer data protection, supported by payment processors and cybersecurity providers.

Storytel's downstream impact centers on transforming how people consume literary content worldwide. Our streaming platform technology enables users to access stories anytime, reducing paper consumption and transportation emissions compared to traditional book distribution. By digitizing literature, we help decrease deforestation while our recommendation algorithms connect readers with relevant content efficiently. For printed books, we partner with environmentally conscious distributors who optimize delivery routes. At the end of their lifecycle, digital content requires no physical disposal, while our print books can be recycled, donated, or resold through partner programs.

Footprint

- Wellbeing of the planet

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 Group is committed to reducing the environmental impact from its direct and indirect business operations in order to help protect the planet.

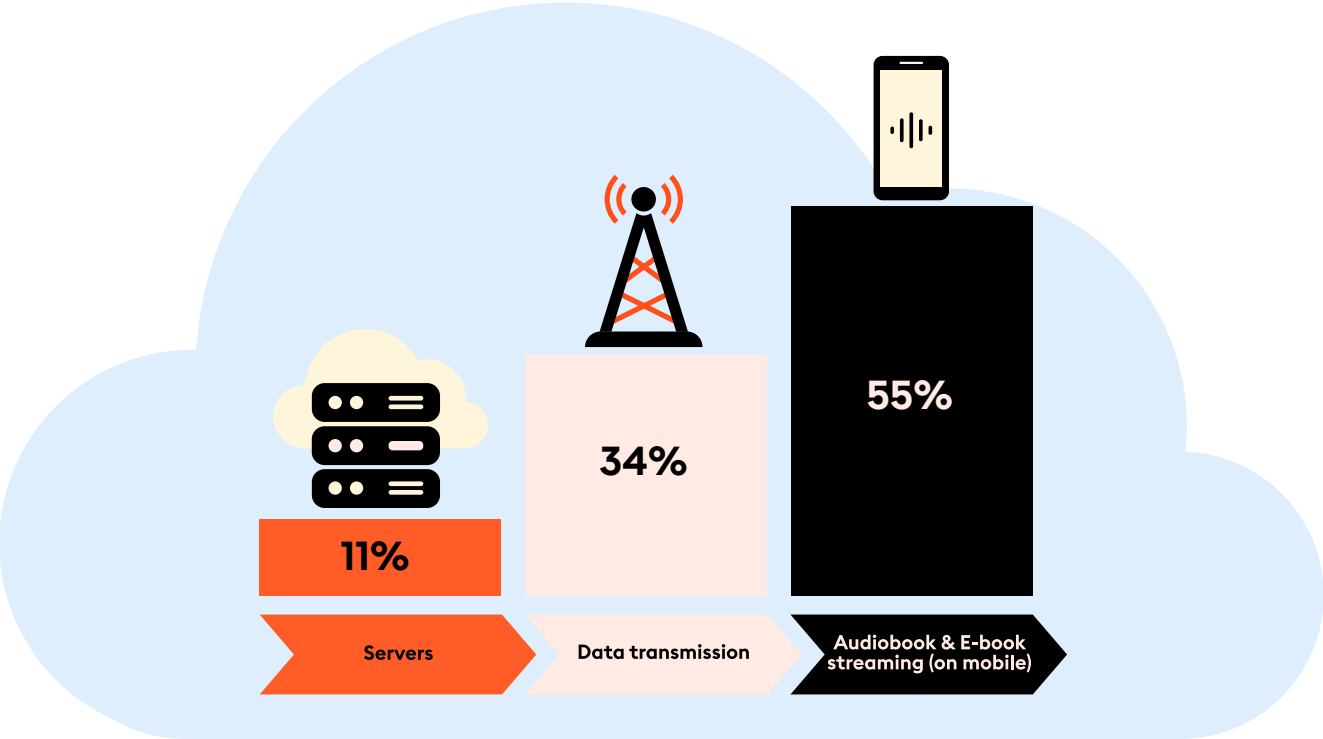
Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Future-proofing the Business + Access to financing – Rising cost for emissions – Reputational damage	Investors Employees Authors	Code of Conduct Travel Guidelines Supplier Code of Conduct

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 due to Google's climate compensation, 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 are an approximation based on calculations 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_2e.[1]

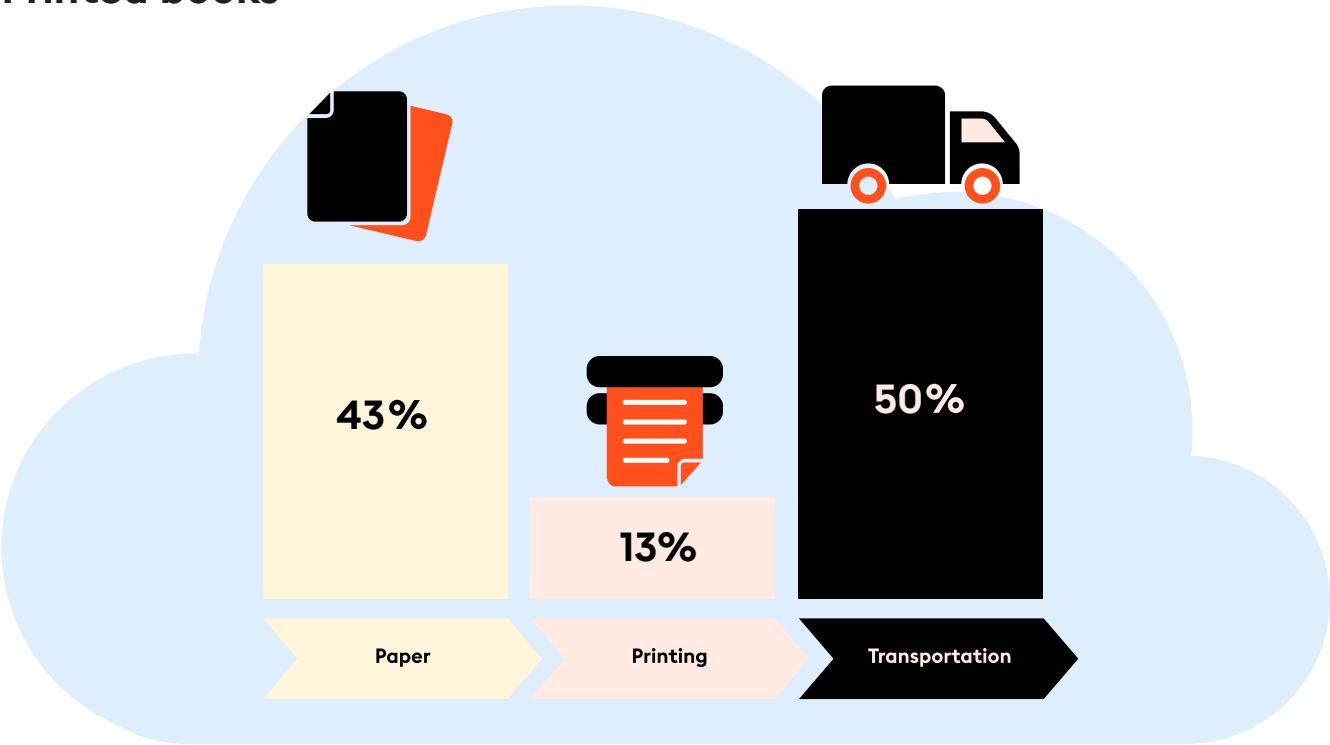
Streaming service



Picture from Sustainability Report 2023

1 Measured for 2023.

Printed books



Climate impact from print books

Within the Publishing segment, emissions primarily occur from the paper required for printing 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 our publishers emits, on average, 400 grams of CO2e.

Overview of emissions within Storytel Publishing

The market-based approach has been used to calculate the environmental impact from our publishers. We do not yet include emissions from Lind & Co, in which the company owns 70% of the shares.

Storytel Books AB

tCO2e	Scope 1	Scope 2	Scope 3	Totalt
2022	6.2	47	3,120	3,174
2023	4.8	49.3	1,743.5	1,798
2024	1.2	22	1,945	1,968

During 2024, Storytel Books' emissions increased slightly, which is expected given the rise in purchased paper, driven by a growing demand for books from Storytel Books.

Storytel Books continued efforts to reduce its climate footprint. Among them are the following actions:

- We avoid air freight.
- We pack smaller quantities on the same pallet to minimize waste.
- We choose the wood quality with the lowest impact.
- We use a new, low-impact uncoated paper quality.

Since we have sold more books, paper purchases have increased, but we have continued our underlying efforts to reduce the climate footprint by:

- 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 Group 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 + Decreased Scope 3 Emissions – Reputational damage – Increased supplier costs	Suppliers Authors Employees	Code of Conduct Supplier Code of Conduct

Sustainable Book Publishing

We strive to develop print production with environmental labels that place high environmental requirements. As part of the environmental work, a majority of all books within our publishing segment are printed on FSC-certified paper (Mixed Sources). Furthermore, all non-book 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.

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 in Sweden 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 2013, Norstedts Förlagsgrupp has enforced a strict Code of Conduct for its suppliers worldwide, and prioritizes suppliers who have a clear environmental policy. 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.

Since 2021, the streaming segment has maintained a Supplier Code of Conduct aligned with the UN Global Compact principles for responsible business. In 2024, the streaming and publishing segments merged their Supplier Code of Conduct into a single policy that encompasses the entire Group. This policy extends to suppliers' subsidiaries, employees, consultants, subcontractors and other representatives.

Brainprint

- Wellbeing of customers

Customer Empowerment

Storytel Group 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[1], and can help people relax and unwind[2]. 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, stories can give them the power to do so. We want 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 1.6 million stories in all genres, we strive to 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.

1 *How Stories Change the Brain* by Paul Zak in the Greater Good Magazine, 2013. 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
2 *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.

Measured in thousands	2020	2021	2022	2023	2024	2025 goal
Number of people consuming stories for 10 hours or more per month (Q4 average excluding Audiobooks.com)	680	828	909	994	1,107	1,250

On a global level, our customers spend an average ≈30 hours per month on the Storytel platform, which means that Storytel is a truly integrated part of users' everyday lives. On an average day in the Nordic region, more than 50% of all paid subscribers listen to Storytel.

Product Missions

Storytel's product teams within the streaming segment are guided by two key missions to continuously enhance the core experience: To help users find the right stories, and to help users enjoy those stories. These missions shape the product development and ensure that prioritization aligns with the overarching goals.

Helping Users Find the Right Stories

To make story discovery both inspiring and engaging, Storytel combines algorithmically personalized recommendations with expert editorial curation. In 2024, we scaled our recommendation algorithms to enable dynamic re-ranking of any book list in the app based on each user's unique preferences. At the same time, we expanded our curation efforts, focusing on presenting content in more inspiring and contextually relevant ways. These combined improvements have driven all-time high user engagement and book completion rates.

Helping Users Enjoy Their Stories

Our commitment to creating a seamless and delightful story consumption experience remains a top priority. In 2024, we introduced Voice Switcher, an innovative feature allowing users to personalize their listening experience by seamlessly switching between narrator voices. This feature, launched in Poland, Sweden, Finland, and Denmark, includes state-of-the-art AI-generated voices of beloved narrators like Stefan Sauk, Sanna Majuri, and Maria Garde. The response has been positive, and plans are underway to expand this feature to more markets and titles in 2025. Additionally, we have developed a completely new reading experience, set to launch in early 2025. This enhanced feature will make it easier and more enjoyable for users to engage with stories, regardless of their preferred format.

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 had their school day prolonged 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 larger scale and was additionally extended into 2024. The final results are estimated to be presented in the second half of 2025.

Accessibility

Storytel Group 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 fourth time in 2024. A record number of fourth-grade classes participated, with an impressive 47,000 fourth graders crossing the finish line– approximately 40 percent of the country's students. Together, they read over 1,1480,000 hours, averaging 20 minutes per day per student. On average, each fourth-grader has read for 25 hours during 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 2024, all participating classes were also sent an inspirational resource, and thanks to a grant from the Swedish Academy, all reading classes that finished the challenge were rewarded with generous book packages. The initiative was made by Rabén & Sjögren and today we cooperate with Adlibris, Bonnier Carlsen, and Natur & Kultur.

Promoting reading in Preschools

In the autumn of 2024, Rabén & Sjögren invited preschools across Sweden to join The Reading Ladder initiative in the spring of 2025, a free program designed to inspire children's love for stories through 50 engaging reading sessions. Participants have the chance to win book packages from Rabén & Sjögren, and a full-day trip to Junibacken, Stockholm's celebrated cultural center dedicated to children's literature, founded with the legacy of Astrid Lindgren in mind. The initiative aims to integrate stories into the daily lives of our youngest children by turning reading into a fun, measurable challenge.

The initiative recognizes the transformative power of stories in developing empathy, sparking imagination, and expanding vocabularies. According to research, children

regularly exposed to storytelling can amass vocabularies of 50,000–70,000 words, compared to just 15,000 for those without similar experiences.

Reading is proven to significantly impact cognitive and emotional development, and with the rise of concerns about excessive screen time, storytelling emerges as a healthier and more engaging alternative for children.

Encouraging children and young people to read at least one book

The Grand Book Choice (Stora bokvalet) is a project initiated by Rabén & Sjögren and Bonnier. The Grand Book Choice aims to promote the reading of newly published literature among children and young people and to amplify their voices. We encourage children and young people to read at least one book published during the current year and then vote for their favorite. The following year, three winning authors were announced, one in each age group: 6–9 years, 9–12 years, and 12–16 years. This award is one of Sweden's most prestigious prizes because it is chosen by children and young people themselves!

Creating "Passion for Reading"

During 2024 Rabén & Sjögren and B. Wahlström continued their inspirational events 'Läslust' (Passion for Reading) 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. The Storytel platform has a broad catalog of content, which is a mix of content produced by publishers within the Storytel Group across all the local markets, and licensed content from third-party publishers 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 – Reputational damage – Legal proceedings – Failure to protect content rights	Customers Authors Publishers	Content Guidelines Content Sensitivity Mapping Content Contingency Plan

Content Guidelines

Storytel's Content Guidelines consist of two parts. The first part is the Technical Criteria, which refer to the technical and editorial quality of audiobooks and ebooks. For example, each title must have proper credit, a registered publisher and correct metadata. The latest update refers to AI-generated content and AI-voices which publishers need to specify within the metadata according to new international standards that Storytel implemented at the end of 2024. The second part is 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 idealization of self-harm, suicide or solicitations to commit crimes. If a title breaches the Content Guidelines, Storytel has the right to remove it from the service.

To complement the Content Guidelines, Storytel has performed content sensitivity mapping to better understand topics that are culturally sensitive in each local market and to ensure 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. The committee is responsible for updating the Content Guidelines toward publishers and authors when necessary and works 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 review complaints. The Content Committee is a collaboration between various departments in the organization to provide a unified Storytel view on content reported as illegal, unethical, or otherwise unsuitable for the service.

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 parental control. When 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, Intellectual Property (IP) serves as the foundation on which the business can thrive. Consequently, Storytel strives to protect the integrity of its owned and licensed content and takes a strict and consistent approach against any unlawful use of IP. It is important for Storytel to respect the IP of others and to be a safe place for publishers and creators to harbor their rights. Hence, Storytel conducts awareness training for its staff regarding the use of IP and invests in IT security and technology designed to prevent illegal copying, file sharing and other misuse of IP distributed through the streaming service.

Fingerprint

- Wellbeing of employees and partners

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 entire value chain.

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

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 for the customer while having terms with publishers and authors that are sustainable for both Storytel and the content providers.

The vast majority of Storytel's publishing partners are compensated on a revenue share basis.

Storytel remains one of the few providers offering a subscription plan that enables unlimited consumption, which was the foundation for the growth and success of audiobooks in our core markets. We offer access, not ownership, which in combination with our unlimited plan and our revenue model is based on volume rather than high unit prices, comparable to Book Clubs sales.

Creating value for the Industry

Storytel is proud of its contribution to the overall industry, to publishers and authors. As a pioneer of unlimited listening for audiobooks, Storytel has consistently increased total payouts to publishers. By attracting more subscribers and growing revenues each year, we've demonstrated that the key to enhancing audiobook compensation is by attracting more users. Since inception in 2005, we've paid out close to 7 billion SEK in royalties to our 1,600+ 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 catalog of 1.6 million titles in more than 40 languages, and by more than 300,000 authors. In 2024, more than 76 percent of the audiobooks consumed on Storytel were books that were released earlier than at least a year back, also known as backlist titles. In other words, Storytel enables older books and authorships to come back to life and find new audiences.

The vast majority of the Storytel catalog 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, written and produced exclusively for Storytel, serve as one of our core differentiators. While their number, as a percentage of our overall catalogue, is relatively small for now, these titles have the power to attract new listeners and act as an effective customer acquisition tool. We have created Storytel Originals since 2016 and will continue to do so going forward.

Human Capital Development

Storytel is committed to attracting and developing exceptional talent by fostering a diverse workplace built on trust, innovation, and collaboration. The contribution of our employees is crucial to driving the company's performance and achieving its goals. We are dedicated to creating a workplace that promotes employee engagement, development, and wellbeing, with a focus on attracting, nurturing, and retaining top talent.

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

Overview of The Storytel Group

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 publisher Gummerus.

Employee Engagement

Employee engagement is a key priority at Storytel, as empowered teams are fundamental to the company's culture, innovation, and sustained success and growth. Therefore engagement levels are measured on an ongoing basis.

