



Press release

17 August 2023

Continued revenue growth and on track to profitability

Readly International AB (publ) presents a second quarter with good revenue growth and continued improving margins. The number of full-paying subscribers increased 1.7 per cent to 454,745 (447,196) compared with the year-earlier period and increased 0.2 per cent quarter-on-quarter. Revenue increased 16.2 per cent to SEK 167.4 million (144.1) and ARPU increased significantly to SEK 115 (97), an increase of 18 per cent, largely as a result of the price increases that have been well-received in all markets. Gross profit margin increased to 39.5 (33.8) per cent and the adjusted EBITDA margin improved to -0.2 per cent compared to -13.7 last year.

*- We delivered another quarter with improved margins and increased revenue. For the third quarter in a row, we also show growth in the number of fully paying subscribers, despite lower costs for marketing. That, in combination with an increasingly attractive portfolio of magazines and newspapers, paves the way for future profitability, says **Philip Lindqvist, president and CEO.***

1 April - 30 June 2023

- Revenue for the period totaled SEK million 167.4 (144.1), an increase by 16.2 per cent compared to the second quarter 2022.
- The number of full-paying subscribers (FPS) increased by 1.7 per cent to 454,745 (447,196) at the end of the quarter.
- Gross profit increased by 35.6 per cent to SEK 66.1 million (48.8), corresponding to a gross margin of 39.5 per cent (33.8).
- The gross contribution margin for the period was 26.7 per cent (20.1).
- Adjusted operating result (EBITDA) (excl. IAC) was SEK -0.4 million (-19.7), corresponding to an adjusted EBITDA-margin of -0.2 per cent (-13.7).
- Adjusted operating result (EBIT) (excl. IAC) was SEK million -14.6 (-25.7), corresponding to an adjusted operating margin of -8.7 per cent (-17.8).
- Operating result (EBIT) was SEK -20.9 million (-28.2), corresponding to an operating margin of -12.5 per cent (-19.6).
- Net financial items for the quarter amounted to SEK 1.9 million (0.9), which consisted of exchange rate effects as well as a value adjustment of the earn-out consideration.
- Earnings per share were SEK -0.5 (-0.7) before and after dilution.

1 Jan - 30 June 2023

- Revenue for the period totaled SEK million 328.8 (287.9), an increase by 14.2 per cent compared to the first six months of 2022.
- The number of full-paying subscribers (FPS) increased by 1.7 per cent to 454,745 (447,196) at the end of the period.
- Gross profit increased 27.7 per cent to SEK 124.7 million (97.6), corresponding to a gross profit margin of 37.9 per cent (33.9).
- The gross contribution margin for the period was 24.0 per cent (16.7).
- Adjusted operating result (EBITDA) (excl. IAC) was SEK -9.5 million (-51.3), corresponding to an adjusted EBITDA-margin of -2.9 per cent (-17.8).
- Adjusted operating result (EBIT) (excl. IAC) was SEK million -34.9 (-63.0), corresponding to an adjusted operating margin of -10.6 per cent (-21.9).

- Operating result (EBIT) was SEK -54.3 million (-72.6), corresponding to an operating margin of -16.5 per cent (-25.2).
- Net financial items for the quarter amounted to SEK 1.1 million (-0.4), which consisted of exchange rate effects as well as a value adjustment of the earn-out consideration.
- Earnings per share were SEK -1.4 (-1.9) before and after dilution.

Significant events during the period

- On 3 April, the Board issued a notice for an extraordinary general meeting (EGM) on 26 April 2023, at the request of Tidnings AB Marieberg in its capacity as largest owner, with the primary agenda item of electing a new Board.
- On 26 April, the EGM resolved, in accordance with Tidnings AB Marieberg's proposal, that the number of Board members should be seven. Furthermore, it was resolved to, in accordance with Tidnings AB Marieberg's proposal, elect Mikael Antonsson, Carolina Brandtman, Laurent Kayser, Jan Lund, Veronica Selin and Jesper Wikberg as new Board members together with the existing Board member Malin Stråhle, and to elect Jan Lund as the new Chairman of the Board. It was resolved to dismiss the other current Board members Patrick Svensk, Nicolas Adlercreutz, Stefan Betzold and Nathan Medlock.
- On 8 May, it was announced that, following the completion of Tidnings AB Marieberg's public offer to the shareholders in Readly, all previous members of the Nomination Committee have resigned from their duties in the Committee, and a new Nomination Committee has been appointed. The members of the Nomination Committee (except Jan Lund who has been appointed in his capacity of Chairman of the Board) have been appointed based on the ownership structure as of 31 March 2023.
- On 30 May 2023, changes to the senior management team were announced. Mats Brandt stepped down as CEO and the Board decided to appoint Philip Lindqvist as the new CEO as of 31 May 2023. Mats will remain at the Board's disposal during his notice period of six months.
- The Annual General Meeting on 13 June resolved, in accordance with the proposal of the Nomination Committee, to re-elect the Board members Jan Lund, Mikael Antonsson, Carolina Brandtman, Laurent Kayser, Veronica Selin, Malin Stråhle and Jesper Wikberg. Jan Lund was re-elected as Chairman of the Board.
- On 27 June 2023, the Board resolved that Readly International AB (publ) initiate a process to have the company's shares listed on Nasdaq First North Growth Market and delisted from Nasdaq Stockholm, which is expected to be carried out during the fourth quarter of 2023. The company has also decided to cease with the publication of financial targets.

Significant events after the end of the period

- On 17 July 2023, the Board issued a notice for an EGM to be held on 10 August 2023, with the primary agenda item to approve a publisher agreement with Bonnier News AB and Bonnier Publications International AS as well as an advertising agreement with Bonnier News AB.
- On 10 August, the EGM resolved to approve the publisher agreement with Bonnier News AB and Bonnier Publication International AS as well as the advertising agreement with Bonnier News AB.

The report will be available for download on:

<https://corporate.readly.com/investors/financial-reports-and-presentations/>

For more information, please contact:

Linnéa Agüero, Head of PR & Communications, +46 725 03 32 31, linnea.aguero@readly.com

This information constitutes inside information that Readly International AB (publ) is obliged to publish in accordance with EU Market Abuse Regulation 596/2014. The information in this press release has been published by the above contact person, at the time specified by the Company's news distributor Cision at the time of publication of this press release.

About Readly

Readly is the European category leader for digital magazines. The company offers a digital subscription service where customers have unlimited access to 7,500 national and international magazines - all in one app and at a fixed monthly fee. Readly has subscribers in 50 countries and content available in 17 different languages. In collaboration with around 1,200 publishers worldwide, Readly is digitising the newspaper and magazine industry. In 2022, revenues amounted to SEK 592 million. The Readly share is listed on Nasdaq Stockholm. For more information, please visit <https://corporate.readly.com>.