

JANUARY - DECEMBER 2022

# Strong revenue growth, record high margins and on the path to profitability



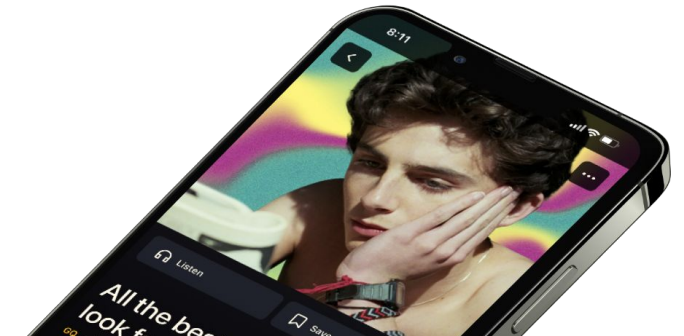
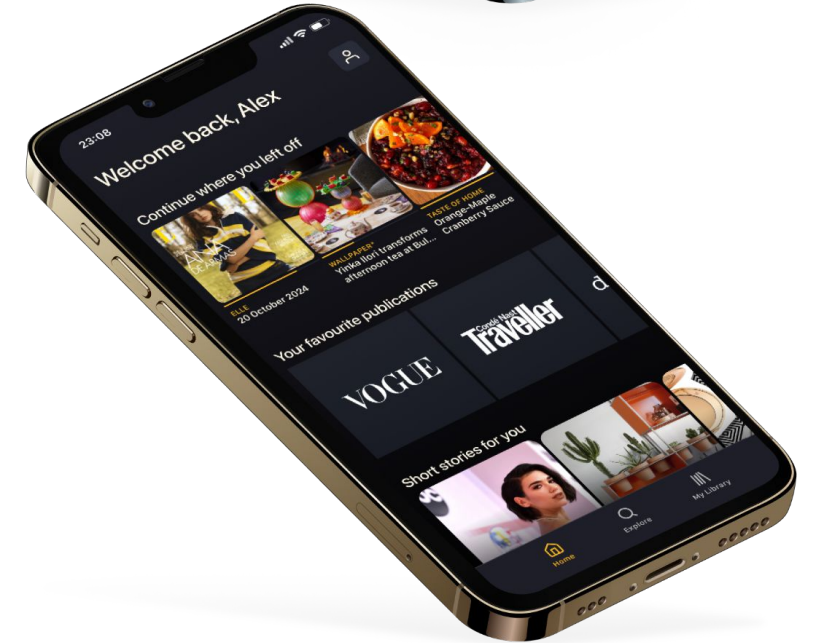
**Mats Brandt**