In 2024, Storytel Streaming introduced the employee experience platform OfficeVibe to measure engagement through weekly qualitative and quantitative surveys. The Employee Engagement Score is derived from the average of all scale-based questions in the pulse surveys, covering areas such as motivation, collaboration with managers and colleagues, alignment, job satisfaction, and wellbeing.
As a different survey tool was used in previous years, the overall engagement score cannot be accurately compared to past results, but it offers a valuable insight on the current engagement level scoring 7.6 compared to OfficeVibe's external benchmark* of 7.8.

Career Development

The succession planning process at Storytel ensures the identification and annual review of high-potential employees who are capable of stepping into key leadership and critical business roles, with discussions held in the Remuneration Committee.

The Storytel performance appraisal process is designed to facilitate discussions around individual development goals, enabling employees and their managers to collaboratively establish development action plans that are regularly reviewed. This process also helps identify high-potential talent capable of taking on greater responsibilities.

Storytellers participate in a yearly appraisal with their manager to review the past year's performance and achievements and to plan growth and development goals for the upcoming year. The process also includes peer feedback and is further complemented by at least one mid-year review.

Storytel Streaming	2020	2021	2022	2023	2024	Target
% av heltidsanställda som deltagit i någon form av utvärderingsprocess	94%	93%	96%	96%	94%	100%

In 2024, a job architecture framework was designed and introduced within our Streaming organization to provide a clear understanding of all roles within the organization, defining the impact and complexity of each position and how they align with varying levels of seniority.

The need for job architecture goes beyond clarifying seniority levels; it aims to make career paths more visible, support advanced workforce planning, and enhance succession planning. Additionally, it helps clarify compensation structures, including salary bands, incentive programs, and other benefits.

Leadership

In 2024, Storytel Streaming leaders participated in a range of webinars, training sessions, and Q&As designed to enhance their ability to build high-performing teams and empower their employees. Key areas of focus included leading through change, fostering employee engagement through the new OfficeVibe survey tool, and driving effective performance conversations.

Managers received continuous feedback from their teams via the OfficeVibe engagement survey, which includes questions about the manager-employee relationship. Additionally, a new "upward feedback" section was introduced in the performance appraisal process, promoting open dialogue between managers and employees. This allows managers to gain valuable insights into areas where they can improve and better support their teams.

Storytel Streaming	Storytel Results 2024*	External Benchmark 2024*
Relationship with Managers	8.6	8.3

* Data as of January, 2025

Employee Wellbeing

Storytel is dedicated to fostering a supportive and healthy work environment for all its employees. In 2024, Storytel Streaming continued efforts to create a work culture where everyone feels safe to talk about wellbeing to prevent illness and reduce the barriers to seeking help.

Through initiatives like flexible work arrangements, anonymous talks with therapists through BlueCall, structured return-to-work plans, and regular wellbeing check-ins, we actively work to create a workplace where employees feel supported.

Additionally, our engagement survey includes targeted questions on wellbeing and work-life balance, providing

* The OfficeVibe's external benchmark includes a diverse mix of industries and on average 100 companies per industry, providing a comprehensive comparison.

managers with valuable insights to proactively address team concerns and ensure the necessary support to enhance employee wellness.

Storytel Streaming	Storytel Results 2024*	External Benchmark 2024*
Wellness	7.4	7.5

* Data as of January, 2025

Compensation, Benefits & Incentives

Fair and Competitive Compensation

Building on the compensation evaluation project for the senior leadership team conducted in 2023 and the job architecture framework introduced in 2024, we also undertook a comprehensive analysis of the company's internal pay structure. The primary objective of this assessment was to identify any discrepancies in job leveling and compensation within our internal structure.

For Sweden, this analysis was complemented by an in-depth external salary benchmarking study to evaluate how our compensation levels compare with those of similar-sized companies in the market. The external analysis was anchored in the job architecture framework, which is based on Mercer's job evaluation methodology and IPE levels. Mercer's salary data also served as the foundation for our benchmarking efforts.

The results of the internal and external analysis will play a pivotal role in shaping a cohesive compensation logic for the organization, fostering greater transparency and providing a clear framework for managing and discussing compensation.

Benefits

Storytel adheres to local market benefit structures, ensuring that our offerings are aligned with regional standards and meet the diverse needs of our employees across different locations.

In 2024, Storytel continued its efforts to support employees by offering parental salaries in Sweden, Denmark, and Finland, alongside a hybrid work model that allows remote work up to three days a week. Employees also enjoyed the benefit of Public Flexible Holidays, giving them the option to swap public holidays for a day off of their choice.

Incentive Programmes

Storytel launched its first Long Term Incentive Plan program in 2019, a Stock Option Program where employees were granted options that could be exercised after three years. In 2024, Storytel launched a prolongation of the 2023 performance-based Long-Term incentive program, in which new or promoted employees could be offered restricted stock units that give the right to free shares. These restricted stock units are earned throughout certain dates during a four-year employment period. There are also short-term incentive plans within Storytel Group.

Diversity, Equity, Inclusion & Belonging (DEIB)

For Storytel to be successful in the long term, the workforce needs to be as diverse as the people and partners served. Storytel Group 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 catalog 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

We always strive to be inclusive and are strong believers that individuals who feel safe and can be themselves are happier and more productive at work. Storytel's goal is to be a diverse workplace where we can evolve and learn from everyone's differences. All employees at Storytel are entitled to equal opportunities and treatment. We have employees all over the world and welcome people regardless of gender, transgender identity, disability, sexual orientation, ethnicity, age, religion or other beliefs.

To be able to gather timely feedback and identify areas for improvement related specifically to DEIB, Storytel Streaming launched a monthly DEIB survey in OfficeVibe during the second half of 2024. Employees are asked to answer five questions related to diversity, inclusion, equity and belonging. This approach allows us to quickly detect potential issues and take proactive measures. Additionally, it provides employees with a more frequent opportunity to report any behaviors that are inconsistent with our policies or company culture. The overall DEIB score for 2024 is 7.6 out of 10.

In 2024, we have continued the work outlined in the yearly Diversity Plan that covers topics such as working conditions, practices on salaries, recruitment and promotion, education and competence, development, and the possibility of combining 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.

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 regarding the workplace and what behaviors Storytel accepts and does not accept. 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 retaliation. The whistleblowing tool provides an opportunity for employees to anonymously report shortcomings in the work environment.

The Storytel Talent Acquisition function is committed to continuing to use anonymous applications to decrease unconscious bias among Storytel's employees. No personal information about the candidate is showcased until the candidate's experience is rated as relevant, and is applied as a mandatory step in all recruitment processes. In addition, the usage of application questions helps us focus on the critical aspects of the candidate's profile and makes the screening process fairer and more accurate.

We have continued using our psychometric assessment tool for recruitment purposes. By utilizing this tool Storytel

* The OfficeVibe external benchmark includes a diverse mix of industries and on average 100 companies per industry, providing a comprehensive comparison.

will be able to increase inclusion and continue to focus on competency-based recruitment.

As part of the 2024 performance appraisal process, the People team organized several Performance Calibration sessions, where managers collaborated to align employee ratings across teams and departments. This important step ensures consistent and fair evaluations, helping to minimize biases and maintain equity throughout the organization.

Diversity Policy Board of Directors

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. The nomination committee strives to ensure diversity and equal gender representation on the Board.

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 2024.

Age distribution

	30<	31-50	50+	Undeclared
Board of Directors	0%	14%	86%	0%
Management Team	0%	50%	50%	0%
Managers	2%	81%	17%	0%
Employees	13%	83%	4%	0%

Gender distribution

	Female	Male	Other	Undeclared
Board of Directors	43%	57%	0%	0%
Management Team	50%	50%	0%	0%
Managers	50%	46%	1%	3%
Employees	59%	40%	<1%	<1%

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 2024. This includes Norstedts Förlagsgrupp, Gummerus, People's and Lind & Co. Each Publishing House has its own Board of Directors and Management.

Age distribution

	30<	31-50	50+	Undeclared
Management Team	0%	60%	40%	0%
Managers	0%	37%	63%	0%
Employees	10%	68%	22%	0%

Gender distribution

	Female	Male	Other	Undeclared
Management Team	70%	30%	0%	0%
Managers	50%	50%	0%	0%
Employees	73%	27%	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. 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.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Build trust and confidence among investors, customers and employees – Failure to adhere to core values, policies and guidelines – Legal proceedings, fines and penalties – Reputational damage	Employees Investors	Code of Conduct Anti-Bribery and Corruption Guidelines Whistleblowing Instruction Risk Management and Compliance Policy Trade Sanctions Instruction Insider and Communication Policy Work Environment Instructions Supplier Code of Conduct Related Party Transaction Instruction

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 applicable 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 complying with the applicable laws and regulations in the countries in which it operates. Storytel's Code of Conduct outlines a zero tolerance for bribery 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 within 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 employees and 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 zero 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 (UNGC). Storytel has incorporated the 10 principles into the internal Code of Conduct, and the external Supplier Code of Conduct requires suppliers to operate in line with the UN Global Compact principles.

Within Storytel Publishing, 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 a shareholder of the World Expression Forum (WEXFO).

Cyber Security & Data Protection

Information security and data protection are crucial areas for Storytel to build and retain the trust and confidence of our customers, investors, partners, and employees. Strong security and data protection practices are essential for delivering our streaming service, achieving our business goals, and ensuring compliance with rules and regulations.

Storytel takes a proactive approach to promote security and data protection throughout the entire software lifecycle. This approach is based on the following principles:

Principle	Description
Risk-Based Approach	Security controls are tailored to mitigate identified risk levels.
Zero Trust Architecture	We follow zero trust principles: verify explicitly, least privilege access, and assume breach.
Security by Design	Security is incorporated into systems from the outset.
Policies & Procedures	Policies and procedures guide our security practices (aligned with ISO/IEC 27001).
Continuous Improvement	We continually enhance our security posture.
Compliance Assurance	Regular assessments ensure compliance with internal and external requirements.
Accountability	Defined roles and responsibilities for security e.g. information assets have a designated owner.

Governance

Storytel implements information security and data protection measures through established processes and procedures integrated into business operations. Key policies include:

- **Information Security Policy & IT Policy:** Define principles for protecting data, information, and IT assets.
- **External Privacy Policy & Internal Privacy Instruction**: Govern data privacy for customers, employees, and contractors.

These policies apply to all Storytel companies and are reviewed annually by the Board of Directors. Detailed instructions and procedures support these policies, and no affiliate may deviate from them unless required by national law.

Security & Data Protection Team

Storytel has a dedicated security team responsible for key security activities and controls, including a Data Protection Officer (DPO) and Data Protection Coordinators (DPC) within different business functions.

Security Audit & Assurance

Storytel's public-facing systems are continuously assessed through a private bug bounty program and automated security scanners.

Vulnerability Disclosure Program

Storytel encourages external security researchers to report vulnerabilities through its Vulnerability Disclosure Program. The Storytel **Vulnerability Disclosure Program** is accessible here: https://security.storytel.com

Awareness Training

Storytel employees and contractors receive ongoing information security and data protection awareness training.

Third-Party Security

Before engaging new system and service vendors, Storytel conducts due diligence and incorporates security requirements into major agreements.

Impact through publishing

Reyhaneh Ahangaran

Boken om oro: råd och hjälp om stort och smått

How do we protect children's mental health in an era of increasing stress and uncertainty? Psychologist Reyhaneh Ahangaran offers practical strategies to understand and manage anxiety, emphasizing children's right to security and emotional support.

Yaqoub Ali, Louise Elly Meyer

Mit had

32-year-old Yaqoub Ali shares his experiences from a boundless and extreme life. It is the story of growing up in war-torn Iraq, coming to Denmark and choosing a criminal path, serving time in prison, becoming a leader of jihadists – and turning his back on it all. Everything except the overwhelming hatred he constantly struggles to keep in check. 'Hatred' is a brutally honest and self-critical biography about extremism, hatred, and hope. And a revealing of terror plans against the Danish Queen's castle, Rosenborg, in Copenhagen.

Sofia Rutbäck Eriksson, Sanam Gharaee

Glöm aldrig Tintin: En sann berättelse

The Tintin case received a lot of attention in the spring of 2023. In Never Forget Tintin, Sanam Gharaee depicts the fight for her son's freedom. The book is a true story about a mother who tries to save her son from a violent man – and loses to the Swedish legal system. About having her child murdered by the man she once loved the most. The question on everyone's lips was and still is: How could this happen?

Jenni Janakka

Tekkimimmit – Inspiroivat digiuranuurtajat

The technology industry's gender paradox gets a ride in a compelling non-fiction book. Technology has developed at a dizzying pace as we enter the 2020s, and the possibilities are endless. Finnish society is also quite free today, and women can fulfill themselves in the way they want and follow their desired career path. So why will only a good fifth of the technology industry be women in 2023? Why are 90 percent of Wikipedia article writers men? Why is the identity of a serious video game player still assumed to be male, even though half of the players are women?

Corporate Governance Report

Storytel AB (publ) is a Swedish public limited company with registration number 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, Nasdaq First North Growth Market Rulebook and generally accepted practice in the securities market. Internal control instruments include Storytel's articles of association, policies, instructions, and guidelines.

Share and Shareholders

The Class B shares in Storytel AB (publ) have been traded on Nasdaq First North Growth Market since December 5, 2018, under the ticker STORY B. As of December 31, 2024, the number of shares amounted to 77,150,803, of which 77,150,168 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. The largest shareholder group in the company as of December 31, 2024, was represented by Jonas Tellander, consisting of Jonas Tellander, Annamaria Tellander, Paul Svedrup, Dimitra AB, Jon Hauksson, Kristoffer Lind AB, and Jehangir AB. As of the year-end, the shareholder group held a total of 11,283,236 Class B shares, corresponding to 14.63% of the votes in the company.

A list of the company's ten largest shareholders as of December 31, 2024, can be found here and in the Directors' Report.

Largest shareholders as of 31 December 2024

Shareholder	Capital, %	Votes, %
Roxette Photo SA	8.61%	8.61%
Jonas Tellander	4.82%	4.82%
Otava Oy	4.47%	4.47%
Vitruvian Partners	4.34%	4.34%
Handelsbanken Fonder	4.28%	4.28%
Swedbank Robur Fonder	4.17%	4.17%
Avanza Pension	3.26%	3.26%
Annamaria Tellander	3.17%	3.17%
C WorldWide Asset Management	3.05%	3.05%
Rustan Panday	2.91%	2.91%
Total ten largest shareholders	**44.09%**	**44.09%**
Others	55.91%	55.91%
Total	**100.0%**	**100.0%**

Letter from the Chairwoman

As I look back on my first year as Chairwoman of the Board of Directors of Storytel Group, I am truly impressed by the positive transformation the company has undergone. By executing our profitable growth strategy, the team has delivered strong results each quarter, resulting in a very strong full-year result that is positioning us well for the future. We remain focused on crafting compelling stories through our publishing houses and delivering them through our innovative streaming platforms.

In 2024, the company performed strongly with increased revenues and in particular increased profitability which was driven by a variety of efficiency measures. This allowed us to achieve our 2026 mid-term financial targets - an adjusted EBITDA margin exceeding 15 percent and operational cash flow above 10 percent of revenue - already two years ahead of schedule. This significant achievement provides a solid foundation for future strategic opportunities and strengthens Storytel Group's position as a leader in innovative storytelling.

This year also brought important changes to our Board and shareholder base. At the Annual General Meeting in May, we welcomed new board members Ulrika Danielsson, Filippa Wallestam, and Erik Tiden and I also had the opportunity to take over the chair position. This new composition creates a diverse board with expertise in our industry, adjacent industries and important expertise competencies such as governance, audit, content, streaming and transformation. Later in the fall we saw a shift in our ownership structure as a result of the previously announced closure of EQT's public value fund and with that, the sale of Storytel shares. I extend my sincere gratitude to our former CEO Johannes Larcher and all our outgoing board members for their valuable contribution to Storytel.

October 1st was a significant milestone as Bodil Eriksson Torp joined Storytel Group as our new CEO. Bodil's background in media, publishing, technology and transformation makes her a very strong fit for the company. Despite her relatively brief time with us in 2024, she has already made a strong impact, and I am confident all our stakeholders are looking forward to seeing her imprint on the company in 2025.

On behalf of the Board of Directors, I extend my gratitude to our customers who continue to show trust in us, our partners and of course all our employees. Their efforts have played a key role in bringing us to where we are today. Finally, I would like to thank our shareholders for their ongoing engagement and support.

Hélène Barnekow

Chairwoman of the Board

By executing our profitable growth strategy, the team has delivered strong results each quarter resulting in a very strong all year result which is positioning us well for the future

Governance Structure

General Meeting

The General Meeting 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 in proportion to their shareholdings. The Annual General Meeting (AGM) must be held within six months from the end of the financial year and shall, in accordance with the Swedish Companies Act and the Articles of Association, address the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet, appropriation of profit or loss, discharge from liability for the Board members and the CEO, determination of the number of Board members and auditors and any deputies, fees to the Board and auditors, election of the Board and auditors and any deputies, and other matters to be addressed 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 no later than seven weeks before the AGM. Every shareholder has, in accordance with the Swedish Companies Act, the right to ask questions to the company about matters addressed at 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 if the Board deems necessary or if the auditors or owners of at least 10% of all shares request it. Notice of a General Meeting shall be given through an announcement in Post och Inrikes Tidningar (Swedish Official Gazette) and the notice shall be made available on the company's website. Issuance of the notice must be announced in Dagens Nyheter. Documents and bulletins from General Meetings are published on the company's website. The AGM 2025 will be held on Tuesday, May 6, 2025.

