

PRESS RELEASE

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Babbel Group AG sets price range for its planned IPO at EUR 24 to 28

- The offering prospectus has been approved by the German Federal Financial Supervisory Authority (BaFin) and published by the Company
- The Prospectus can be found under <https://ir.babbel.com>
- Price range implies a market capitalization of EUR 1,084 million to 1,265 million
- The offering consists of 7.3 million newly issued shares, 4.0 million existing shares from the holdings of existing shareholders and up to 1.7 million existing shares from the holdings of certain existing shareholders in connection with a possible over-allotment
- At the mid-point of the price range, the Company expects to receive gross proceeds of approximately €190 million
- Free float is expected to amount to up to 29%, assuming full exercise of the Greenshoe Option
- Offer period will commence on September 15, 2021, and is expected to end on September 22, 2021, with the first day of trading planned for September 24, 2021
- Co-founder Markus Witte was appointed as Chairman of the Supervisory Board (SVB) of Babbel, which has a 50/50 gender balance and a majority of independent board members
- Babbel's success is based on Babbel's mission: to create mutual understanding through languages. This is why Babbel, together with our current shareholders, has decided to pledge around 1% of the pre-IPO share capital to support language-oriented social projects

Berlin, September 15, 2021 – Babbel Group AG (“Babbel”), the European champion, quality leader and provider of an ecosystem of online language learning experiences, has today published the prospectus defining the terms and conditions for the planned initial public offering (“IPO”) and planned listing of its shares on the regulated market segment of the Frankfurt Stock Exchange (Prime Standard).

The planned offering is expected to comprise: newly issued shares; existing shares; and existing shares in connection with possible over-allotments (the “Offering”), covered by a Greenshoe Option provided by certain existing shareholders. The price range for the shares has been set at EUR 24.00 to EUR 28.00 per share. The first day of trading for Babbel shares is expected to be September 24, 2021. The net proceeds will be used to fund investments into innovation and growth through further enhancement and expansion of Babbel's learning ecosystem, scaling of Babbel's B2B offering, continuing Babbel's growth journey in the U.S. and other geographies and settlement of existing employee compensation packages.

Arne Schepker, CEO of Babbel, said: “We are more than pleased with the reception since we have announced our intention to float. The positive feedback and interest from investors show us that we are pursuing the IPO at the right time and is proof of concept for our strategy & mission. It is inspiring to see the eagerness to invest in a company that leads with purpose, creating mutual understanding through language.”

The Offering relates to the public offering of up to 12,994,997 bearer shares of the Company with no-par value (*Stückaktien*), each such share representing a notional value of € 1.00, comprising:

- 7,300,000 newly issued bearer shares from a capital increase (“New Shares”),
- 4,000,000 existing bearer shares (“Existing Offer Shares”), and
- 1,694,997 existing bearer shares from the holdings of certain existing shareholders in connection with a possible over-allotment (“Over-Allotment Shares”).

Assuming the full exercise of the Greenshoe Option, the expected public float would amount to up to 29%.

The offer period will commence on September 15, 2021, and is expected to end on September 22, 2021. On the last day of the Offer Period, offers to purchase Offer Shares may be submitted until 12:00 p.m. (noon) CEST by private investors and until 2:00 p.m. CEST by institutional investors. Based on the order book, the Offer Price and the final number of Offer Shares placed in the Offering are expected to be set on or around September 22, 2021. Trading on the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange is expected to begin on September 24, 2021 under the trading symbol “BABL” and ISIN: DE000A3CWAW6.

The Company and the existing shareholders will be subject to a lockup period of 180 days, while the existing shareholders who co-founded Babbel (Lorenz Heine, Markus Witte, Thomas Holl and Toine Roger Martin Diepstraten) agreed to a lockup period of 360 days and the management agreed to a lockup of 12 months, in each case beginning on the first day of trading of the Company’s shares.

Today, Babbel also announced its newly composed Supervisory Board. Its four members bring together leading expertise in the fields of education, finance, and digital business. The Board is chaired by Babbel Co-founder Markus Witte. Further members are:

- Kathryn Eberle Walker is an education industry leader with more than 20 years of experience in leading, managing, advising, acquiring and investing in education companies. She is the former CEO of The Princeton Review and current CEO of PresenceLearning Inc., the leading provider of online special education related services for K-12 schools.
- Matthias Hornberger has more than 20 years of experience as an entrepreneur with a focus on web-based or web-augmented business models. Since 2000, Mr. Hornberger has served as Executive Board Member, from 2007 onwards as Chief Financial Officer, at Atevia AG. He is also a managing director and Chief Financial Officer of Kizoo Technology Capital GmbH, and serves on a range of advisory boards for tech companies across Germany.
- Dr. Annette Messemer started her career in investment banking at J.P. Morgan in New York, where she led strategic M&A. She joined Merrill Lynch as Managing Director and member of the German Executive Committee and accepted the nomination to the Supervisory Board of WestLB by the German Ministry of Finance. She sat on the Board of Directors at EssilorLuxottica S.A. until May 2021 and currently sits on the Board of Directors at Imerys and Société Générale.