CEO



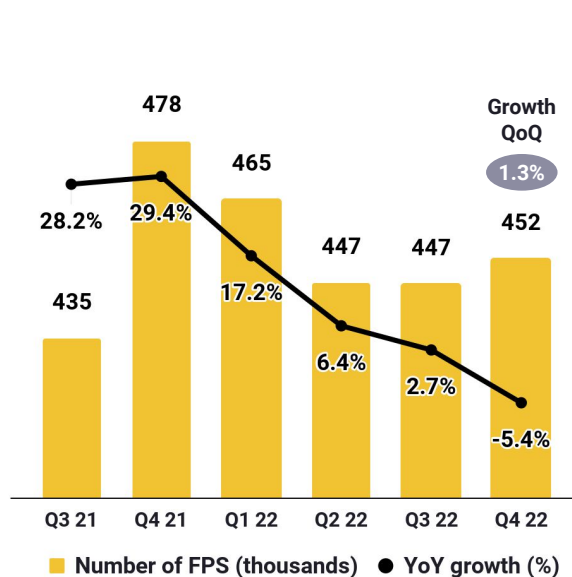
**Johan Adalberth**

CFO



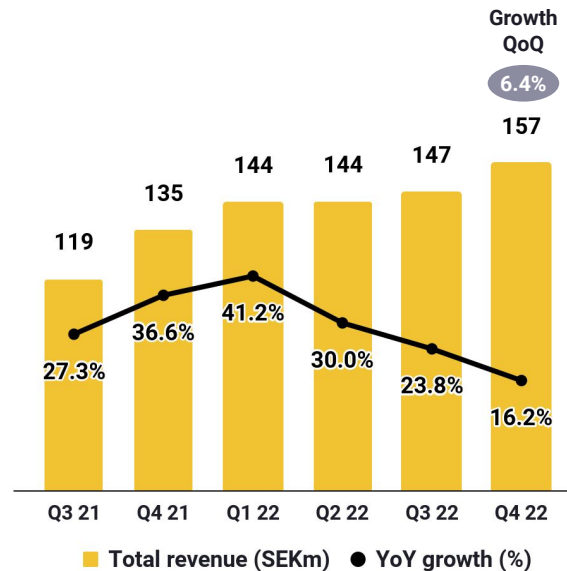
# Q4 highlights | FPS growth & on path to profitability

## Back to FPS growth...



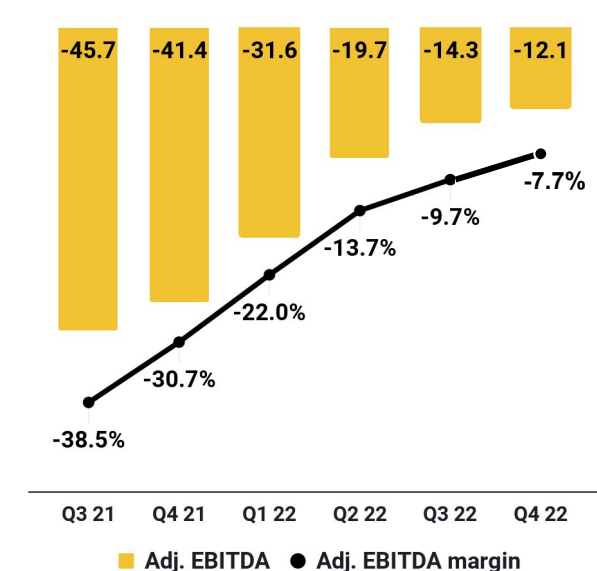
- Back to subscriber growth
- Positive momentum across several markets following optimised marketing

## ...solid YoY revenue growth...



- Revenue growth of 16% YoY
- Successful price increases across most markets
- ARPU increased to 109 (95) SEK

## ...and on path to profitability

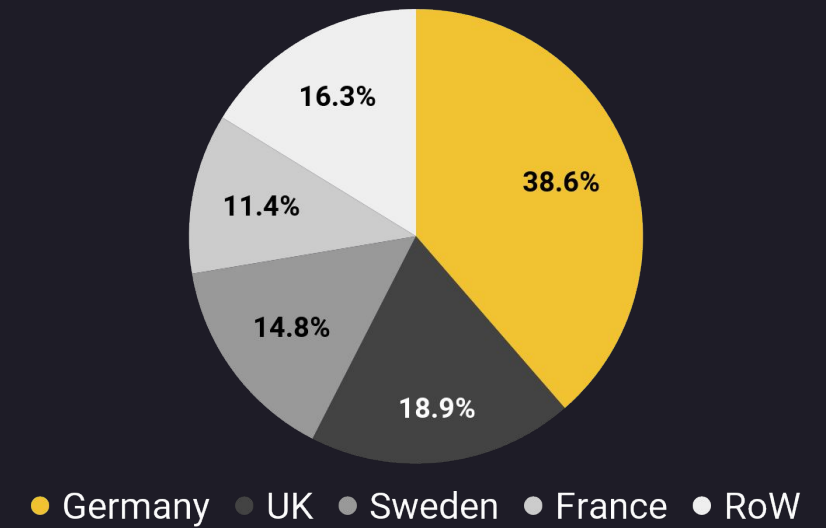


- Seventh consecutive quarter with improved adjusted EBITDA margin
- EBITDA expected to be positive latest 2025 in line with our financial target