AGM 2024

The AGM 2024 was held on May 14, 2024, at Storytel's office in Stockholm. Shareholders could also 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 percent 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 shareholders had the opportunity to ask questions. The AGM resolved in accordance with each of the proposals from the Board and the Nomination Committee regarding:

- No dividend for the financial year 2023.
- Discharge from liability for the Board and CEO.
- The Board shall consist of eight members and the company shall have one registered auditing firm as auditor.
- Re-election of Alexander Lindholm, Joakim Rubin, Jonas Sjögren, and Jonas Tellander as Board members. Election of Hélène Barnekow, Ulrika Danielsson, Filippa Wallestam, and Erik Tiden as new Board members.
- Election of Hélène Barnekow as new Chair of the Board.
- Fees for the Board and auditor.
- Re-election of Ernst & Young Aktiebolag as the company's auditor.
- Authorization for the Board to, until the next AGM, on one or more occasions, with or without preferential rights for shareholders, issue shares, warrants and/or convertibles corresponding to no more than ten percent of the company's share capital after dilution at the time when the authorization is used for the first time.
- Amendment to the long-term incentive program 2023/2027 which involved an extension of the period for the Board to decide on the allocation of the share rights in the program that have not yet been allocated.

Annual General Meeting 2025

The AGM 2025 will take place in Stockholm on May 6, 2025. The date for the AGM was announced in connection with the presentation of the Q3 2024 quarterly report. The notice will be published in April 2025. For more information, visit https://www.storytelgroup.com/.

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 AGM regarding the election of Board members, Chair of the Board, Board fees, potential remuneration for committee work, chair of the AGM, election of 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://www.storytelgroup.com/.

Composition of the Nomination Committee

The Nomination Committee shall, in accordance with the principles established by the AGM 2023, consist of five members, of whom four shall be nominated by the company's four largest shareholders or groups of shareholders by voting power and the fifth shall be the Chair of the Board. Unless otherwise unanimously agreed between the members, the member 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 no later than six months before the AGM. The principles for the Nomination Committee can be found in their entirety at: https://www.storytelgroup.com/sv/bolagsstyrning/valberedning/.

Meetings of the Nomination Committee

The Nomination Committee has held 4 meetings before the AGM 2025. No remuneration has been paid for the work of the Nomination Committee.

Nomination Committee prior to AGM 2025

		Independence in relation to:	
Members	**Appointed by**	**The company and executive management**	**The largest shareholder in the company in terms of votes**
Rustan Panday, Chair	Appointed by a shareholder group consisting of Jonas Tellander, Annamaria Tellander, Paul Svedrup, Dimitra AB, Jon Hauksson, Kristoffer Lind AB and Jehangir AB	Yes	Yes
Hans-Peter Ostler	Roxette Photo S.A.	Yes	No
Alexander Lindholm	Otava Oy	Yes	Yes
Oscar Severin	Vitruvian Partners	Yes	Yes
Hélène Barnekow, Chair of the Board		Yes	Yes

Board of Directors

Work of the Board

The Board shall manage the company's affairs, safeguard shareholders' interests, appoint the CEO, and be responsible for ensuring that the company complies with applicable laws and Articles of Association. The Board is also responsible for ensuring that the Group's organization is structured so that accounting, administration of funds, and the company's financial circumstances are controlled satisfactorily. The Board shall meet with the company's auditor at least once a year without the presence of company management and continuously evaluate the CEO's work. The Board follows written rules of procedure that are revised annually and adopted at the first Board meeting each year, or at another Board meeting if required. The rules of procedure prescribe how work shall be divided, including the Chair's role and responsibilities, instructions regarding the division of responsibilities between the Board and the CEO, and the CEO's responsibility to report financial developments to the Board.

Board Composition

According to the Articles of Association, Storytel's Board shall consist of a minimum of three and a maximum of eight ordinary members elected by the General Meeting for the period until the end of the next AGM. The AGM 2024 resolved that the Board shall consist of eight members and re-elected Alexander Lindholm, Joakim Rubin, Jonas Sjögren, and Jonas Tellander, and elected Hélène Barnekow, Ulrika Danielsson, Filippa Wallestam, and Erik Tiden as new Board members. Hélène Barnekow was elected as new Chair of the Board. On November 1, 2024, Joakim Rubin resigned as Board member at his own request.

The average age of the members elected by the General Meeting was 55.1 years at year-end, and three of the eight members were women. For information about the Board members' assignments outside the Group and their holdings of shares in Storytel, see page 53 and https://www.storytelgroup.com/sv/bolagsstyrning/styrelse/.

Diversity

Storytel, through its Nomination Committee, strives for the Board to have a composition that is appropriate with regard to the company's operations, development stage, and other circumstances, characterized by diversity and breadth regarding qualifications, experience, age, education, and professional background for members elected by the General Meeting. The Nomination Committee also strives for equal gender representation on the Board.

Board Independence

Of the eight members elected by the General Meeting, seven are independent in relation to the company and 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 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 Meeting

During 2024, the Board held 26 meetings, of which ten were per capsulam and one was a constituent meeting. The CEO, CFO, and the company's General Counsel, who is also the Board's secretary, participate in 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 May 14, 2024, the AGM elected Hélène Barnekow as new Chair of the Board. Hans-Holger Albrecht was Chair of the Board until the AGM 2024. The Chair leads the Board's work and monitors that the Board fulfills its duties. The Chair is particularly responsible for ensuring that the Board's work is well-organized, efficient, and in line with the development of the business operations. The Chair of the Board monitors that the Board's decisions are effectively executed and is responsible for the annual evaluation of the Board's work and for informing the Nomination Committee of the evaluation results.

Board Committees

Audit Committee

The Board appoints the members of the Audit Committee annually at the inaugural Board meeting in connection with the AGM, and the committee then appoints its chair from among its members. At least one of the members must have experience in auditing or accounting. The company's CEO, CFO, other employees, or auditor may be invited to participate in the committee's meetings. Until the AGM on May 14, 2024, the Audit Committee consisted of Adine Grate (chair), Hans-Holger Albrecht, and Jonas Tellander. After the AGM on May 14, 2024, the Audit Committee consisted of Ulrika Danielsson (chair), Hélène Barnekow, and Joakim Rubin. On November 1, 2024, Joakim Rubin resigned from the Board, and Jonas Sjögren was appointed as a new member of the Audit Committee.

The Audit Committee is responsible for ensuring the quality of financial reporting and the effectiveness of internal control and risk management regarding financial reports. In brief, the Audit Committee shall, without affecting the Board's responsibilities and duties in general, regularly meet with the company's auditors to stay informed about the audit's focus and scope. In addition, the Audit Committee shall ensure that the company complies with sustainability reporting requirements and that the company works strategically and systematically with sustainability throughout its operations. The Audit Committee shall meet at least five times per financial year. The Audit Committee's meetings shall be recorded in minutes. The Audit Committee shall inform the Board about the matters it has handled. During 2024, the Audit Committee held seven meetings.

Remuneration Committee

The Board appoints the members of the Remuneration Committee annually at the inaugural Board meeting in connection with the AGM, and the committee then appoints its chair from among its members. The company's CEO, CFO, HR Director, other employees, or auditor may be invited to participate in the committee's meetings. Until the AGM on May 14, 2024, the Remuneration Committee consisted of Joakim Rubin (chair), Hans-Holger Albrecht, and Alexander Lindholm. After the AGM on May 14, 2024, the Remuneration Committee consisted of Hélène Barnekow (chair), Jonas Sjögren, and Alexander Lindholm.

The Remuneration Committee's tasks include preparing guidelines for remuneration structures and metrics for all or parts of the company, such as performance-based remuneration and incentive programs, and ensuring the application of remuneration levels in the company. Decisions on remuneration shall be handled in a well-defined process that ensures no individual is involved in decisions about their own remuneration. The Board decides on the CEO's total remuneration package based on recommendations from the Remuneration Committee. The remuneration package for other members of the management team or key persons in management positions is approved by the Remuneration Committee based on recommendations from the CEO. The Remuneration Committee shall meet as often as it deems necessary, but normally four times per year. The Remuneration Committee's meetings shall be recorded in minutes. The Remuneration Committee shall inform the Board about the matters it has handled during the year. During 2024, the Remuneration Committee held seven meetings.

Strategy Committee

The members of the Strategy Committee are appointed annually by the Board at the first Board meeting in connection with the AGM, and the committee then appoints its chair from among its members. Until the AGM on May 14, 2024, the committee was called the Strategy and ESG Committee and consisted of Hans-Holger Albrecht (chair), Lina Brouneus, Lutz Finger, and Adine Grate. After the AGM on May 14, 2024, the committee was changed to the Strategy Committee and consisted of Jonas Tellander (chair), Filippa Wallestam, Erik Tidén, and Hélène Barnekow.

The Strategy Committee is responsible for, among other things, reviewing and making recommendations to management and reporting to the Board about acquisitions, major operational issues, and other matters of great strategic importance to the company. The Strategy Committee shall also review and make recommendations to management and the Board regarding the company's strategic plan and overall strategy and recommend to the Board which issues should be discussed at the Board's annual strategy session. The Strategy Committee shall meet as often as it deems necessary, but normally four times per year. The Strategy Committee's meetings shall be recorded in minutes. The Strategy Committee shall inform the Board about the matters it has handled during the year. During 2024, the Strategy Committee held five meetings.

CEO and Group Management

The CEO is appointed by the Board and leads operations in accordance with the instructions adopted by the Board. The CEO is also responsible for the day-to-day management of the company's and Group's affairs in accordance with the Swedish Companies Act. Furthermore, the CEO, together with the Chair of the Board, establishes the agenda for Board meetings. The Board continuously evaluates the CEO's duties and work. The CEO is responsible for ensuring that the Board receives the information it needs and for presenting and proposing matters prepared by the company's management at Board meetings. The CEO keeps the Board and the Chair of the Board informed about the company's and Group's financial position and performance.

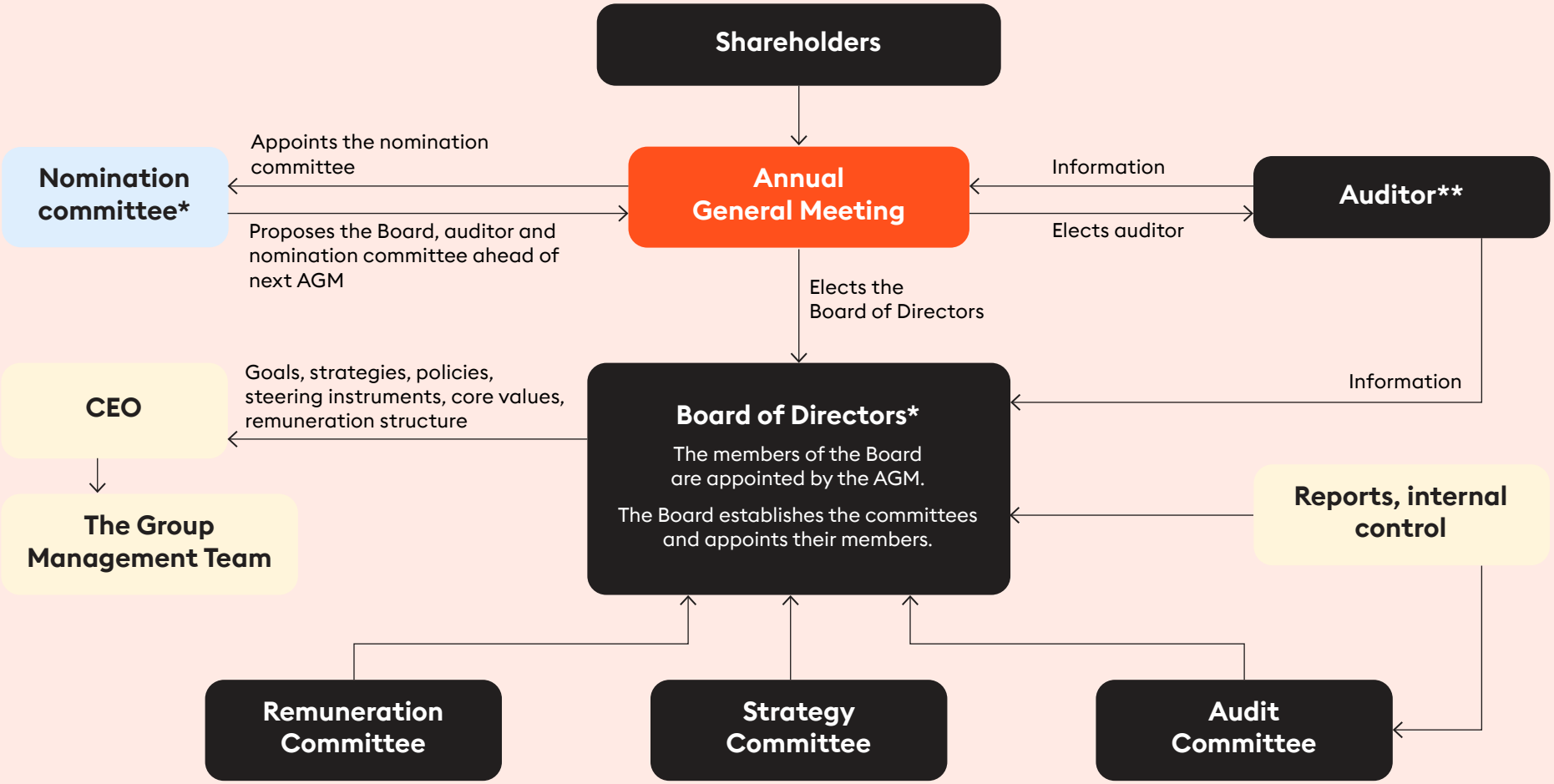
Bodil Eriksson Torp has been CEO of Storytel since October 1, 2024. As of December 31, 2024, Group Management

consisted of, in addition to the CEO, five senior executives: Chief Financial Officer, President Streaming, General Counsel, Chief Content Officer, and CEO Storytel Books. For information about the CEO and other members of Group Management, see page 54-55.

Group Management holds regular management meetings, and during 2024, meetings were held weekly. The meetings focus on the Group's strategic and operational development and performance monitoring.

Auditor

The auditor is appointed by the AGM to review the company's annual report and accounting records as well as the Board's and CEO's administration. The auditors' reporting to shareholders takes place at the AGM through the audit report. At the AGM on May 14, 2024, the registered auditing firm Ernst & Young Aktiebolag was re-elected as the company's auditor, with authorized public accountant Johan Holmberg as 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: Erik Tidén, Jonas Sjögren, Jonas Tellander, Hélène Barnekow, Filippa Wallestam, Joakim Rubin*, Alexander Lindholm, Ulrika Danielsson.

* Joakim Rubin was a board member until 1 November 2024.

Board of Directors

Hélène Barnekow

Chair of the board since 2024
Born: 1964
Education/Background: MSc in International Business from Lunds Universitet. Former CEO of Microsoft Sweden and Telia Sweden.
Other significant assignments: Chairman of the board of Mindler AB, board member at Handelsbanken AB and GN Store Nord AS.
Independent in relation to the company and management: Yes
Independent in relation to major shareholders: Yes
Holdings in the company: 20,000 class B shares

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 an MSc in Chemical Engineering from Lund University (1995) and an MBA from INSEAD (2001). He has previously worked at Unilever and Arla and before Storytel as Head of Global License Financing at Roche in Switzerland.
Other significant assignments: –
Independent in relation to the company and management: No
Independent in relation to major shareholders: No
Holdings in the company: 3,068,880 class B shares. 5,038 employee stock options

Ulrika Danielsson

Board member since 2024
Born: 1972
Education/Background: Bachelor of Science in Business Administration from the University of Gothenburg. Former CFO of Atrium Ljungberg AB and Castellum AB.
Other significant assignments: Board member at Nyfosa AB, Pandox AB, Platzer Fastigheter AB and Infranord AB
Independent in relation to the company and management: Yes
Independent in relation to major shareholders: Yes
Holdings in the company: 2,000 class B shares

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 Storia 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. Alexander is CEO of Otava Ltd, which holds 3,445,071 class B shares in Storytel.

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 for 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, Markov Capital AB and Roxette Photo SA. Chairman of the Board at Exceca Allocation AB and Alsteron AB. Jonas Sjögren was a Board member of Storytel from 2008–2022.
Independent in relation to the company and management: Yes
Independent in relation to major shareholders: Yes
Holdings in the company: 362,766 class B shares. Jonas Sjögren is also co-owner and board member in Roxette Photo SA that holds 6,641,101 class B shares in Storytel.

