Readly International AB (publ)'s company description regarding the admission to trading on Nasdaq First North Growth Market

IMPORTANT INFORMATION ABOUT NASDAQ FIRST NORTH GROWTH MARKET

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland, Iceland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with Shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

IMPORTANT INFORMATION

This company description (the "**Company Description**") has been prepared in connection with the admission to trading of shares in Readly International AB (publ), reg. no 556912-9553, on Nasdaq First North Growth Market. In the Company Description, the "**Company**", the "**Group**" and "**Readly**" refer to Readly International AB (publ), the group in which the Company is the parent company or a subsidiary of the group, as the context may require. "**Certified Adviser**" refers to FNCA Sweden AB, reg. no. 559024-4876, which has been appointed as Certified Adviser to the Company.

This Company Description does not constitute a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**"), and has not been reviewed, registered or approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). The Company Description has been reviewed by Nasdaq Stockholm AB ("**Nasdaq Stockholm**"), reg.no. 556420-8394. The Company Description has only been prepared in connection with the application for admission to trading of the Company's shares on Nasdaq First North Growth Market and does not include any offer to the public to subscribe for shares or otherwise acquire shares or other financial instruments in the Company in Sweden or any other jurisdiction.

No shares or other securities in the Company have been or will be registered under the from time to time applicable United States Securities Act of 1933 (the "**Securities Act**"), or under the securities law of any state or other jurisdiction of the United States, and they may not be offered, sold or otherwise transferred, directly or indirectly, to or in the United States, unless in accordance with an applicable exemption from or in a transaction that does not fall within the registration requirements under the Securities Act and in accordance with securities legislation in the relevant state or other jurisdiction of the United States.

The Company Description is governed by Swedish law. Any disputes arising from this Company Description and the legal terms and conditions thereof shall be settled by Swedish courts exclusively. Swedish substantial law is exclusively applicable to the Company Description.

Presentation of financial information

Unless otherwise stated herein, no financial information in the Company Description has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Company Description and that is not part of the information that has been audited or reviewed by the Company's auditor in accordance with what is stated herein, originates from the Company's internal accounting and reporting systems. Figures included in the Company Description have in certain cases been rounded off and, consequently, the tables do not necessarily always add up exactly. All financial amounts are in Swedish krona ("**SEK**"), unless indicated otherwise, and "**MSEK**" indicates millions of SEK.

Forward-looking statements

The Company Description contains forward-looking statements. Forward-looking information refers to all statements in the Company Description which do not refer to historical facts and events, and statements which are attributable to the future, such as expressions as "deem", "assess", "expect", "await", "judge", "assume", "predict", "can", "will", "shall", "should or ought to", "according to estimates", "consider", "may", "plan", "potential", "calculate", "as far as is known" or similar expressions suitable for identifying information that refers to future events. This applies in particular to statements in the Company Description referring to future results, financial position, cash flow, plans and expectations for Readly's business and management, future growth and profitability and general economic and regulatory environment and other circumstances which affect the Company.

Forward-looking statements are based on current estimates and assumptions which are based on the Company's current intelligence. Such forward-looking statements are subject to risks, uncertainties and other factors which may result in actual results, including the Company's financial position, cash flow and profitability, deviating considerably from the results which expressly or indirectly form the basis of, or are described in, statements, or may result in the expectations which, expressly or indirectly, form the basis of or are described in statements not being met or turning out to be less advantageous compared to the results, which expressly or indirectly formed the basis of or were described in the statements. Readly's business is exposed to a number of risks and uncertainties which may result in forward-looking statements being inaccurate or an estimate or calculation being incorrect. Therefore, potential investors should not place undue reliance on the forward-looking statements herein and are strongly advised to read the Company Description, including the following sections: "*Risk factors*", "*Market overview*", "*Business overview*", "*Selected financial information*" and "*Legal inquiries and other information*", which include more detailed descriptions of factors that might have an effect on the Company's business and the market in which the Company operates. The Company cannot in any way guarantee the correctness of the statements about future events made herein or as concerns the actual outcome of any predicted developments.