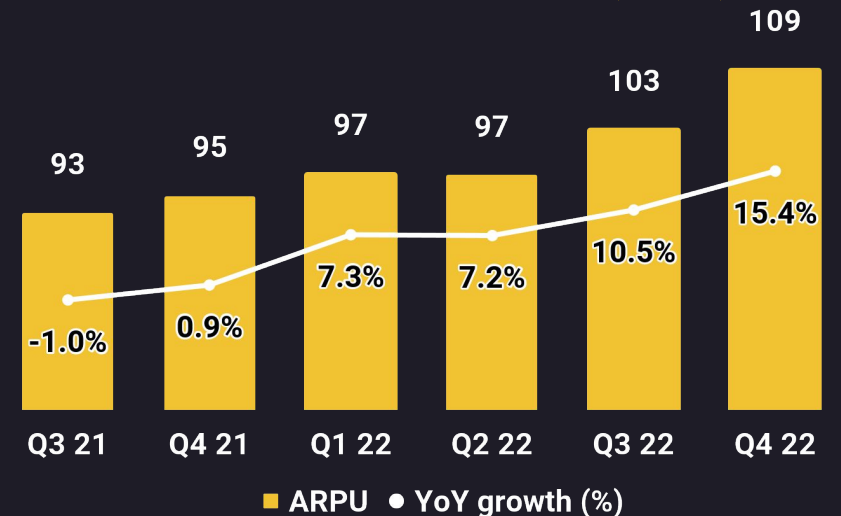
# Continued solid performance in DACH and the UK

- Strong revenue growth in Germany of 26% YoY. Net sales above SEK 60 million in Q4
- Continued strong growth in Austria and Switzerland
- Good revenue development in the UK with 16% growth YoY
- Net sales development in Sweden affected by lower marketing spend, price increases ahead
- Stable revenue development in France
- Strong ARPU increase of 15% YoY following the price increases carried out in 2022