Erik Tidén

Board member since 2024
Born: 1957
Education/Background: MSc and PhD in Computer Science from the Royal Institute of Technology in Stockholm and Master of Business Administration from Mannheim Business School and ESSEC. Previous leading positions within technology and software development at SAP, Microsoft and Unit4. Currently a technology and business advisor to SaaS companies and other leading private equity firms.
Other significant assignments: Scrive
Independent in relation to the company and management: Yes
Independent in relation to major shareholders: Yes
Holdings in the company: 10,000 class B shares

Filippa Wallestam

Board member since 2024
Born: 1983
Education/Background: MSc in Economics and Business Administration from the Stockholm School of Economics. Previous international experience from Boston Consulting Group in London and New York and leading roles within Viaplay Group.
Other significant assignments: Daily Mail General Trust
Independent in relation to the company and management: Yes
Independent in relation to major shareholders: Yes
Holdings in the company: -

Group Executive management

Bodil Eriksson Torp

Chief Executive Officer (CEO) since 2024
Born: 1968
Education/Background: Master of Science degree in Economics from the University of Linköping, Sweden and an Executive Master of Science in Communication Management from the University of Lugano, Switzerland. Bodil most recently served as CEO of VO2 Cap Holding AB (publ), a holding company that refines and expands entrepreneurial companies in media and tech. Prior to VO2, she served as the Group CEO/President of Aller Media AB for eight years where she was part of the Nordic executive management team. She also spent 15 years in various management roles within the media group Bonnier AB, of which eight years were in CEO positions.
Holdings in the company: 12,634 class B shares.

Luis Duran

President of 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: 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 of Corporate Development at Ongame Network, a part of Bwin.
Holdings in the company: 130,000 RSUs.

Tobias Andersson

General Counsel since 2023
Born: 1970
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 of 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.

Helena Gustafsson

Chief Content Officer (CCO) since 2020
Born: 1973
Education/Background: Bachelor of Arts in Literature. Joined the company in 2013 following Storytel's acquisition of Storyside where she served as CEO. Helena has previously held several key roles at Storytel such as Head of Global Publishing.
Holdings in the company: 18,258 class B shares, 709 employee stock options and 70,125 RSUs.

Linda Särensand

CEO of Storytel Books since 2021
Born: 1974
Education/Background: Background and education in economics and markets with extensive leadership experience, and more than 20 years in leading positions 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 wholly owned publishing houses under Storytel Books.
Holdings in the company: 50,000 RSUs.

Extended management

Ana Julia Ghirello
GM Expansion Markets / SVP Partnerships

Anna Etzler
SVP Operations

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 circumstances can be controlled in a satisfactory manner and that financial reports, such as interim reports and annual accounts to the market, are prepared in accordance with the law, applicable accounting standards, and other requirements for companies listed on Nasdaq First North Growth Market.

The Board shall monitor financial performance, ensure the quality of financial reporting and internal control, and regularly follow up and evaluate operations.

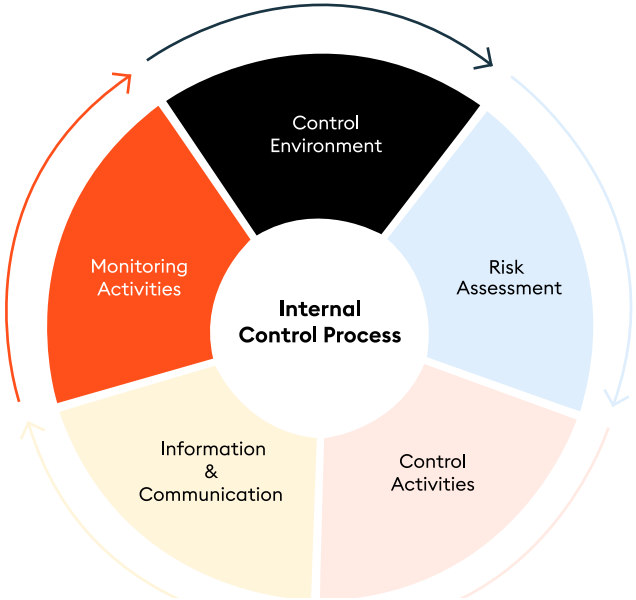
The Audit Committee is responsible for preparing the Board's work to ensure the quality of the company's financial reporting. However, the Audit Committee does not only address the Group's financial reports and more significant accounting issues but also matters concerning internal control, compliance, significant uncertainty in reported values, events after the balance sheet date, changes in estimates and assessments, and other circumstances affecting the quality of the financial reports. The CEO must ensure that the bookkeeping of each Group company is conducted in accordance with applicable law and that administration is managed satisfactorily. The accounts are prepared for the Group every quarter and submitted to the Board and Group Management. A profit and loss statement, balance sheet, and investment budget are prepared quarterly. 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 remainder of the fiscal year.

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

- Interim reports;
- Annual report;
- Press releases with inside information;
- Presentations for financial analysts, investors and media;
- Meetings with financial analysts and investors.

Internal Control over Financial Reporting

The overall purpose of internal control over financial reporting is to provide reasonable assurance that internal and external reporting is reliable. The internal control shall also ensure that operations are conducted in accordance with applicable laws and regulations and follow the requirements for companies listed on Nasdaq First North Growth Market. An internal control framework has been established within Storytel and has been continuously developed over recent years to support the organization and the systems and processes that contribute to Storytel's ability to meet the above-mentioned requirements for 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 builds on various governing documents such as policies and guidelines, instructions and manuals that define responsibilities and authorities. Examples of governing documents, specifically regarding financial reporting, are the Code of Conduct, Finance Policy, Signing and Approval Instruction, and Storytel's Finance Manual. These internal documents together with laws and other external rules constitute the so-called control environment that shall be implemented in work processes and routines and followed by all employees. Furthermore, the Board has established an Audit Committee that assists the Board regarding its supervisory responsibility related to the effectiveness of Storytel's internal control framework. The Audit Committee also assists with matters concerning significant accounting principles that the Group applies.

Risk Assessment

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

Control Activities

Control activities aim to prevent and identify significant misstatements in financial reporting at an early stage so they can be managed and remediated. Control activities exist at both general 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 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 take place at the Group, subsidiary, or process level.

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 finance manual and related instructions to relevant parties.

Another important communication channel is the company's whistleblower function, where any deficiencies in 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 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 internal control over financial reporting occurs primarily through the Audit Committee.

Monitoring activities related to internal control also occur as part of the external audit. The Audit Committee follows up on the financial reporting 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 currently no formal internal audit function established. The Board conducts an annual review of this arrangement and has for the business year 2024 assessed that existing structures for follow-up and evaluation are satisfactory. If a need for specific internal audit efforts is identified, this can be met through temporary external resources.

Risks and Risk Management

Like all companies, Storytel's way of doing business is associated with risks. The ultimate purpose of risk management at Storytel is to identify and manage events that could have a negative impact on achieving Storytel's objectives. Storytel's risk management work is based on international standards under the leadership and coordination of the company's internal control function. Overall principles, 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 of Directors and subject to annual review.

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

On an annual basis, Storytel Group performs a risk assessment 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 to either reduce the probability of the risk occurring or mitigate any consequences. Risks are assigned an owner who is responsible for monitoring and following up on decided activities and ensuring they contribute to reducing the intended risk. The company conducts at least one annual review and reports the status of the most important enterprise risks, and the results are reported to the Audit Committee and Board.

As part of the work to reduce risk exposure in selected areas, the company takes out various types of insurance policies for 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, and insurance covering sea freight. 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 behavior. A section on how Storytel works with business ethics and compliance can be found in the sustainability report.

Below is an overview of important risk areas in order of priority and how the risks are managed by Storytel.

Competition in a Broader Perspective

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

Content Risks

For Storytel to be able to offer attractive content and reach a broad international customer group, it needs to be proactive in establishing mutually beneficial business partner relationships between publishers and the streaming service. Managing and developing relationships with publishers and the streaming service is at the core of Storytel's content strategy; already today, much focus is placed on improving distribution agreements and author and publisher relationships and information transfer about the possibilities with digital sales. Risks associated with our ability to offer an attractive content catalog by attracting and retaining key content creators are managed through focus on relationship building, communication, credibility and high competence, as well as carefully following industry development and regulations and offering market-appropriate contract terms. Storytel has also made, and plans to continue, investments in content to differentiate its services in selected markets to offer unique listening experiences.

The Macroeconomic Outlook

Negative macroeconomic factors and general political uncertainty and wars have continued to affect society as a whole over the past 12 months. They have led to continued uncertainty around consumption trends in both short and long term, challenges in the manufacturing and transport sector, and an accelerated digitalization transition linked to physical bookstores. Storytel has evaluated and will continue to evaluate how changes in macroeconomic factors may impact the business. Among other metrics, subscriber intake and churn are closely monitored and can serve as early warning signals for any changes. This is also communicated externally in the company's quarterly reports.

Cyber Attacks and System Outages

Technical platforms, owned by Storytel or by suppliers, risk being 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 outages in Storytel's services. Storytel has a cybersecurity program in place to mitigate the risks of cyber attacks and outages. The program 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 Single Sign-On (SSO) and two-factor authentication (2FA).

Personal Data

Storytel continuously works to implement organizational, technical, and administrative measures to meet the requirements of GDPR (General Data Protection Regulation) and the complementary legislation and national interpretations that EU/EEA countries have issued. Countries outside the EU/EEA have also increasingly issued national legislation that, in many cases, builds on GDPR but may also have different or stricter rules. The interpretation of GDPR thus changes constantly. This places high demands on a global organisation, both technically and organisationally, and there is a risk that the company does not take into account the complex requirements and therefore does not implement processes quickly enough or to a sufficient degree. Severe penalties may also be imposed under GDPR and the company may, depending on the nature and extent of a possible violation, risk both injunctions for measures with short implementation time and penalties or sanctions.

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 pose risks that make it more difficult or more expensive to raise capital in the future. Storytel manages its financing strategy based on a financial policy adopted by the Board that is reviewed at least once per year. The financial policy regulates management within areas such as liquid assets, financial exposure, future cash flows and financial instruments and how Storytel should work with these matters at Group level. More information about Storytel's financial risks and how they are managed can be found in Note 25.

Legal and Regulatory Risks

The Storytel Group conducts business in many different jurisdictions and is thus subject to different legal and regulatory requirements. New regulatory requirements or provisions in a specific market could limit Storytel's positioning in that market. Storytel works proactively to monitor changes in legal conditions to meet the requirements set. Storytel has, among other things, built up internal competence to support the business in managing various legal risks and regularly works with external advisors.

Recruitment and Staff Turnover

Storytel's business model and growth strategy place high demands on the competence of our employees. There are risks associated with the high competition for talent that affects Storytel's ability to attract and retain qualified personnel. Storytel works actively to develop and improve the offering we can give our employees in terms of compensation and development opportunities and invests heavily in creating a workplace where we can recruit and retain competent employees regardless of nationality or residence. Additionally, internal work on company culture, also in light of the increasing CSRD focus, will be an important component for continuing to attract the right competence.

Environmental and Climate Risks

Companies, including Storytel, play a central role in reducing greenhouse gas emissions and building a resilient zero-emission economy. Costs associated with emissions are expected to continue increasing year by year, and climate-related risks such as rising temperatures and resource scarcity can lead to disruptions for Storytel's value chain and operations. At present, Storytel assesses that the effects of such risks are limited. As a signatory of the UN Global Compact, Storytel wants to collaborate with its suppliers to address environmental impacts, apply the precautionary principle, and promote greater environmental responsibility and the use of clean technology throughout the value chain. Read more about Storytel's environmental and climate risks and their management in our sustainability report.

Directors' Report

Information about the operations

The Board of Directors and Chief Executive Officer (CEO) hereby submit the annual report and consolidated financial statements for Storytel AB (publ), corporate registration number 556575-2960, for the financial year 2024.

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

Financial performance

The Group's net sales for the period increased by 9%, amounting to 3,798.0 (3,489.2) MSEK. The growth was driven by solid performance in both the Streaming and Publishing segments. At constant exchange rates, the Group's net sales growth was 9%. Gross profit amounted to 1,699.8 (1,247.3) MSEK, corresponding to a margin of 44.8% (35.7), an increase of 9.1 percentage points compared to 2023.

Operating profit (EBIT) for the period amounted to 246.3 (-742.3) MSEK. Adjusted operating profit totaled 303.5 (-50.4) MSEK, corresponding to a margin of 8.0%. As a share of revenue, marketing expenses decreased due to improved marketing efficiency. Adjusted technology and development costs decreased by 15% to -229.0 (-268.6) MSEK, while adjusted other and administrative expenses decreased by 11% to -325.1 (-364.7) MSEK.

Profit before tax for the period amounted to 235.6 (-807.5) MSEK. Net financial items for the period amounted to -10.7 (-65.1) MSEK. This includes net interest expenses of -36.4 (-55.6) MSEK and foreign exchange effects of 26.7 (-9.1) MSEK, mainly related to a USD commitment originating from the acquisition of Audiobooks.com. Income tax for the period amounted to -22.1 (-6.1) MSEK. Net profit for the period was 213.5 (-813.5) MSEK.

Multi-year overview

Group (TSEK)	2024	2023	2022	2021	2020	2019
Net sales	3,797,976	3,489,220	3,200,382	2,620,797	2,236,751	1,843,267
Profit before tax	235,609	-807,470	-395,156	-352,324	-191,700	-380,186
Operating margin (%)	6.5%	-21.3%	-12.5%	-13.4%	-7.4%	-19.6%
Profit margin (%)	5.6%	-23.3%	-12.2%	-14.2%	-8.4%	-17.0%
Equity	1,551,632	1,273,182	2,131,785	1,860,922	955,607	342,200
Balance sheet total	3,389,147	3,140,651	4,327,314	2,959,039	1,889,963	1,305,901
Equity ratio (%)	45.8%	40.5%	49.3%	62.9%	50.1%	26.2%
Average number of employees	520	629	766	830	685	539

Parent Company (TSEK)	2024	2023	2022	2021	2020	2019
Net sales	46,043	46,142	43,096	20,896	4,717	3,788
Profit after financial items	-36,309	-15,089	-553	35,459	-14,241	-27,822
Balance sheet total	5,672,911	5,060,213	5,443,161	3,835,947	2,534,087	1,867,313
Equity-to-assets ratio (%)	73.3%	82.9%	77.4%	99.6%	99.4%	78.4%

Financial overview

The Group's net sales for the period increased by 9% compared to the comparative period, amounting to 3,798 (3,489) MSEK. The increase was driven by a combination of strong subscriber growth and a stable average revenue per subscriber in the Streaming segment's markets, particularly in the four growth markets outside the Nordic region: the Netherlands, Turkey, Poland, and Bulgaria. In the USA, Audiobooks.com continued to focus on increased profitability.

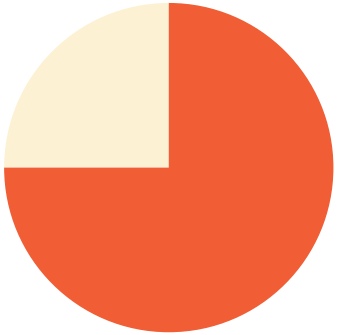
Sales within the Publishing segment also increased due to stronger external digital sales and stable demand for physical books, despite a general downturn in the Nordic book market. Importantly, the revenue includes internal sales from Publishing to Storytel, which grew by 13%. Streaming was the largest contributor to the Group's net sales, generating 3,377 MSEK. The Publishing segment contributed 1,125 MSEK, of which 501 MSEK came from internal sales.

The reported cost of goods sold decreased by 6% to -2,098 (-2,242) MSEK, mainly due to increased consumption of proprietary content. Gross profit amounted to 1,700 (1,247) MSEK. Profit before tax for the period amounted to 236 (-807) MSEK.

IAC effect on the P&L

TSEK	Jan–Dec 2024	Jan–Dec 2023
Cost of sales	-5,842	-142,055
Selling and marketing expenses	-11,165	-10,184
Technology and development expenses	-25,973	-34,433
Administrative expenses	-38,061	-504,520
Other operating items	23,829	–
Result from participation in associates	-	-710
Operating profit/loss	**-57,212**	**-691,902**
Reversal of write-down	–	573,162
Profit before tax	**-57,212**	**-118,741**

Segments revenue



Items affecting comparability

In 2024, Storytel recognized IACs of -57 (-672) MSEK. Restructuring and organizational changes accounted for -65 MSEK, divestments of three business units had an impact of -10 MSEK, and the Group's share-based incentive program accounted for -17 MSEK. A one-time compensation of 34 MSEK from Copyswede, related to private copying levies in Sweden for historical periods, had a positive offsetting effect.

IAC type

TSEK	Jan–Dec 2024	Jan–Dec 2023
Share-based incentive schemes	-16,957	-20,333
Divestment/Discontinued operations	-10,043	-9,000
Organizational restructuring	-64,611	-21,899
Write downs	–	-631,741
Changes in accounting policies	-	-8,932
One-time compensation	34,399	-
EBIT	**-57,212**	**-691,902**
Reversal of write-down	–	573,162
EBITDA	**-57,212**	**-118,741**

Development in streaming

Streaming revenues increased by 8 percent to 3,376.9 (3,121.6) MSEK, with the Non-Nordics Core experiencing the fastest growth at 16 percent.

The sales growth was driven by an 11 percent increase in the number of subscribers during the period. The number of subscriptions on the streaming platform exceeded 2.4 million at year-end, following positive development in several markets, particularly Bulgaria and Poland. Together with the US, these 10 markets accounted for more than 90 percent of Storytel's average subscriber base and revenues in 2024. During the year, the Nordic market generated more than 2.3 billion SEK in revenues, while the non-Nordic core markets surpassed one billion in revenues.

Adjusted operating profit before depreciation and amortization increased by 69 percent to 432.3 (256.5) MSEK, corresponding to a margin of 12.8 percent (8.2).

Development in Publishing

Net sales for the period increased by 12 percent to 1,125.1 (1,003.5) MSEK. The agreement with Nextory, which was gradually implemented during the latter part of the first quarter of 2024, supported growth in digital sales. External sales accounted for 56 percent of the segment's revenue.