The Company disclaims any obligation or undertaking to update these forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based, except as required by applicable law. All subsequent forward-looking statements, written and oral, attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in the Company Description.

Sector and market information

The Company Description contains information from third parties in the form of sector and market information, as well as statistics and calculations obtained from sector reports and studies, market surveys, publicly available information and commercial publications. Such statements can be identified by references to their respective sources.

Certain information about market shares and other statements in the Company Description including information relating to the sector in which the Company operates and the Company's position compared to its competitors, is not based on published statistics or information from independent third parties, and therefore lacks source references. Information and statements of this kind reflect the Company's best estimates based on the information obtained from customers, authorities, trade and business associations and other contacts in the sector where the Company competes and information which has been published by the Company's competitors. The Company believes that such information and such statements are useful in helping investors understand the sector in which the Company operates and the Company's position in the sector. However, the Company has no access to the facts and assumptions behind the figures, market information and other information retrieved from publicly available sources. Nor has the Company independently verified the information about the market provided by third parties or the sector, or generally available publications. Even if the Company believes that these internal analyses are reliable, they have not been verified by any independent source and the Company cannot guarantee their correctness.

The Company confirms that information sourced by a third party has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Contents

Key dates:

First day of trading on Nasdaq First North Growth Market: 20 November 2023

Last day of trading on Nasdaq Stockholm: 17 November 2023

Information about the share:

ISIN-code: SE0014855292

Ticker: READ

LEI-code: 549300TT4PAJYUCR4952

Financial calendar:

Year-end-report: 8 February 2024

Annual General Meeting: 15 May 2024

Risk factors

Prior to any investment decision, it is important to carefully analyse the risk factors that are considered to be material to the Group's business and future development. The risk factors relate to the Company's industry, market, and operations, and further includes risks related to legal and regulatory issues, financial risks, and risks related to the Company's shares. The risks below are not presented in any particular order and do not claim to be comprehensive or exhaustive in any way. Risks and uncertainties, which the Company is not currently aware of, may develop into factors of significant importance, which may have a material adverse impact on Readly's operations, profits and financial position. In addition to the information described in this Company Description, each potential investor should do their own assessment of each risk factor and its importance for the Company's future development as well as a general assessment of the business environment.

Risks related to Readly's strategy and operations

Readly operates in a competitive market

Readly offers a digital subscription service that gives access to unlimited reading of a wide range of digital magazines and newspapers from third-party publishers. The product can be accessed online or via an app that can be downloaded from Apple App Store, Google Play, Amazon Appstore and Huawei App Gallery. Readly offers content from local publishers in twelve markets - Sweden, the United Kingdom, Germany, France, Austria, Switzerland, the Netherlands, the United States, Ireland, Italy, Australia and New Zealand and its service is available to access in more than 50 countries. Readly's core markets are Germany, the United Kingdom, Sweden and France, which together represented 84 percent of Readly's total sales in the third quarter of 2023. The competitive landscape for Readly can be categorised along four dimensions:

1. **Company type** – i.e. if the company provides content from a broad set of publishers, like Readly, or a publisher platform that distributes content from a single publisher or a specific title.[1]
2. **Business model** – The business models for digital media providers, and payment of content, are an "*all-you-can-read*", like Readly, or a digital newsstand model or a mix of both.[2] The business model can either be B2C, B2B2C, or B2B, with a variety of those. Readly operates on the basis of a revenue share model, which means that the subscription revenue is shared with the publishers.
3. **Content** – The content offered on different providers' platforms is measured in terms of both breadth and depth of content. The breadth is either a multi-format platform or a focused platform. Readly offers a focused platform, as Readly primarily focuses on distribution of digital magazines. The depth of the content is determined based on how broad the portfolio of content is in terms of titles, categories and coverage of various interest.[3]
4. **Geographical presence** – The reach of the platform is either limited to a few markets or available in a large number of countries, like Readly's platform.[4]