## Net sales by market

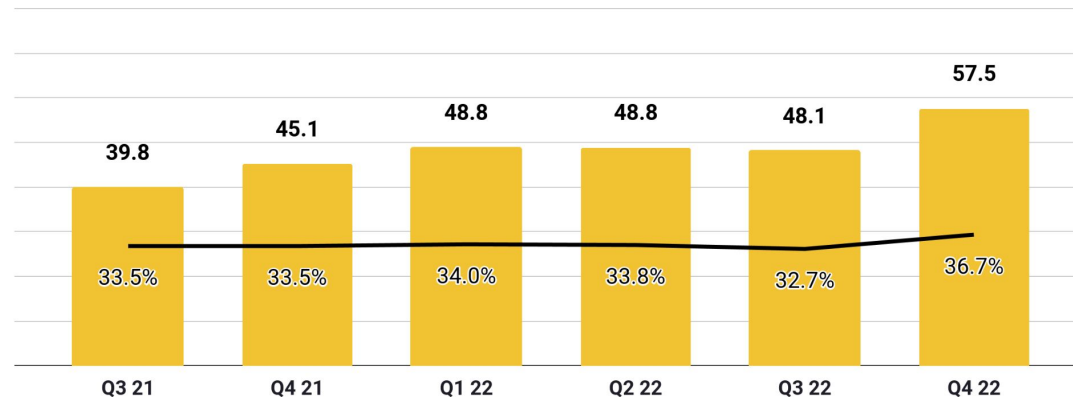


## ARPU development (SEK)

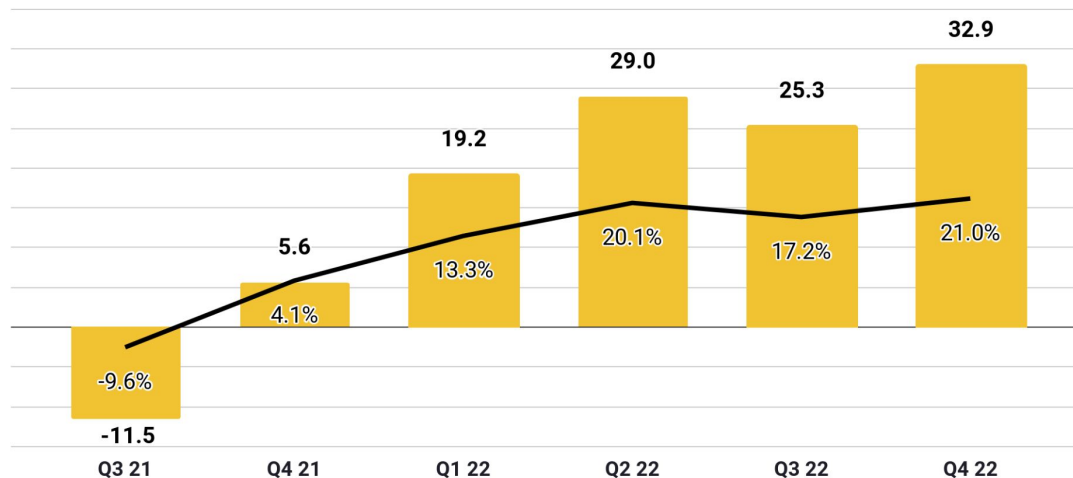


# Gross profit & gross contribution

Gross profit (SEKm) & gross margin (%)



Gross contribution (SEKm) & contribution margin (%)



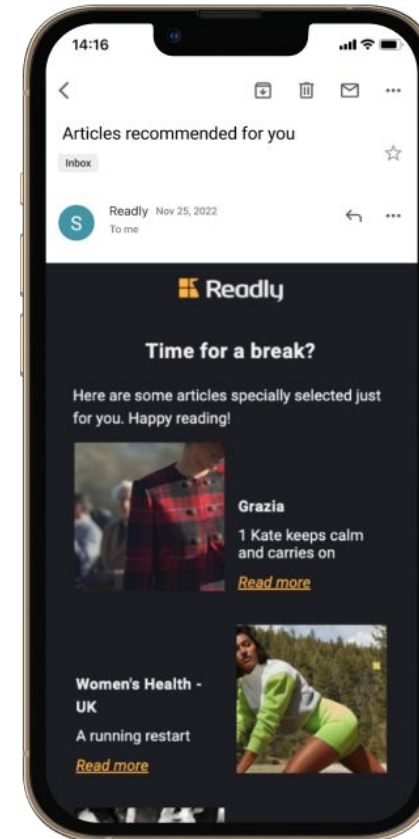
## All-time high gross margin & contribution margin

- All-time high gross margin of 36.7% (33.5)
  - The increase was primarily related to lower publisher costs in relation to revenues
- Record-high gross contribution of SEK 32.9m corresponding to a margin of 21.0% (4.1)
- Marketing spend was 38% lower in Q4 2022 compared to Q4 2021

# Creating strong user habits...

## The right content, in the right format at the right time

- Accelerated development of automated recommendations of mobile-friendly articles
- 50 bn data points, 30 mn each day
- Design updates in December, improved discoverability of our mobile reading functionality