Adjusted operating profit before depreciation and amortization increased by 87 percent during the year, amounting to 303.8 (162.7) MSEK, corresponding to a margin of 27.0 percent (16.2).

Significant events during the year

On January 24, Storytel announced an increased focus on profitability, updated its mid-term financial targets, and introduced an efficiency program along with a non-cash impairment of 632 MSEK, which was recognized in the fourth quarter of 2023.

The Annual General Meeting was held on May 14, 2024. Joakim Rubin, Alexander Lindholm, Jonas Tellander, and Jonas Sjögren were re-elected as Board members. Hélène Barnekow, Ulrika Danielsson, Erik Tidén, and Filippa Wallestam were elected as new Board members. Hélène Barnekow was appointed as Chair of the Board.

On November 1, 2024, Joakim Rubin announced his resignation as a member of Storytel's Board of Directors at his own request.

In February, Storytel entered into a partnership with the Dutch telecom company VodafoneZiggo, one of its core markets. Through this collaboration, Vodafone's more than 5.5 million mobile subscribers gained access to Storytel's audiobook offerings.

During the spring, it was announced that Johannes Larcher would step down as CEO of Storytel Group after two years, and in July, it was confirmed that Bodil Eriksson Torp would replace him, assuming the role in October 2024.

In September, Storytel launched a partnership with the wellness platform Wellhub, seamlessly integrating Storytel into Wellhub's platform across nine countries: Brazil, Mexico, Chile, Argentina, Spain, Italy, Germany, Ireland, and the United Kingdom. This marks Storytel's first partnership in the wellness segment and its first multi-market distribution agreement.

During the year, Storytel also signed agreements with Swisscom and Singtel, the leading telecom operators in Switzerland and Singapore. Swisscom offers its three million mobile customers access to Storytel Unlimited via its Subscription Hub, while Singtel provides both Storytel Unlimited and Storytel Basic to its four million mobile customers through its entertainment platform.

In November, Storytel Group secured the future of Sune and Bert and their respective universes by acquiring the full rights to the characters. This strategic acquisition grants Storytel exclusive rights to further develop the series in all formats. Authors Anders Jacobsson and Sören Olsson will continue their collaboration with Storytel, writing new stories for the popular series.

Significant events after the end of the year

On January 31, 2025, Storytel acquired a 70 percent majority stake in Bokfabriken, one of Sweden's largest general trade publishers.

Anticipated future development

Storytel's strategic ambition is driven by profitable growth with a focus on ten core markets: the five Nordic countries, the Netherlands, Poland, Bulgaria, Turkey, and the USA. Storytel's remaining markets are those where the audiobook industry is less developed, but the company intends to expand over time. Storytel will continuously develop its service and content to remain a leading streaming platform for audiobooks and e-books. The anticipated future development is subject to risks, which are described in further detail in the corporate governance section on pages 59-60.

Commitments within the Group

Storytel Group has lodged a security of MSEK 20 to PRI (pension own custody) 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 30, 2024, the final trading day of 2024, was SEK 69.80. During the financial year 2024, the lowest share price was SEK 36.18 and the highest SEK 71.60. The average price during the financial year was SEK 55.43. An average of 298,358 shares were traded per day, with a high of 12,190,316 shares on a single day.

	2024	2023	2022
Number of shares at the end of the year	77,150,803	77,108,125	77,073,120
Where of A-shares:	635	635	635
Earnings per share after tax, SEK	2.55	-10.63	-5.68*

Sustainability Report

A Sustainability report has been prepared and is presented on pages 25-43 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 44-60 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	12/31/2024
Retained earnings	20,859
Share premium reserve	4,128,701
Profit for the year	-36,309
Total	**4,113,251**

The Board proposes that profits be distributed such that:	
To shareholders (SEK 1.0 per share)	–77,151
To be carried forward	4,113,251
Total	**4,036,100**

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	2024	2023
Net sales	3,4	3,797,976	3,489,220
Cost of products sold	6,7,9,10	-2,098,166	-2,241,895
Gross profit/loss		**1,699,810**	**1,247,326**
Selling and marketing expenses	6,7,8,9,10	-854,508	-845,177
Technology and development expenses	6,7,8,9,10	-254,974	-303,017
Administrative expenses	6,7,8,9,10	-363,142	-869,234
Other operating gains and losses	5,6	26,006	13,147
Profit from participations in associaties	23	-6,861	14,608
Operating profit		**246,332**	**-742,348**
Financial income	11	41,169	21,099
Financial expenses	12	-51,892	-86,221
Profit before tax		**235,609**	**-807,470**
Tax	13	-22,114	-6,053
Profit for the year		**213,496**	**-813,523**
Profit for the year attributable to:			
Parent Company shareholders		196,705	-819,186
Non-controlling interests		16,791	5,663
Total		**213,496**	**-813,523**
Earnings per share:			
Earnings per ordinary share, basic (SEK)	14	2.55	-10.63
Earnings per odinary share, diluted (SEK)	14	2.54	-10.63

Consolidated statement of comprehensive income

Amounts in TSEK	Note	2024	2023
Profit for the year		**213,496**	**-813,523**
Other comprehensive income			
Items that will be reclassified to profit/loss (after tax)			
Translation difference	24	67,589	-42,161
Items that will not be reclassified to profit/loss (after tex)			
Revaluation defined-benefit pension plans	10	-3,799	-8,744
Total other comprehensive income for that year, after tax		**63,790**	**-50,906**
Total comprehensive income for the year, after tax		**277,285**	**-864,429**
Total comprehensive income for the year attributable to:			
Parent Company Shareholders		260,495	-870,092
Non-controlling interests		16,791	5,663
Total		**277,285**	**-864,429**

Consolidated statement of financial position

Amounts in TSEK	Note	12/31/2024	12/31/2023
ASSETS			
Non-current assets			
Goodwill	15	803,007	767,716
Intangible assets	15	1,191,349	1,134,587
Property, plant and equipment	16	13,610	17,818
Right-of-use assets	17	70,830	84,119
Other non-current receivables	18	30,918	35,762
Participations in associates	23	23,905	28,844
Deferred tax asset	13	13,225	11,770
Total non-current assets		**2,146,844**	**2,080,614**
Current assets			
Inventories	19	53,132	59,808
Trade receivables	18,25	220,381	193,999
Receivables in associates	25	32,194	19,613
Other receivables	18	69,221	72,601
Prepaid expenses and accrued income	20	244,423	277,872
Cash and cash equivalents	18,21	622,954	436,143
Total current assets		**1,242,303**	**1,060,036**
TOTAL ASSETS		**3,389,147**	**3,140,651**

Amounts in TSEK	Note	12/31/2024	12/31/2023
EQUITY AND LIABILITIES			
Equity	24		
Share capital		38,575	38,554
Other capital contributions		3,578,102	3,578,102
Reserves		182,540	114,445
Retained earnings including profit/loss for the year		-2,322,222	-2,523,263
Equity attributable to Parent Company shareholders		**1,476,995**	**1,207,838**
Non-controlling interests		74,636	65,345
Total equity		**1,551,632**	**1,273,182**
Non-current liabilities			
Liabilities to credit institutions	18,25	650,000	-
Lease liabilities	17,18	34,678	49,970
Pension provision, net	10	17,075	8,518
Deferred tax liability	13	98,777	115,479
Other long-term liabilities	25	28,236	-
Total non-current liabilities		**828,766**	**173,966**
Current liabilities			
Liabilities to credit institutions	18,25	-	749,266
Lease liabilities	17,18	37,578	41,359
Trade payables	18,25	292,236	274,658
Current tax liabilities		28,958	21,113
Other current liabilities	25	57,311	53,689
Accrued expenses and deferred income	4,27	568,013	511,631
Short-term provisions	26	24,653	41,786
Total current liabilities		**1,008,750**	**1,693,502**
TOTAL EQUITY AND LIABILITIES		**3,389,147**	**3,140,651**

Consolidated statement of changes in equity

		Equity attributable to shareholders in parent company						
Amounts in TSEK	**Note 24**	**Share capital**	**Other capital contributions**	**Translation reserve**	**Retained earnings incl. profit/loss for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening equity as of 1/1/2024		**38,554**	**3,578,102**	**114,951**	**-2,523,769**	**1,207,838**	**65,345**	**1,273,182**
Total comprehensive income for the year								
Profit for the year		-	-	-	196,705	**196,705**	16,791	**213,496**
Other total comprehensive income for the year		-	-	67,589	-3,799	**63,790**	-	**63,790**
Total comprehensive income for the year		**-**	**-**	**67,589**	**192,905**	**260,495**	**16,791**	**277,285**
Transactions with the Group's owners								
New share issue		21	-	-	-	**21**	-	**21**
Issue expenses		-	-	-	-	**-**	-	**-**
Dividend to minority owners		-	-	-	-	**-**	-7,500	**-7,500**
Share-related compensations	9	-	-	-	8,642	**8,642**	-	**8,642**
Total		**21**	**-**	**-**	**8,642**	**8,664**	**-7,500**	**1,164**
Closing equity as at 12/31/2024		**38,575**	**3,578,102**	**182,540**	**-2,322,222**	**1,476,995**	**74,636**	**1,551,632**
Opening equity as of 1/1/2023		**38,537**	**3,578,102**	**157,112**	**-1,712,040**	**2,061,711**	**70,074**	**2,131,785**
Total comprehensive income for the year:								
Profit for the year		-	-	-	-819,186	**-819,186**	5,663	**-813,523**
Other total comprehensive income for the year		-	-	-42,161	-8,745	**-50,906**	-	**-50,906**
Total comprehensive income for the year:		**-**	**-**	**-42,161**	**-827,931**	**-870,092**	**5,663**	**-864,429**
Transactions with the Group's owners								
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**
Total		**17**	**-**	**-**	**16,201**	**16,218**	**-10,392**	**5,826**
Closing equity as at 12/31/2023		**38,554**	**3,578,102**	**114,951**	**-2,523,769**	**1,207,838**	**65,345**	**1,273,182**

Consolidated statement of cash flows

Amounts in TSEK	Note	2024	2023
Operating activities			
Profit after financial items		235,609	-807,470
Of which interest paid		***-36,404***	***-55,627***
Adjustments for non-cash items	28	310,766	941,327
Tax paid		-32,032	-31,914
Cash flow from operating activities before changes in working capital		**514,343**	**101,942**
Cash flow from changes in working capital			
Change in inventory		-5,752	27,656
Change in operating receivables		-9,714	60,138
Change in operating liabilities		48,547	58,734
Cash flow from operating activities		**547,424**	**248,470**
Investing activities			
Acquisition of intangible assets	15	-224,844	-184,256
Acquisition of property, plant and equipment	16	-3,031	-3,799
Business combinations	31	-4,046	-4,275
Change in financial fixed assets		2,727	-969
Cash flow from investing activities		**-229,194**	**-193,299**
Financing activities	28		
New share issue		-	-1,074
Dividend to minority owners		-7,500	-8,140
External borrowings		-	300,000
Repayment of debt		-100,000	-650,000
Amortization of lease liability	17	-35,565	-34,485
Cash flow from financing activities		**-143,065**	**-393,698**
Cash flow for the year		**175,165**	**-338,527**
Cash and cash equivalents at beginning of year		436,143	776,341
Exchange rate difference in cash and cash equivalents		11,646	-1,671
Cash and cash equivalents at year-end	21	**622,954**	**436,143**

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, 2025, 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 6th, 2025. Storytel's formal financial statements are included on pages 61-118 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, 2025 have not been applied in the preparation of this financial report. Introduction and effects of new and revised IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and shall be applied from January 1 2027, provided that the EU approves the standard. The new standard will introduce new requirements for the presentation of income and expenses in the income statement, which shall be divided into five different categories. In addition, two mandatory sub-summaries are introduced ("Operating profit" and "Profit before financing and income taxes"). The standard also introduces requirements for disclosure of selected key figures. Finally, the current options for the presentation of the statement of cash flows are removed. The effects of the new standard are under investigation and have not yet been fully evaluated as to how it affects the Group's presentation of income and expenses in the income statement and the statement of cash flows. Other effects on the Group's financial statements of standards and interpretations that are mandatory for the Group's financial year 2026 or later remain to be evaluated.

Consolidation

Subsidiaries

Subsidiaries are reported according to the acquisition method.

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 operat-

ing 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 2,985, 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 two reportable segments: Streaming and Publishing.

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 the principal in the transaction. 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.

In 2024, Storytel introduced a new type of subscription, which allows customers who choose this subscription to save unused hours for future periods. Revenue is accrued and recognized as customers use their saved hours. The accrual is based on historical data showing an average of how many saved hours are actually used.

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. The revenue for gift cards that are not used within the period of validity (normally between 1–2 years), is reported when the period of validity has ended.

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 income 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 detailed 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.

Intangible assets

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
Leased premises:	1–9 years
Leased assets, other:	3–5 years

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. The Group also does not hold any financial assets that constitute debt instruments classified at fair value through profit/loss.

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 and acquisition options, are classified at amortized cost. Financial liabilities reported at amortized cost are initially measured at fair value, including 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 a prepayment for financial services and is expensed as a financial cost 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.

Borrowing is classified as current liabilities unless the Group has the 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.

Impairment of financial assets

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 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. 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.

Cash flow

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

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 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 goodwill

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 the segments Streaming and Publishing and Audiobooks.com, which is a separate cash-generating unit, are measured 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 liabilities 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 existence 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 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. Royalty costs are not capitalized as intangible assets but are recognized on an ongoing basis under cost of products sold.

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 two segments, Streaming and Publishing. The Streaming segment consists of all audiobook and ebook streaming services operated under the brands Storytel, Mofibo, and Audiobooks.com. The Publishing segment consists of all publishing houses within Storytel Group: Norstedts Publishing Group, Lind & Co, Gummerus, and People's, as well as our global digital audio publisher Storyside. The Publishing segment also includes external sales from content productions.

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.

In the Streaming segment, net sales includes 50% of Storytel Norway's revenue in line with Storytels ownership. In the consolidated accounts, Storytel Norway is reported in accordance with the equity method. Internal costs are included in Cost of sales. As a result, the sum of Streaming and Publishing segments shows higher net sales and costs than in the consolidated Group total.

Internal transactions between segments take place on market terms.

2024	Streaming	Publishing	Group-wide items and eliminations	Group total
Revenue from external customers	3,376,867	624,947	-203,838	**3,797,976**
Internal revenue	-	500,107	-500,107	
Cost of goods sold	-1,960,242	-774,048	636,124	**-2,098,166**
Gross profit	**1,416,624**	**351,006**	**-67,820**	**1,699,810**
Selling and marketing expenses	-809,357	-71,638	26,487	**-854,508**
Technology and development expenditure	-243,827	-21,637	10,490	**-254,974**
Administrative expenses	-99,724	-133,693	-129,725	**-363,142**
Other operating income/cost	-7,620	44,196	-10,570	**26,006**
Profit from participations in associates	-	-	-6,861	**-6,861**
Operating Profit	**256,096**	**168,235**	**-177,999**	**246,332**

2023	Streaming	Publishing	Group-wide items and eliminations	Group total
Revenue from external customers	3,121,624	561,541	-193,945	**3,489,220**
Internal revenue		441,937	-441,937	
Cost of goods sold	-1,879,592	-918,745	556,442	**-2,241,895**
Gross profit	**1,242,032**	**84,733**	**-79,439**	**1,247,326**
Selling and marketing expenses	-775,273	-92,192	22,288	**-845,177**
Technology and development expenditure	-265,923	-37,094	-	**-303,017**
Administrative expenses	-624,297	-113,311	-131,626	**-869,234**
Other operating income/cost	7,440	5,686	21	**13,147**
Profit from participations in associates	-	-	14,608	**14,608**
Operating Profit	**-416,021**	**-152,175**	**-174,152**	**-742,348**

Information per country where the Group has operations

Revenue from external customers	2024	2023
Sweden	1,477,664	1,411,969
Denmark	567,695	556,287
USA	391,498	367,322
Finland	330,102	282,809
Netherlands	300,565	270,726
Other countries	730,452	600,107
Total	**3,797,976**	**3,489,220**

Revenue from subscriptions of the 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.

Non-current assets	2024/12/31	2023/12/31
Sweden	817,005	767,200
USA	978,261	945,163
Other countries	351,578	368,252
Total	**2,146,844**	**2,080,614**

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

Note 4 Revenue from contracts with customers

2024 Type of product or service, KSEK	Streaming	Publishing	Group Total
Revenue from subscriptions of streaming service	3,094,924	-	**3,094,924**
Revenue from publishing activities	-	624,947	**624,947**
Other	78,105	-	**78,105**
Revenue from contracts with customers	**3,173,029**	**624,947**	**3,797,976**

2023 Type of product or service, KSEK	Streaming	Publishing	Group Total
Revenue from subscriptions of streaming service	2,855,510	–	**2,855,510**
Revenue from publishing activities	–	561,541	**561,541**
Other	72,170	–	**72,170**
Revenue from contracts with customers	**2,927,680**	**561,541**	**3,489,220**

Revenues from Storytel AS are not included in the segment Streaming like in note 3.

For further information on the Group's revenues per geographical area and segment, see Note 3 Segments.

Contractual debt	2024/12/31	2023/12/31
Opening balance	**133,537**	**123,302**
Changes attributable to ordinary operations	20,995	10,235
Closing balance	**154,532**	**133,537**

The Group invoices mainly 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 is recognized in the balance sheet under the item Accrued expenses and prepaid income. Included in this item are 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, including information on performance commitments, when these are usually met and which revenues are reported at a specific point in time and over time, see Note 1 Accounting principles.