“Looking at the newly composed Supervisory Board, I am equally proud and excited. All board members are experts in their fields, coming to us with unparalleled experience, and will undoubtedly support us in furthering our strategy, including expanding our ecosystem, scaling our B2B offering and continuing our growth in the US and the Americas,” **Arne Schepker** continued.

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) has approved the securities prospectus for the public offering in Germany. The prospectus is available for download from the company's website: <https://ir.babbel.com>. There will be no public offering outside of Germany and the prospectus is also not otherwise approved by any other regulatory body.

BNP PARIBAS and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners, Berenberg and Citigroup are acting as further Joint Bookrunners.

About Babel:

Babel develops and operates an ecosystem of interconnected online language learning experiences and is driven by the purpose of creating mutual understanding through language. This means building products that help people connect and communicate across cultures. The *Babel App*, *Babel Live*, *Babel Podcasts* and *Babel for Business* products focus on using a new language in the real world, in real situations, with real people. And it works: Studies by linguists from institutions such as Michigan State University, Yale University and the City University of New York demonstrated the efficacy of Babel's language learning methods.

The key is a blend of humanity and technology. Babel offers more than 60,000 lessons across 15 languages, hand-crafted by more than 180 didactics experts, with user behaviors continuously analyzed to shape and improve the learner experience. This results in adaptive, interactive content with live classes, games, podcasts, and videos that make understanding a new language easier, from Spanish to Indonesian.

Because Babel is for everyone, its team is as diverse as its content. With headquarters in Berlin and in New York City, 750 people from more than 65 nationalities represent a wealth of backgrounds, characteristics, and perspectives.

Babel has sold over 10 million subscriptions by creating a true, and lasting, connection with users.

More information: <https://ir.babel.com>

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This release constitutes neither an offer to sell nor a solicitation to buy shares of the Company. A public offer in Germany will be made solely on the basis of a securities prospectus which is yet to be published (including any supplements thereto, if any). An investment decision regarding shares of the Company should only be made on the basis of such securities prospectus. The securities prospectus will be published promptly upon approval by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)) and will be available free of charge on the website of Babel Group AG: <https://ir.babel.com>

This release may in the United Kingdom only be distributed to, and is only directed at, persons who are "qualified investors" within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "Relevant Persons"). This release is directed only at Relevant

Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity in shares of the Company is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This release contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of the Company. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this release or the underlying assumptions. The Company does not assume any obligations to update any forward-looking statements. Moreover, it should be noted that all forward looking statements only speak as of the date of this release and that neither the Company nor BNP PARIBAS ("BNP PARIBAS"), Morgan Stanley Europe SE ("Morgan Stanley"), Joh. Berenberg, Gossler & Co. KG ("Berenberg") and Citigroup Global Markets Europe AG ("Citi") (together, the "Underwriters") or their respective affiliates as defined under Rule 501(b) of Regulation D under the Securities Act ("affiliates") assume any obligation, except as required by law, to update any forward looking statement or to conform any such statement to actual events or developments.

The information contained in this release is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this release or its accuracy, fairness or completeness.

Each of the Company and the Underwriters and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this release, whether as a result of new information, future developments or otherwise.

The Underwriters are acting exclusively for the Company and the selling shareholders and no-one else in connection with the planned offering of shares of the Company (the "Offering"). They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the selling shareholders for providing the protections afforded to its clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The date of the admission to trading of the Company's shares on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) (together, the "Admission") may be influenced by things such as market conditions. There is no guarantee that Admission will occur and no financial decision should be based on the Company's intentions in relation to Admission at this stage. Acquiring investments to which this release relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorized person specializing in advising on such investments. This release does not constitute a recommendation concerning the Offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

In connection with the Offering, the Underwriters and their respective affiliates may take up a portion of the shares offered in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the securities prospectus, once published, to the shares being offered, acquired, placed or otherwise dealt in should

be read as including any issue or offer to, or acquisition, placing or dealing by, the Underwriters and their respective affiliates acting in such capacity. In addition, the Underwriters and their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Underwriters and their respective affiliates may from time to time acquire, hold or dispose of shares of the Company. The Underwriters do not intend to disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligations to do so.

None of the Underwriters or any of their respective affiliates or any of their or any of their affiliates' respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this release (or whether any information has been omitted from the release) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.