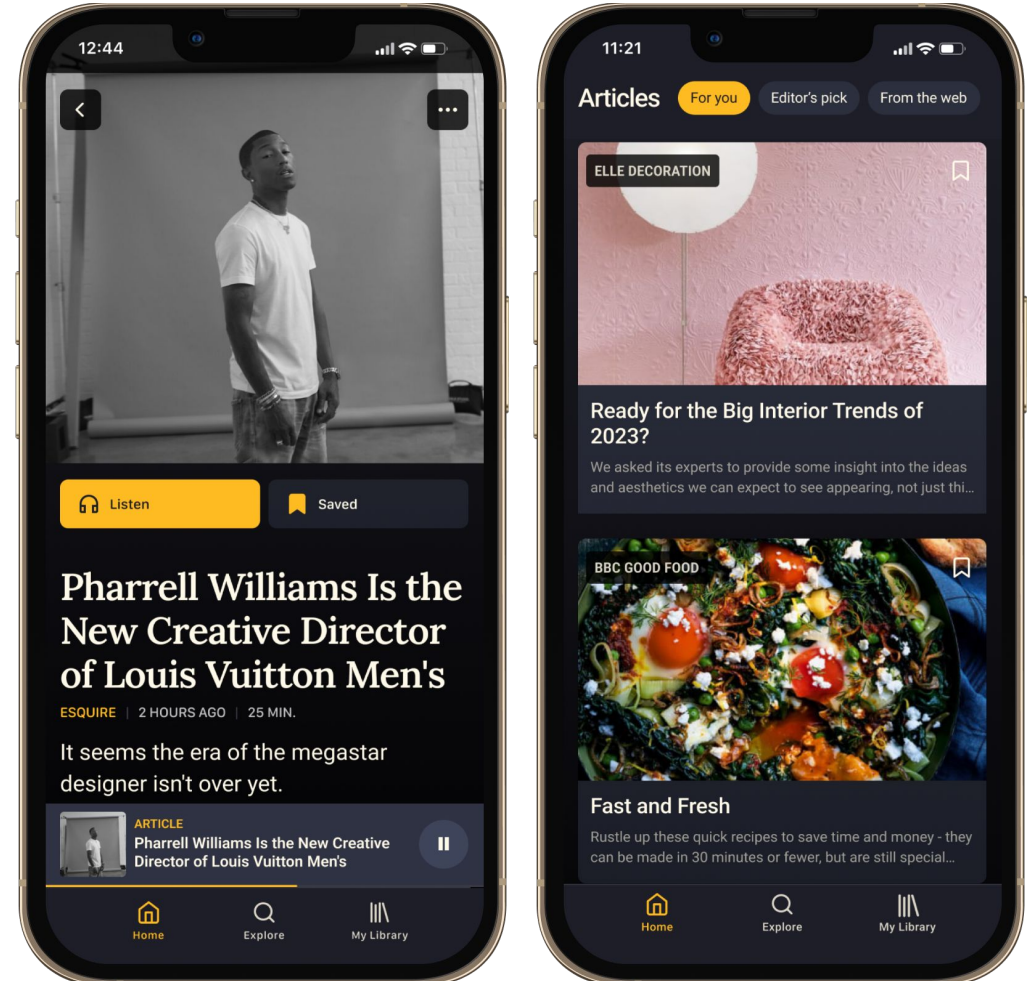




# ...both reading and listening

- 7,600 titles, 290,000 issues, **3,300,000 articles**
- We are rebuilding our engine, to enable unbundling of selected magazines into articles
  - a **continuous flow** with a recommendation engine supplying the suitable next article
  - further **audio capabilities**, e.g. Text-to-Speech