Note 5 Other operating income

	2024	2023
Grants received	10,374	6,065
Copyswede*	34,399	-
Exchange gains relating to operations	4,098	13,444
Other revenue	15,010	7,862
Total	**63,881**	**27,371**

* Storytel Group has through their swedish publishers received a non-recurring amount of 34.4 million SEK in compensation from Copyswede, which refers to private copying fees in Sweden throughout previous periods.

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

Note 6 Operating expenses

Cost of product sold	2024	2023
Goods for resale	1,799,331	1,795,492
Other external costs	44,830	75,197
Personnel costs	131,286	163,121
Depreciation/amortisation and impairment	122,719	208,085
Total	**2,098,166**	**2,241,895**

Selling and marketing expenses	2024	2023
Goods for resale	22,029	24,658
Other external costs	590,794	586,054
Personnel costs	196,671	190,683
Depreciation/amortisation and impairment	45,014	43,783
Total	**854,508**	**845,177**

Technology and development expenses	2024	2023
Other external costs	22,234	32,561
Personnel costs	129,196	112,823
Depreciation/amortisation and impairment	103,544	157,633
Total	**254,974**	**303,017**

Administrative expenses	2024	2023
Other external costs	132,522	142,900
Personnel costs	203,774	228,793
Depreciation/amortisation and impairment	26,845	497,542
Total	**363,142**	**869,234**

Other operating expenses	2024	2023
Operational exchange rate losses	37,875	14,225
Total	**37,875**	**14,225**

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 catalogs are also included.

Sales 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, as well as personnel expenses and consultant expenses attributable to marketing and PR. Amortization of the brands is also included.

Technology and development expenditure primarily consists 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

Depreciation/amortization per function	2024	2023
Cost of product sold	114,846	132,450
Selling and marketing expenses	45,014	43,783
Technology and development expenses	101,026	120,146
Administrative expenses	25,481	32,156
Total	**286,367**	**328,535**
Depreciation/amortization per asset class		
Intangible assets	244,097	274,893
Tangible assets	7,561	11,457
Right-of-use assets	34,708	42,185
Total	**286,367**	**328,535**
Impairment losses per function		
Cost of product sold	7,873	75,635
Technology and development expenses	2,518	37,487
Administrative expenses	1,365	465,385
Total	**11,755**	**578,507**
Impairment losses per asset class		
Goodwill and intangible assets	11,755	578,507
Total	**11,755**	**578,507**

Note 8 Auditor's fees

Ernst & Young AB	2024	2023
Audit assignment	6,759	7,428
Other auditing activities	239	47
Other services	185	453
Total	**7,183**	**7,929**
Other auditing companies		
Audit assignment	118	325
Total	**118**	**325**

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

	2024				2023			
Gender distribution	**Average number of employees**	**Of which women, percent**	**Of which men, percent**	**Of which non-binary, percent**	**Average number of employees**	**Of which women, percent**	**Of which men, percent**	**Of which non-binary, percent**
Parent Company	6	50%	50%	-	2	0%	100%	-
Subsidiaries in:								
Sweden	307	63%	37%	-	363	62%	38%	-
Denmark	55	65%	35%	-	76	61%	39%	-
Canada	43	53%	47%	-	42	55%	45%	-
India	-	-	-	-	2	50%	50%	-
Netherlands	9	67%	22%	11%	13	79%	21%	-
Finland	40	80%	20%	-	42	80%	20%	-
Spain	6	67%	33%	-	8	63%	37%	-
Poland	9	67%	33%	-	14	48%	52%	-
Turkey	8	50%	50%	-	10	50%	50%	-
Bulgaria	7	100%	-	-	6	85%	15%	-
Iceland	8	75%	25%	-	11	69%	31%	-
Other countries	22	64%	36%	-	40	50%	50%	-
Group total	**520**	**64%**	**35%**	**1%**	**629**	**62%**	**38%**	

	2024				2023			
Gender distribution, Board and senior executives	**Number of employees**	**Of which women, percent**	**Of which men, percent**	**Of which non-binary, percent**	**Number of employees**	**Of which women, percent**	**Of which men, percent**	**Of which non-binary, percent**
Board members	8	33%	67%	-	8	25%	75%	-
CEO and other senior executives	6	38%	62%	-	7	43%	57%	-
Group total	**14**	**35%**	**65%**	**-**	**15**	**33%**	**67%**	**-**

Personnel costs	2024	2023
Parent Company **Board and other senior executives**		
Salaries and other remuneration	18,270	10,422
Social security contributions	7,053	3,050
Pension costs	140	-
Total	**25,463**	**13,472**
Other employees		
Salaries and other remuneration	10,514	-
Social security contributions	886	-
Pension costs	980	-
Total	**12,381**	**-**
Subsidiaries **Board and other senior executives**		
Salaries and other remuneration	15,726	13,848
Social security contributions	5,686	3,605
Pension costs	2,452	2,085
Total	**23,863**	**19,538**
Other employees		
Salaries and other remuneration	455,578	511,669
Social security contributions	101,663	103,741
Pension costs	42,074	47,000
Total	**599,316**	**662,410**
Group total	**661,023**	**695,419**

	2024					2023				
Board compensation	**Basic remu-neration, Board fee**	**Variable remu-neration**	**Pension cost**	**Other compen-sation**	**Total**	**Basic remu-neration, Board fee**	**Variable remu-neration**	**Pension cost**	**Other compen-sation**	**Total**
Chair of the Board										
Hélène Barnekow, as of 14/05/2024	728	-	-	-	**728**	-	-	-	-	**-**
Hans-Holger Albrecht, through 14/05/2024	435	-	-	-	**435**	1,068	-	-	-	**1,068**
Board member										
Jonas Tellander	472	-	-	-	**472**	493	-	-	-	**493**
Jonas Sjögren	331	-	-	-	**331**	172	-	-	-	**172**
Alexander Lindholm	351	-	-	-	**351**	238	-	-	-	**238**
Ulrika Danielsson, as of 14/05/2024	313	-	-	-	**313**	-	-	-	-	**-**
Erik Tidén, as of 14/05/2024	201	-	-	-	**201**	-	-	-	-	**-**
Filippa Wallenstam, as of 14/05/2024	218	-	-	-	**218**	-	-	-	-	**-**
Joakim Rubin, through 01/11/2024	342	-	-	-	**342**	406	-	-	-	**406**
Lina Brouneus, through 14/05/2024	133	-	-	-	**133**	296	-	-	-	**296**
Lutz Finger, through 14/05/2024	133	-	-	-	**133**	316	-	-	-	**316**
Adine Grate, through 14/05/2024	207	-	-	-	**207**	312	-	-	-	**312**
Helen Fasth Gillstedt	-	-	-	-	**-**	239	-	-	-	**239**
Malin Holmberg	-	-	-	-	**-**	154	-	-	-	**154**
Jared Grusd	-	-	-	-	**-**	80	-	-	-	**80**
Chief Executive Officer										
Bodil Eriksson Torp, as of 01/10/2024	1,000	2,000	140	-	**3,140**	-	-	-	-	**-**
Johannes Larcher, through 30/09/2024	5,263	6,144	-	-	**11,407**	7,422	3,000	-	-	**10,422**
Other senior executives 5 (6)	14,254	8,390	2,452	-	**25,096**	16,355	7,840	2,085	-	**26,280**
Total	**24,380**	**16,534**	**2,592**	**-**	**43,506**	**27,551**	**10,840**	**2,085**	**-**	**40,476**

As at December 31, 2024, the Board of Directors, CEO and other senior executives had the following holdings in the Storytel long-term incentive program.

Johannes Larcher, 315,417 restricted stock units, current year cost 1,030 TSEK

Other senior executives, 709 employee stock options and 510,125 restricted stock units, current year cost for restricted stock units 4,394 TSEK.

Remuneration and conditions for senior executives

Remuneration to the CEO and other senior executives consists of basic salary, short-term and long-term incentive programs, pension benefits and share-based compensation. The short-term incentive programs include several programs with outcomes linked to predetermined and measurable performance criteria, measured over a period of one year. The long-term incentive programs are described in detail below. Other senior executives refer to persons who, together with the CEO, form the Group Management.

The current CEO has a notice period of twelve months if the termination is on the part of the Group. If the current CEO chooses to terminate her employment the notice period is six moths. The previous CEO had a notice period of six months, regardless of whether the termination was on the part of the Group or if the previous CEO chose to terminate his employment.

Severance pay

The current CEO is entitled to severance payment of 6 monthly base salaries if the termination is on the part of the Group. No pension or holiday benefits shall be paid based on the severance payment.

The previous CEO was entitled to severance payment of 9 monthly salaries. The basis for calculating monthly salary included an average of current salary and variable remuneration during the last 12 months. No pension or holiday benefits was paid based on the severance payment.

Incentive Programs

Storytel Group has multiple ongoing restricted stock unit programs were the latest was implemented 2023 (LTIP 2023/2027), and 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 vest over four years, from the date of allotment until 31 May 2027. Each restricted stock unit entitles the holder to subscribe to one B share in the company. The board decided at the Annual General Meeting 2024 to extend the period in which the board can decide to assign the 377 543 restricted stock options in LTIP 2023/2027 which has not yet been allocated to the employees. For more information of LTIP 2023/2027 see the annual report from previous year.

The Storytel Group has two additional restricted stock unit programs; 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 include 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. To utilize the restricted stock units in the LTIP 2022/2026:2 program it is required that a performance threshold is reached in the form of share price development of Storytels B share. For information regarding previous restricted 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 totaling 3,486,250 restricted stock options (series 2022/2026:1, 2022/2026:2 and 2023/2027) which were subscribed for by Storytel AB (publ). The restricted stock options 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.

Storytel previously had two outstanding stock option programs, one which expired in December 2024 and the other to expires in December 2025. For more information about these, see previous annual report.

During 2024, the total costs for the outstanding programs, increased by TSEK 17,607 (TSEK 20,330), of which TSEK 9,671 (TSEK 16,384) constituted restricted stock options costs and TSEK 7,936 (TSEK 3,946) to the costs for social security contributions.

See the summary below of the Group's employee stock option and restricted stock option plan.

Employee warrant and restricted stock unit programs	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
Outstanding January 1, 2023	**379,729**	**227,239**	**373,000**	**600,000**	**-**
Allocated	-	-	-	-	1,907,200
Forfeited	-13,716	-37,091	-69,004	-	-44,100
Expired	-	-	-	-	-
Outstanding December 31, 2023	**366,013**	**190,148**	**303,996**	**600,000**	**1,863,100**
Redeemable December 31, 2023	-	-	**28,004**	-	**-**
Outstanding January 1, 2024	**366,013**	**190,148**	**303,996**	**600,000**	**1,863,100**
Allocated	-	-	-	-	238,000
Forfeited	-366,013	-74,442	-38,171	-284,583	-196,943
Expired	-	-14,996	-42,760	-	-
Outstanding December 31, 2024	**-**	**100,710**	**223,065**	**315,417**	**1,904,157**
Redeemable December 31, 2024	-	-	-	-	**-**
Exercise price (SEK)	**231.96**	**262.18**	**0.5**	**0.5**	**0.5**
Redemption period	**1 Jun 2024-15 Dec 2024**	**1 Jun 2025-15 Dec 2025**	**1 Jun 2023-31 Dec 2026**	**1 Oct 2026-30 Nov 2026**	**1 Jun 2024-31 Oct 2027**

Change in provision of stock unit program as per function	2024	2023
Cost of products sold	-126	427
Technology and development expenses	2,803	222
Selling and marketing expenses	2,904	932
Administrative expenses	12,026	18,748
Total	**17,607**	**20,330**

Warrant programs

As of June 30th 2024 all outstanding warrants are forfeited, see the table bellow. For more information regarding the warrant programs, see previous annual report.

Number of warrants	Warrant program 2020/2023:2	Warrant program 2020/2024:1	Warrant program 2021/2024:2
Outstanding January 1, 2024	**-**	**70,000**	**291,297**
Forfeited	-	-70,000	-291,297
Redeemable December 31, 2024	**-**	**-**	**-**
Outstanding December 31, 2024	**-**	**-**	**-**
Outstanding January 1, 2023	**356,970**	**70,000**	**291,297**
Forfeited	-356,970	-	-
Redeemable December 31, 2023	**-**	**-**	**-**
Outstanding December 31, 2023	**-**	**70,000**	**291,297**
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	2024	2023
Costs relating to defined-benefit pensions		
Costs related to service this year, including special payroll tax and corresponding tax	2,767	4,454
Net interest	221	407
Costs relating to defined-contribution pensions		
Costs for defined-contribution pensions, including special payroll tax and corresponding tax	42,879	44,631
Pension cost recognized in the income statement	**45,868**	**49,492**
Of which		
Amount charged to personnel costs	45,646	49,085
Amounts charged to financial items	221	407
Total	**45,868**	**49,492**
Revaluation of pension provision	-16,337	-10,485
Revaluation of plan assets	12,538	1,740
Pension cost, revenue (-) recognized in other comprehensive income	**-3,799**	**-8,744**

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 on the next page refers to the defined-benefit plans in Sweden.

Amounts reported in the balance sheet	12/31/2024	12/31/2023
Present value of pension obligation, funded plans	202,670	178,497
Fair value of plan assets	185,595	169,979
Net debt (+)/receivable (-) funded plans	**17,075**	**8,518**

Change in present value in obligations	12/31/2024	12/31/2023
Opening balance	178,497	163,782
Interest	6,518	6,661
Costs related to service this year, including special payroll tax and corresponding tax	2,767	4,454
Revaluations of pension obligations, actuarial gains (-) and losses (+)	16,337	10,485
Remuneration paid	-6,281	-6,884
Closing balance	**197,838**	**178,497**

Change in the fair value of plan assets	12/31/2024	12/31/2023
Opening balance	169,979	155,635
Interest	6,296	6,254
Revaluations of plan assets, actuarial gains (-) and losses (+)	12,538	1,740
Payment for plan assets	3,063	13,235
Remuneration paid from plan assets	-6,281	-6,885
Closing balance	**185,595**	**169,979**

Specification of plan assets	12/31/2024	12/31/2023
Bonds and other interest-bearing securities	48%	51%
Shares	37%	35%
Real estate	12%	12%
Other	3%	2%
Total	**100%**	**100%**

Sensitivity analysis defined-benefit pension liability (debt change, TSEK)	12/31/2024	12/31/2023
Change of assumption:		
Discount rate +/- 0.5 percentage points	16,298	13,645

Actuarial assumptions	12/31/2024	12/31/2023
Discount rate	3.4%	3.7%
Inflation	1.7%	1.7%
Future salary increase	2.7%	2.7%
Lifespan/mortality	DUS14	DUS14
Expected return on plan assets	3.7%	3.7%

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 17 years (16).

Contributions that are expected to be paid to the defined-benefit plans during the following year amount to 2,574 TSEK (9,081 TSEK).

Note 11 Financial income

Assets measured at amortised cost	2024	2023
Interest income	13,147	10,178
Total interest income according to the effective interest method	**13,147**	**10,178**
Other financial income:		
Exchange gains on financial items	26,936	10,196
Other financial income	1,087	725
Total other financial income	**28,022**	**10,921**
Total financial income	**41,169**	**21,099**

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.

Note 12 Financial expenses

Liabilities measured at amortised cost	2024	2023
Interest expenses	46,443	61,674
Total interest expenses according to the effective interest method	**46,443**	**61,674**
Other financial expenses:		
Pension provision	221	441
Exchange losses on financial items	244	19,284
Monetary net loss hyperinflation	1,464	688
Other financial expenses	411	-
Interest expenses lease liabilities	3,109	4,135
Total other financial expenses	**5,449**	**24,547**
Total financial expenses	**51,892**	**86,221**

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.

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	2024	2023
Exchange rate SEK/TRY	0.3111	0.3413
Index	2,685	1,859

Note 13 Tax

Amounts in TSEK	2024	2023
Current tax		
Tax on profit for the year	-51,740	-23,937
Adjustment for previous years	3,056	1,571
Total current tax	**-48,684**	**-22,366**
Deferred tax		
Deferred tax on temporary differences	26,571	16,313
Total deferred tax	**26,571**	**16,313**
Reported tax in the income statement	**-22,114**	**-6,053**

Amounts in TSEK	2024	2023
Reconciliation of effective tax		
Profit before tax	235,609	-807,470
Tax rate Parent Company	20.6%	20.6%
Tax according to the current tax rate for the Parent Company	-48,536	166,339
Tax effect from:		
Non-taxable income	7,868	2,712
Effects from different tax rates in foreign subsidiaries	2,568	4,216
Other non-deductible expenses	-9,803	-9,523
Loss carry forwards, whose tax value is not recognised as an asset	800	-77,111
Adjustments for previous period	3,056	1,571
Utillization of losses previously not recognized	21,934	1,533
Adjustment for impairment of Goodwill	-	-95,790
Effective tax	**-22,114**	**-6,053**
Utilization of losses	9.4%	-0.7%

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	2024-12-31	2023-12-31
Financial assets	13,225	11,770
Total deferred tax assets	**13,225**	**11,770**
Intangible assets	98,777	115,479
Total deferred liabilities	**98,777**	**115,479**
Deferred tax receivables/ liabilities, net	**-85,551**	**-103,709**

Changes in deferred tax, temporary differences	2024-12-31	2023-12-31
Opening balances	-103,709	-124,272
Reported in profit/loss	26,571	16,313
From acquisitions	-24	-
Exchange rate dfifferences	-8,389	4,250
Total	**-85,552**	**-103,709**

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 1,829 (1,974). MSEK 1,775 (1,933) refers to loss carryforwards in Sweden, which do not have a time limitation, and MSEK 53 (41) 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.

The deferred tax assets recognized in the balance sheet in profit-generating companies within the Group, reflect future tax benefits that the company is expected to obtain. These arise due to temporary differences between reported and tax values of assets and liabilities, as well as tax loss carryforwards that can be utilized against future taxable profits.

Note 14 Earnings per share

Earnings per share, basic	2024	2023
Profit for the year attributable to Parent Company shareholders, TSEK	196,705	-819,186
Average number of ordinary shares outstanding (thousands)	77,124	77,077
Earnings per share, basic and diluted, SEK	**2.55**	**-10.63**

Earnings per share, diluted	2024	2023
Profit for the year attributable to Parent Company shareholdes, TSEK	196,705	-819 186
Average number of ordinaly shares outstanding (thousands)	77,412	77,077
Earnings per share diluted, SEK	**2.54**	**-10.63**

Weighted average number of ordinary shares, basic (thousands)	2024	2023
Number of shares at the beginning of the year	77,108	77,073
Issue 11/12/2023	43	35
Number of shares at year-end	77,151	77,108
Weighted average number of shares	**77,124**	**77,077**

Note 15 Goodwill and 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
Opening acquisition value at January 1, 2024	**1,233,101**	**1,126,926**	**979,902**	**-**	**12,050**	**2,118,875**
Investments during the year	-	107,060	10,595	-	44,723	**162,378**
Acquired via business combination/asset acquisition	-	-	99,975	-	-	**99,975**
Reclassifications	-	17,626	-	-	-17,626	**-**
Sales/disposals	-3,253	,-78,644	-13,187	-	-	**-91,831**
Translation effects	81,360	7,921	79,486	-	-	**87,408**
Cost as at December 31, 2024	**1,311,207**	**1,180,889**	**1,156,771**	**-**	**39,147**	**2,376,804**
Amortization as at January 1, 2024	**-**	**-519,290**	**-321,232**	**-**	**-**	**-840,523**
Depreciation/amortization for the year	-	-138,848	-105,251	-	-	**-244,099**
Sales/disposals	-	40,160	10,158	-	-	**50,319**
Translation effects	-	-4,051	-27,508	-	-	**-31,559**
Accumulated depreciation/amortization as at December 31, 2024	**-**	**-622,028**	**-443,833**	**-**	**-**	**-1,065,861**
Accumulated impairment as at January 1, 2024	**-465,385**	**-143,766**	**-**	**-**	**-**	**-143,766**
Impairment for the year	-	-11,755	-	-	-	**-11,755**
Translation effects	-42,816	-815	-	-	-	**-815**
Sales/disposals	-	36,741	-	-	-	**36,741**
Accumulated impairment as at December 31, 2024	**-508,201**	**-119,595**	**-**	**-**	**-**	**-119,595**
Closing carrying amount as at December 31, 2024	**803,007**	**439,267**	**712,937**	**-**	**39,147**	**1,191,349**

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
Opening acquisition value at January 1, 2023	**1,266,553**	**951,849**	**1,019,555**	**40,590**	**25,551**	**2,037,545**
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**
Cost as at December 31, 2023	**1,233,101**	**1,126,926**	**979,902**	**–**	**12,050**	**2,118,875**
Amortization as at January 1, 2023	**–**	**-354,981**	**-250,328**	**-1,493**	**– 1,422**	**-608,224**
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**
Accumulated depreciation/amortization as at December 31, 2023	**–**	**-519,290**	**-321,232**	**–**	**–**	**-840,523**
Accumulated impairment as at January 1, 2023	**–**	**-58,890**	**–**	**–**	**-14,568**	**-73,458**
Impairment for the year	-465,385	-113,122	–	–	–	**-113,122**
Translation effects	-	818	-	-	-	**818**
Sales/disposals	-	27,428	-	-	14,568	**41,995**
Accumulated impairment as at December 31, 2023	**-465,385**	**-143,766**	**-**	**–**	**-**	**-143,766**
Closing carrying amount as at December 31, 2023	**767,716**	**463,867**	**658,670**	**–**	**12,050**	**1,134,587**

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 and brands mainly refers to acquired rights regarding books and acquired trademarks and are reported at cost less accumulated amortization and any accumulated 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.

Impairment Testing

The Group tests for impairment of 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 803,007 (TSEK 767,716) 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, Publishing 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 was recorded in 2023. 465 MSEK of the write down related 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. No need for impairment of goodwill has been identified in 2024.

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

2024	Streaming	Publishing	Audiobooks.com	Total
Goodwill	369,580	63,777	369,650	803,007

2023	Streaming	Publishing	Audiobooks.com	Total
Goodwill	364,631	64,577	338,507	767,716

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 forcast period for the casflows was 7 years, as a result of the strategic shift, the forecast period for the segments is set to 5 years.

12/31/2024	Streaming	Publishing	Audiobooks.com
Discount factor before tax (%)	11.9%	9.7%	11.6%
Forecast of cash flows below	5 years	5 years	5 years
Subsequent extrapolation of cash flows with a growth of (%)	2.0%	2.0%	3.0%

12/31/2023	Streaming	Publishing	Audiobooks.com
Discount factor before tax (%)	11.9%	9.7%	14.0%
Forecast of cash flows below	7 years	7 years	7 years
Subsequent extrapolation of cash flows with a growth of (%)	2.0%	2.0%	2.0%

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, Publishing or Audiobooks.com.

Note 16 Property, plant and equipment

	Inventories, tools and installations
Cost as at January 1, 2024	**41,241**
Additions during the year	3,070
Sales/disposals	-552
Translation effects	976
Cost as at December 31, 2024	**44,735**
Accumulated depreciation/amortization as at January 1, 2024	**-23,423**
Depreciation/amortization for the year	-7,561
Sales/disposals	500
Translation effects	-642
Accumulated depreciation/amortization as at December 31, 2024	**-31,125**
Closing carrying amount as at December 31, 2024	**13,610**

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

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
Opening balance January 1, 2024	**82,195**	**1,924**	**84,119**	**91,328**
Additional contracts	17,991	737	**18,728**	18,728
Cancelled contracts	-292	-172	**-464**	-438
Depreciation/amortization	-33,562	-1,146	**-34,708**	-
Revised contracts	1,621	167	**1,788**	1,788
Revaluations of contracts	1,331	37	**1,367**	1,176
Amortization	-	-	**-**	-40,326
Closing balance December 31, 2024	**69,284**	**1,547**	**70,830**	**72,256**
Opening balance January 1, 2023	**112,472**	**2,888**	**115,360**	**117,426**
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
Closing balance December 31, 2023	**82,195**	**1,924**	**84,119**	**91,328**

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

	2024	2023
Depreciation of right-of-use assets	-34,708	-42,185
Interest expenses on lease liabilities	-3,109	-4,088
Cost regarding short-term leases	-	-151
Cost of contracts where the underlying asset is of low value	-167	-77
Translation difference	318	1,568
Cancellation result Leases	-26	3,275
Total	**-37,692**	**-41,657**

Storytel reports a cash outflow attributable to leases amounting to TSEK 35,565 for the financial year 2024 (TSEK 34,485). 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 12/31/2024	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
Financial assets				
Other non-current receivables	30,918	-	-	**30,918**
Trade receivables	220,381	-	-	**220,381**
Other receivables*	32,447	-	-	**32,447**
Cash and cash equivalents	622,954	-	-	**622,954**
Receivables in associates	32,194	-	-	**32,194**
Total	**938,893**	-	-	**938,893**
Financial liabilities				
Liabilities to credit institutions	650,000	-	-	**650,000**
Lease liabilities	72,256	-	-	**72,256**
Trade payables	292,236	-	-	**292,236**
Accrued expenses	316,445	-	-	**316,445**
Other provisions	24,073	-	-	**24,073**
Other current and non-current consideration and acquisition options	28,178	4,046	-	**32,224**
Total	**1,383,189**	**4,046**	-	**1,387,235**

* Other receivables excluding tax items.

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
Financial assets				
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**
Total	**717,357**	-	-	**717,357**
Financial liabilities				
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**
Total	**1,425,159**	**8,634**	-	**1,433,793**

* 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, 2024 or December 31, 2023. For financial liabilities see below.

Financial liabilities measured at fair value as at December 31, 2024	Level 1	Level 2	Level 3	Total
Contingent consideration	-	-	-	**-**
Acquisition option	-	-	4,046	**4,046**

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

Acquisition option

Storytel's acquisition option (put/call option) refers to the future acquisition of the remaining 6.7% shares in Earselect AB, which will result in an additional transferred consideration of 4,046 TSEK, after the consideration of 4,067 TSEK for Storytel's acquisition option in Earselect was paid during Q3 2024. Storytel obtained a further 6.6% ownership and owned at the end of the period 93.3% of Earselect. 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 2023 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

	12/31/2024	12/31/2023
Finished goods and goods for resale	85,056	101,933
Products under construction	11,763	12,053
Obsolescence	-43,688	-54,177
Carrying amount	**53,132**	**59,808**

Note 20 Prepaid expenses and accrued income

	12/31/2024	12/31/2023
Prepaid royalties	175,079	219,561
Other prepaid expenses	61,229	42,758
Accrued income	8,114	15,553
Carrying amount	**244,423**	**277,872**

Note 21 Cash and cash equivalents

	12/31/2024	12/31/2023
Bank balance	622,954	436,143
Carrying amount	**622,954**	**436,143**

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	Registred office	Share of capital/ voting rights 12/31/2024	Share of capital/ voting rights 12/31/2023
Storytel AB (publ)	Management	556575-2960	Sweden	Parent Company	Parent Company
Storytel Sweden AB	Streaming	556696-2865	Sweden	100%	100%
Storytel NL BV	Streaming	58216111	Netherlands	100%	100%
Storytel Publishing Netherlands NL B.V	Digital publishing	62057707	Netherlands	100%	100%
Storyside AB	Digital publishing	556630-2906	Sweden	100%	100%
Glimmerdagg AB[4]	Digital publishing	559486-3754	Sweden	100%	-
Mofibo Books ApS	Streaming	35228691	Denmark	100%	100%
Storytel Gmbh[3]	Streaming	439493p	Austria	-	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%
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 Yayincilik 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%

1 The Storytel Group owns 93 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 Disposed during the year.
4 Asset acquisition.
5 Sold during the year.

Business	Main activity	Corp.ID	Registred office	Share of capital/ voting rights 12/31/2024	Share of capital/ voting rights 12/31/2023
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%
Storytel Pte Ltd	Streaming	201842070G	Singapore	100%	100%
Storytel Services UK Limited	Streaming	11708468	England	100%	100%
Storytel Brasil Distribuição de Audiolivros Ltda[3]	Streaming	31.982.312/0001-71	Brazil	-	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[1]	Digital book production	556920-7425	Sweden	93%	87%
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[5]	Publishing	2741820-4	Finland	-	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[2]	Publishing	556795-0406	Sweden	70%	70%
Wydawnictwo Lind & Co Polska sp. z o o[2]	Publishing	000097628	Poland	70%	70%

1 The Storytel Group owns 93 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 Disposed during the year.
4 Asset acquisition.
5 Sold during the year.

Note 23 Associated companies and joint ventures

Amounts in TSEK	12/31/2024	12/31/2023
Opening carrying amount	**28,845**	**15,708**
Acquisition of associated companies	-	1,071
Shareholder contribution	2,000	2,000
Share of profit for the year	-6,861	12,366
Dividend	-	-2,242
Translation difference	-78	-58
Closing carrying amount	**23,905**	**28,845**

The list below includes the Group's shares in associated companies and joint ventures.

Company, registered office	Corp. ID No.	Closing equity 12/31/2024	Profit/loss 2024	Share of capital and voting rights	Number of shares	Carrying amount 12/31/2024	Carrying amount 12/31/2023
Storytel AS, Oslo (joint venture)	913211421	3,735	-12,375	50%	100,000	2,108	8,374
Bokinfo Norden HB, Stockholm	969698-9996	6,716	157	25%	-	1,705	1,666
Helsinki Literary Agency Oy, Helsinki	2803858-8	56	-	25%	1	155	155
Nuanxed AB , Stockholm	559315-2456	4,226	-	40%	16,666	7,116	7,116
Mockingbird Publishing Software AB, Stockholm	559222-7333	1,980	-1,455	49%	24,500	11,750	10,463
Other associated companies		-	-	-	-	1,071	1,071
						23,905	**28,845**

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, assets and liabilities.

	Storytel AS		Other associated companies	
	2024	2023	2024	2023
Sales	407,675	388,546	48,641	36,346
Net profit/loss	-12,375	23,782	-91	1,664
Assets	141,556	125,583	32,872	34,793
Liabilities	137,821	109,433	19,894	20,517

Contractual Obligations

Mockingbird Publishing Software AB, Stockholm

The primary shareholders, Storytel Books and Bonnier Books, have an obligation until December 31, 2027, to provide additional financing or convert loans into equity, if necessary, in proportion to their shareholding (pro rata), in order to maintain the company's positive financial performance. After this date, any further financing or conversion of loans into equity will be provided by all parties, in proportion to their shareholding. However, it is stipulated that none of the primary shareholders is obligated to provide more capital to the company than SEK 6 million.

As of the balance sheet date, December 31, 2024, Storytel Books has already transferred SEK 4 million as part of its commitment under the terms outlined above.

Note 24 Equity

Share capital

The registered share cpaital as of December 31, 2024 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, 2023	0.5	0.5
Quota value December 31, 2024	0.5	0.5

Amounts in thousand	
Opening number of shares January 1, 2023	**77,073**
Increase via new share issue	35
Closing number of shares December 31, 2023	**77,108**
Increase via new share issue	43
Closing number of shares December 31, 2024	**77,151**

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 operations.

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 assesment, 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 assessed 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

	12/31/2024	12/31/2023
Non-overdue accounts receivable	188,307	164,051
Overdue accounts receivable:		
0-30 days	20,750	26,164
31-60 days	3,582	1,119
61-90 days	329	240
91-120 days	1,360	1,005
> 120 days	6,053	1,420
Total	**220,381**	**193,999**

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)

	12/31/2024	12/31/2023
Opening carrying amount	**-2,910**	**-2,034**
Provision for expected losses	-3,340	-891
Change ECL	-124	14
Closing carrying amount	**-6,374**	**-2,910**

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 receivable 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 from 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 -13,000 and an effect on equity after tax of TSEK -10,322.

The table below specifies the terms and repayment dates for each interest-bearing debt.

Carrying amount	Currency	Maturity	Interest	12/31/2024	12/31/2023
Liabilities to credit institutions	SEK	Apr 2026	Floating	650,000	749,266
Total				**650,000**	**749,266**

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.

	2024		2023	
Currency exposure (%)	**Operating income**	**Operating expenses**	**Operating income**	**Operating expenses**
DKK	14.9%	15.6%	15.9%	12.9%
EUR	18.3%	18.9%	17.7%	14.2%
USD	10.3%	10.3%	10.5%	18.5%
Other currencies	11.2%	11.6%	10.3%	8.4%

	2024		2023	
Sensitivity analysis – Exchange rate fluctuations against the Swedish krona, +/- 10%	**Effect on profit before tax**	**Effect on equity**	**Effect on profit before tax**	**Effect on equity**
DKK	+/- 1,755	+/- 7,054	+/- 795	+/- 7,172
EUR	+/- 3,498	+/- 8,585	+/- 1,882	+/- 5,514
USD	+/- 5,761	+/- 1,299	+/- 3,736	+/- 3,424

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 700,000 which was reduced from the previous TSEK 850,000 and extended to April 2026. 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 refinanced with the utilization of RCF loan of TSEK 100,000 and a new term loan of TSEK 200,000. The term loan with conditional quarterly TSEK 50,000 prepayments starting in Q3 2023 was fully repaid at end of Q2 2024. The total liquidity reserve consists of cash and unutilized buffer in the revolving credit facility.

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.

Maturity analysis as of 12/31/2024*	<6 months	6-12 months	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	6,500	6,500	653,250	-	-	**666,250**
Lease liabilities	19,116	18,462	30,845	2,283	1,551	**72,256**
Trade payables	291,326	910	-	-	-	**292,236**
Other current liabilities	56,390	921	-	-	-	**57,311**
Other long-term liabilities	-	-	28,236	-	-	**28,236**
Total	**373,332**	**26,793**	**712,330**	**2,283**	**1,551**	**1,116,289**

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

* Please note that the table includes the forecast future nominal interest payment and thus does not correspond to the net book value in the balance sheet.

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

	Amout 12/31/2024	Utilized 12/31/2024	Amout 12/31/2023	Utilized 12/31/2023
Overdraft facility	700,000	650,000	850,000	650,000
Term loan	-	-	200,000	100,000
Total	**700,000**	**650,000**	**1,050,000**	**750,000**

Covenants

As of the balance sheet date on December 31, 2024, the Group's total loan liabilities amounted to SEK 650.0 million, with the entire loan classified as non-current. The loan is covered by refinanced loan agreements as of October 18, 2024, which include covenants requiring that certain financial ratios be met at specified times. As of the balance sheet date, the Group met all covenants in accordance with the applicable loan agreements. The most important covenant associated with the loans includes a requirement that a certain Net Debt to EBITDA ratio is not exceeded.