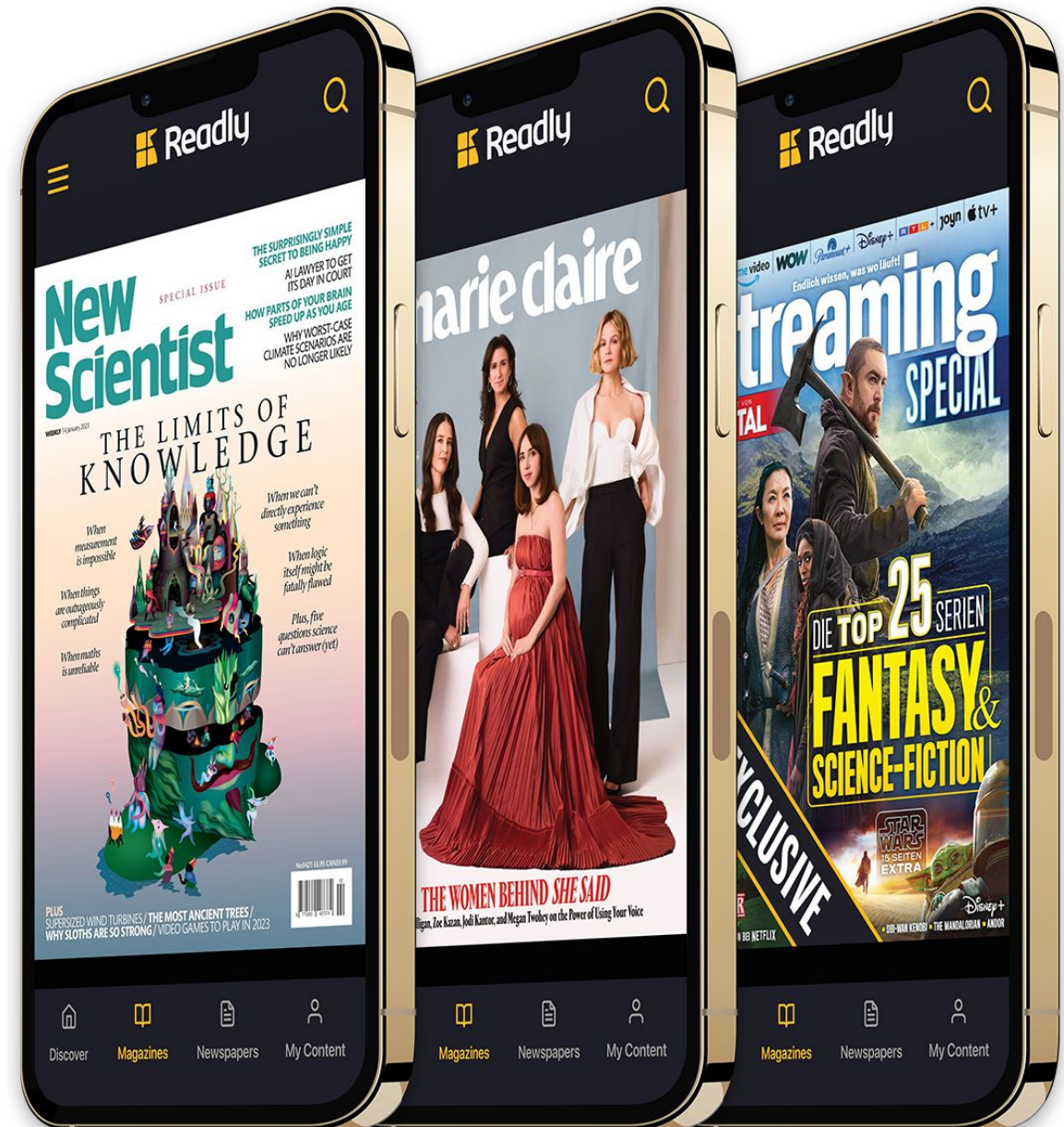
## Concepts



# Newspapers and strong brands drive usage frequency

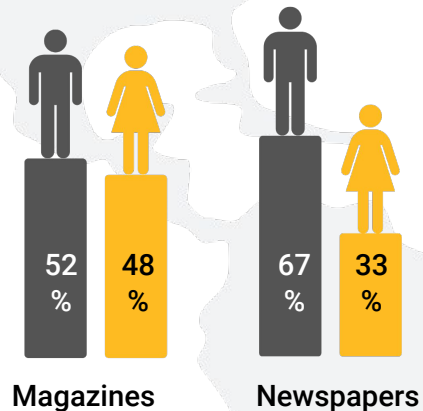
## Q4 content additions: 25 new publishers and 258 new titles