The covenants are tested quarterly, and at each testing occasion, all requirements were met during the financial year 2024. Failure to meet these covenants may result in lenders demanding immediate repayment of outstanding amounts. To reduce the risk of covenant breaches, the Group has taken measures such as improving liquidity reserves and optimizing the capital structure. Management continuously monitors the company's financial position to ensure compliance with all loan agreement terms.

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 in accordance with the communicated market strategy. The capital consists of total equity. The Board has proposed that a dividend of SEK 1.0 per share, total SEK 77,150,803 shall be distributed to the Parent Company's 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	
	2024	2023	2024	2023	2024	2023
Opening balance as at January 1	**14,892**	**16,581**	**26,894**	**24,290**	**41,786**	**40,871**
Additional provisions	13,790	12,324	894	8,937	14,684	21,261
Utilized during the year	-14,140	-13,451	-4,442	-6,333	-18,582	-19,784
Returned unutilized amounts	-	-562	-13,386	-	-13,386	-562
Translation effects	-	-	152	-	152	-
Closing balance as at December 31	**14,542**	**14,892**	**10,111**	**26,894**	**24,653**	**41,786**

Note 27 Accrued expenses and deferred income

	12/31/2024	12/31/2023
Deferred income	154,532	133,537
Accrued holiday pay	67,282	46,175
Accrued social security contribution	29,755	19,734
Accrued royalties	195,285	174,652
Accrued interest	5,991	7,436
Short term incentive program	38,642	30,248
Other accrued expenses	76,526	99,849
Carrying amount	**568,013**	**511,631**

Note 28 Cash flow statement

Adjustments for non-cash items, Amounts in TSEK	2024	2023
Adjustments for non-cash items		
Depreciation/amortization and impairment	298,122	907,042
Provisions	798	29,789
Profit from participations in associates	18,221	-12,276
Capital gains	1,340	188
Incentive programs	8,642	17,275
Defined-benefit pension plans	-3,799	-8,744
Obsolescence/Write-down booked to inventories	11,919	14,842
Exchange rate effects	-22,263	-9,848
Other	-2,214	3,061
Total	**310,766**	**941,327**

Non-cash flow changes	1/1/2024	Cash flows from financing	Business combinations	Leases	Translation difference	Remeasurement	12/31/2024
Liabilities to credit institutions	749,268	-100,000	-	-	-	732	650,000
Lease liabilities	91,328	-40,326	-	18,290	1,176	1,788	72,256
Total liabilities attributable to financing activities	**840,596**	**-140,326**	**-**	**18,290**	**1,176**	**2,520**	**722,256**

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
Total liabilities attributable to financing activities	**1,217,426**	**-383,097**	**-**	**114**	**155**	**5,998**	**840,596**

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

	12/31/2024	12/31/2023
Floating charges	83,400	84,400
Shares in Group companies	1,884,202	1,469,483
Total	**1,967,602**	**1,552,883**

The carrying amount of liabilities for which liens in participations in Group companies have been pledged amounts to TSEK 650,000 (749,266).

Pledged assets for other non-current and current liabilities

	12/31/2024	12/31/2023
Pension commitment	4,832	4,768
Blocked bank funds*	20,000	20,000
Bank guarantee	238	216
Total	**25,070**	**24,984**

Contingent liabilities	12/31/2024	12/31/2023
PRI Pension guarantee	3,634	3,375
Associate in partnership	4,682	4,696
Total	**8,316**	**8,071**

* 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 Otava Group.

Storytel has purchased content from Otava Group, 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 32 (92), with the aim of facilitating and simplifying the sale of books. Delibr AB is considered a related party to Storytel based on the company's relationship with Jonas Tellander. Storytel has also purchased services from Gulf Media of TSEK 6,140 (5,589), which is a related party based of Luis Duran, regarding consulting services. Storytel has purchased digital signing services from Scrive of TSEK 215. Scrive is a related party as of may 2024 when Erik Tidén was elected into the board. The group has also purchased services from Group associated company Bokinfo for TSEK 651 (538) in 2024 and from associated company Helsinki Literary Agency for TSEK 0 (223). The Group also purchased digital services from associated company Mockingbird for TSEK 1,262 (718) and translation services from the associated company Nuanxed for TSEK 17,045 (8,295).

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.

Storytel AS	2024	2023
Sales of goods/services	85,166	62,845
Dividend received from Storytel AS	-	2,242
Other, recharged costs	37,203	35,000
Receivable on the balance sheet date	32,194	19,613

Otava Group	2024	2023
Purchase of goods/services	40,383	5,783
Liabilities on the balance sheet day	3,745	6,689

Other	2024	2023
Purchase of goods/services	25,345	9,550
Liabilities on the balance sheet day	453	-

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 2024

No significant acquisitions during 2024.

Acquisitions 2023

No significant acquisitions during 2023.

Note 32 Events after the balance sheet date

On January 31 that Storytel Group has acquired a 70 percent majority stake in Bokfabriken, one of Sweden's largest general publishing houses. The publisher has a strong presence in both print and digital formats and a proven track record of publishing commercially successful content across various genres. Digital releases accounted for more than 70% of Bokfabriken's revenues in 2023, demonstrating the company's strong digital focus.

In 2024, Bokfabriken reported sales of 66.9 MSEK with an operating profit of 15.3 MSEK. The purchase price allocation according to IFRS 3 – Business Combinations has not yet been finalized, but a preliminary summary of acquired assets and assumed liabilities as of the acquisition date is based on the following assessment:

MSEK	
Intangible assets	58.5
Right-of-use assets	1.9
Inventories	16.9
Cash and cash equivalents	7.4
Trade receivables and other receivables	10.2
Trade payables and other payables	(15.7)
Lease liabilities	(1.9)
Deferred tax liability	(12.0)
Net identifiable assets	**65.3**
Goodwill	49.7
Purchase price at 100% of net identifiable assets	**115.0**
Acquired shares	70%
Purchase price	**80.6**

The agreed purchase price will be fully paid in cash, and will be paid out of Storytel Group's cash balance with no further financing needed.

The acquisition is consolidated from February 1, 2025, and will contribute to the Group's turnover and results from this date. During the ongoing integration phase, further adjustments to the purchase price allocation are being evaluated.

Following discussions with the Swedish Competition Authority (SCA) in February, Storytel has decided to voluntarily give the SCA an opportunity to review the transaction, even though there was no obligation to do so.

In connection with the acquisition of Bokfabriken, goodwill of MSEK 49.7 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly relates to future cash flows that will be generated in both the Publishing and Streaming segments thanks to the combined growth in Streaming and Bokfabriken. When the Streaming business grows in the markets where Bokfabriken is active, greater revenue is generated for Bokfabriken from internal sources, which for the Group is a cost saving. Goodwill is not expected to be tax deductible.

Transaction costs related to the acquisition of Bokfabriken amounted to TSEK 670. The transaction costs are reported as an expense in the income statement for year 2024 under administrative expenses.

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.

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.

Items affecting comparability (IAC)

IACs include items of a significant character that distort comparisons over time, such as costs related to acquisitions, divestments, and market exits; restructuring costs; significant impairments and write-downs; expenses, or reversals of expenses, arising from the group's share-based incentive schemes.

Purpose: To provide a clearer view of their ongoing operational performance by excluding significant, non-recurring items that could distort financial comparisons over time.

Equity-to-assets ratio (%)

Equity (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.

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	2024	2023
Net sales		46,043	46,142
Gross profit/loss		**46,043**	**46,142**
Administrative expenses	3,4	-59,672	-41,973
Other operating income		-42	18
Operating profit		**-13,670**	**4,187**
Other interest income and similar profit/loss items	5	32,752	45,139
Interest expense and similar profit/loss items	6	-55,391	-64,415
Profit after financial items		**-36,309**	**-15,089**
Profit before tax		**-36,309**	**-15,089**
Tax	7	-	-
Profit for the year		**-36,309**	**-15,089**

Parent company's statement of comprehensive income

Amounts in TSEK	2024	2023
Profit for the year	-36,309	-15,089
Total comprehensive income for the year	**-36,309**	**-15,089**

Parent company's balance sheet

Amounts in TSEK	Note	12/31/2024	12/31/2023
ASSETS			
Financial non-current assets			
Participations in Group companies	8	4,600,422	4,500,422
Receivables in Group companies	9,14	14,000	395,500
Other non-current receivables		20,000	20,321
Total financial assets		**4,634,422**	**4,916,244**
Total non-current assets		**4,634,422**	**4,916,244**
Current assets			
Receivables in Group companies	9,14	200,000	101,641
Other receivables		256	37
Prepaid expenses and accrued income		1,466	1,299
Cash and bank balances		286,060	40,992
Total current assets		**487,781**	**143,970**
TOTAL ASSETS		**5,122,203**	**5,060,213**

Amounts in TSEK	Note	12/31/2024	12/31/2023
EQUITY AND LIABILITIES			
Equity	10		
Share capital		38,575	38,554
Statutory reserve		7,555	7,555
Restricted equity		**46,130**	**46,109**
Share premium reserve		4,128,701	4,128,701
Profit/loss brought forward		20,859	36,016
Profit for the year		-36,309	-15,089
Non-restricted equity		**4,113,251**	**4,149,629**
Total equity		**4,159,382**	**4,195,738**
Non-current liabilities			
Liabilities to credit institutions	9,11	650,000	-
Total non-current liabilities		**650,000**	**-**
Current liabilities			
Liabilities to credit institutions	9,11	-	749,266
Trade payables		1,264	83
Liabilities to Group companies		281,481	97,511
Current tax liabilities		-	406
Other liabilities		3,246	3,314
Accrued expenses and deferred income		26,831	13,896
Total current liabilities		**312,822**	**864,476**
TOTAL EQUITY AND LIABILITIES		**5,122,203**	**5,060,213**

Parent company's statement of changes in equity

	Restricted equity			Non-restricted equity		
Amounts in TSEK	**Share capital**	**Statutory reserve**	**Share premium reserve**	**Retained earnings**	**Profit for the year**	**Total equity**
Opening equity as of 1/1/2024	**38,554**	**7,555**	**4,128,701**	**36,016**	**-15,089**	**4,195,738**
Appropriation in accordance with the annual general meeting resolution	-	-	-	-15,089	15,089	-
Profit for the year	-	-	-	-	-36,309	**-36,309**
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-36,309**	**-36,309**
Transactions with the group's owners						
New share issue	21	-	-	-	-	**21**
Issue expenses	-	-	-	-	-	**-**
Employee stock options	-	-	-	-68	-	**-68**
Total	**21**	**-**	**-**	**-68**	**-**	**-47**
Closing equity as at 12/31/2024	**38,575**	**7,555**	**4,128,701**	**20,859**	**-36,309**	**4,159,382**
Opening equity as of 1/1/2023	**38,537**	**7,555**	**4,128,701**	**37,735**	**-1,990**	**4,210,538**
Appropriation in accordance with the annual general meeting resolution	-	-	-	-1,990	1,990	-
Profit for the year	-	-	-	-	-15,089	**-15,089**
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-15,089**	**-15,089**
Transactions with the group's owners						
New share issue	17	-	-	-	-	**17**
Issue expenses	-	-	-	-1,074	-	**-1,074**
Employee stock options	-	-	-	1,345	-	**1,345**
Total	**17**	**-**	**-**	**271**	**-**	**288**
Closing equity as at 12/31/2023	**38,554**	**7,555**	**4,128,701**	**36,016**	**-15,089**	**4,195,738**

Parent company's cash flow statement

Amounts in TSEK	Note	2024	2023
Operating activities			
Profit after financial items		-36,309	-15,089
Of which interest paid		-22,639	-23,845
Adjustments for non-cash items	12	-72	-842
Cash flow from operating activities before changes in working capital		**-36,380**	**-15,931**
Cash flow from changes in working capital			
Change in operating receivables		-267,645	58,163
Change in operating liabilities		749,093	-15,979
Cash flow from operating activities		**445,068**	**26,253**
Investing activities			
Shareholders contribution		-100,000	-
Cash flow from investing activities		**-100,000**	**-**
Financing activities			
New share issue		-	-1,074
External borrowings		-	300,000
Amortization of loans		-100,000	-650,000
Cash flow from financing activities		**-100,000**	**-351,074**
Cash flow for the year		**245,068**	**-324,821**
Cash and cash equivalents at beginning of year		40,992	365,813
Cash and cash equivalents at year-end		**286,060**	**40,992**

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, financial 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 rules on accounting for leases in accordance with IFRS 16 are not applied in the Parent Company. This means that leasing fees are reported as an expense on a straight-line basis over the leasing period, and that rights of use and leasing liabilities are not included in the parent company's balance sheet. However, identification of leases are made in accordance with IFRS 16, i.e., that an agreement is, or contains, a lease if the agreement transfers the right to decide for a certain period on the use of an identified asset in exchange for compensation.

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.

	2024	2023
Ernst & Young AB		
Audit assignment	2,282	2,309
Other auditing activities	169	-
Other services	185	423
Total	**2,636**	**2,732**

Note 5 Interest income and similar profit/loss items

Amounts in TSEK	**2024**	**2023**
Assets measured at amortized cost		
Interest income	3,363	4,526
Interest income, Group companies	29,389	35,887
Total interest income	**32,752**	**40,413**
Other financial income		
Dividend	-	4,726
Total other financial income	**-**	**4,726**
Total financial income	**32,752**	**45,139**

Note 6 Interest expense and similar profit/loss items

Amounts in TSEK	**2024**	**2023**
Liabilities measured at amortised cost		
Interest expenses	45,697	60,839
Interest expenses, Group companies	9,695	3,576
Total interest expenses and similar profit/loss items	**55,391**	**64,415**

Note 7 Tax

Amounts in TSEK	**2024**	**2023**
Change in deferred tax relating to temporary differences	-	-
Reported tax	**-**	**-**
Reconciliation of effective tax		
Profit before tax	**-36,309**	**-15,089**
Tax according to the current tax rate for the Parent Company	7,480	3,108
Tax effect from:		
Non-taxable income	6	974
Non-deductible expenses	-5,941	-5,221
Increase in loss carryforwards without corresponding capitalization of deferred tax assets	-1,545	1,138
Reported tax	**-**	**-**
Effective tax rate	**0%**	**0%**

Note 8 Participations in Group companies

Amounts in TSEK	12/31/2024	12/31/2023
Opening acquisition value	**4,521,966**	**4,352,948**
Acquisition/shareholder contribution	100,000	169,018
Closing cost	**4,621,966**	**4,521,966**
Impairment of shares in Group companies		
Opening accumulated impairment	**-21,543**	**-21,543**
Closing accumulated impairment	**-21,543**	**-21,543**
Closing carrying amount	**4,600,422**	**4,500,423**

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

12/31/2024*	Within 1 year	Between 1–5 years	After 5 years	Total
Liabilities to credit institutions	13,00	653,250	-	666,250

12/31/2023*	Within 1 year	Between 1–5 years	After 5 years	Total
Liabilities to credit institutions	749,266	-	-	749,266

* Please note that the table includes the forecast future nominal interest payment and thus does not correspond to the net book value in the balance sheet.

Note 12 Cash flow information

Adjustments for non-cash items	2024	2023
Adjustments in operating profit		
Employee stock options	-68	1,345
Other	-4	-2,187
Total	**-72**	**-842**

Change in liabilities attributable to financing activities	1/1/2024	Changes in cash items	Changes in noncash items	12/31/2024
Liabilities to credit institutions	749,266	-100,000	734	650,000
Total	**749,266**	**-100,000**	**734**	**650,000**

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
Total	**1,100,000**	**-350,000**	**-734**	**749,266**

Note 13 Pledged assets and contingent liabilities

Pledged collateral for obligations to credit institutions and PRI	12/31/2024	12/31/2023
Blocked bank funds	20,000	20,000
Pledged shares in subsidiaries	4,600,422	4,500,422
Total	**4,620,422**	**4,520,422**

Note 14 Transactions with related parties

Group Companies	2024	2023
Sales of goods/services	46,043	46,142
Receivable on the balance sheet date	200,000	497,141
Liabilities on the balance sheet date	281,481	97,511

Transactions between Storytel AB and its subsidiaries have taken place on market terms.

Note 15 Events after the balance sheet date

Thereare no matrial events after year end.

Note 16 Proposed appropriation of profits

The following profits are available to the Annual General Meeting, Amounts in TSEK	12/31/2024
Retained earnings	20,859
Share premium reserve	4,128,701
Profit for the year	-36,309
Total	**4,113,251**
The Board proposes that profits be distributed such that:	
To shareholders (SEK 1.0 per share)	-77,151
To be carried forward	4,113,251
Total	**4,036,100**

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

Hélène Barnekow
Chair of Board

Jonas Tellander
Board member

Ulrika Danielsson
Board member

Alexander Lindholm
Board member

Jonas Sjögren
Board member

Erik Tidén
Board member

Filippa Wallestam
Board member

Bodil Eriksson Torp
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

Opinions

We have audited the annual accounts and consolidated accounts of Storytel AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 61-118 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, 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 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 2-60. 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 Accounting Standards 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 skepticism 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.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2024 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 assessment 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess 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

Our vision is to make the world a more emphatic and creative place

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AVA Corporate Communications
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Annual and Sustainability Report 2024