- The New Scientist (UK)
- Marie Claire (US)
- Harper's Bazaar (IT)
- 2022: 158 new publishers, 1,259 new magazines and 22 newspapers



# 2022 Global Reading Snapshot

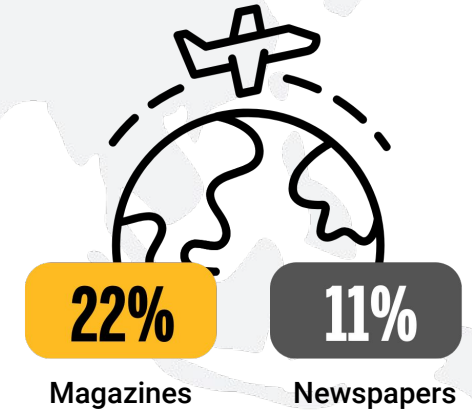
## GENDER SPLIT



## PEAK READING TIME



## INTERNATIONAL READERSHIP



## AVAILABLE TITLES



## AVAILABLE ISSUES



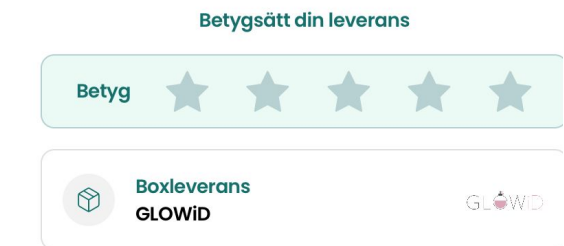
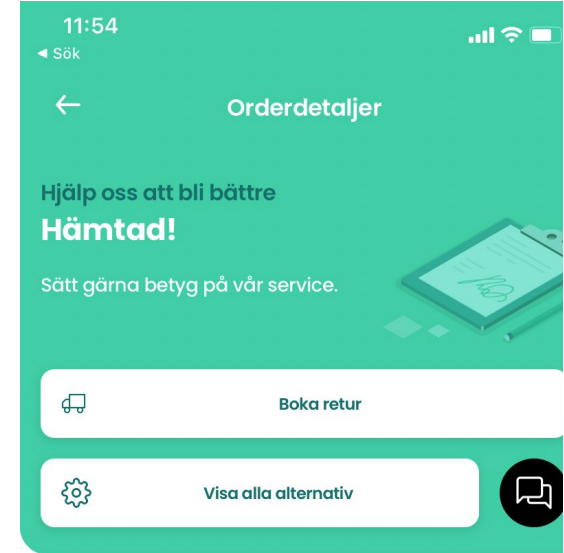
## ISSUES READ





# 100 new partnership campaigns in 2022

- 22% of total trialist intake in Q4
- 10 new partnership activations in Q4
- 150 active partnerships currently



# Launch in France - largest magazine market in Europe

Nov 22: consumer launch of Readly France

- Scratch card promotions, experiential DOOH across Paris, influencer & performance marketing
- HelloFresh, N26, Huawei and Groupon
- Additions of content in French
  - In Q4, 19 publishers and 76 titles
  - In January 23: 71 additional newspapers
- By the end of 2022 our portfolio of content in French consisted of more than 460 titles in total



# Summary of Q4

## ▶ Back to FPS growth with lower marketing costs

- Full paying subscribers up 1.3% compared to previous quarter (-5% YoY to 452 466 FPS )
- Stable subscriber base following strengthened content, optimised marketing and improved user experience

## ▶ Solid YoY revenue growth

- Solid total revenue growth of 16% YoY
- Price increases have been perceived well with ARPU up 15% YoY

## ▶ On path to profitability

- Seventh consecutive quarter with improved Adj. EBITDA margin
- EBITDA expected to be positive latest 2025





# Q&A