Readly is dependent on being able to offer a variety of, and compelling, content to its subscribers and therefore competes with other digital magazine providers to gain access to the content. There is a risk that competitors to Readly enter into exclusive agreements with magazine publishers, which would

[1] PwC Global Entertainment & Media Outlook 2023-2027.
[2] PwC Global Entertainment & Media Outlook 2023-2027.
[3] PwC Global Entertainment & Media Outlook 2023-2027.
[4] PwC Global Entertainment & Media Outlook 2023-2027.

prevent Readly from gaining access to certain content in current and new markets. There is also a risk that publishers themselves develop technologies, products or services to provide content exclusively to their customers and not through Readly's platform. If competitors enter into exclusive agreements with publishers or if publishers develop products or services with exclusive content, it may result in Readly not having access to content in its services and being unable to compete in the Company's markets, which could have a material adverse impact on the number of subscribers and lead to loss of market share in established markets and to Readly not being able to establish operations in new markets.

There is a risk that competitors could develop and launch services that offer a better performance than Readly's service and thereby take market share from Readly. An example of such service or better performance is the development of providing digital magazines as audio content.

Competitors to Readly may adopt an aggressive pricing strategy to capture market shares. Readly has to constantly analyse the effect of the competitors' pricing strategies. There is a risk that Readly could misjudge the competitors' pricing strategies, which could lead to failure in optimising Readly's own pricing and thereby losing out on revenues. Increasing competition may result in increased price pressure, lower profit margins, increased costs for research and development (R&D), and/or increased marketing and sales costs. Readly may fail to proactively manage competitors in relation to new features, functions and price strategy, which could lead to loss of market share in established markets. As Readly's core markets Germany, the United Kingdom, Sweden, and France together represented 84 percent of Readly's total sales in the third quarter 2023, a loss of market share on these markets could have a material adverse impact on the Company's total revenue and financial position.

Readly has never been profitable and there is a risk that the Company will not reach profitability

Readly's operations and number of employees have grown substantially since the Company was founded. Potential investors should not necessarily take historical growth as an indication of future developments. Earlier growth has exposed, and future growth will expose, the Group, its executive management, administration, IT systems as well as operational and financial infrastructure to several challenges and require access to working capital. Since inception, the Company has not been profitable. Between 2012 and 2020, the Company raised SEK 734.3 million in gross proceeds that have been used to finance growth. There is a risk that Readly fails to execute its growth strategy and development plans to reach profitability and that the Company will have to seek to raise additional capital by way of new share issues or from other sources of funding for purposes of obtaining sufficient liquidity and additional working capital. There is a risk that such funding cannot be obtained on terms that are acceptable to the Company, or at all. See also risk factor under the section "*Financial risks – Risks related to liquidity*" below.

If Readly fails to handle growth and development, it could have a material and adverse impact on Readly's growth strategy and earnings.

Readly needs to attract new subscribers and retain existing subscribers

Readly offers a digital subscription service for magazines and newspapers where the subscribers gain unlimited access to all content. The subscribers normally pay a monthly fee in advance and the subscription can be cancelled at any point in time. Readly's ability to attract new subscribers and retain existing subscribers depends in large part on its ability to continue to offer an attractive service, compelling content, functionality and an engaging user experience. Readly is dependent on revenues derived from its subscribers. The Group's revenues from the subscribers corresponded to 93 percent of the Group's total revenue during 2022. As consumer tastes and preferences change in the digital service market and with new user experiences, mobile devices and other digital services being introduced, Readly may need to enhance and improve its existing product, introduce new functions and features and other digital content that are in the interest of current and future subscribers. Such features could be to provide audio content within Readly's service. If Readly fails to offer a compelling content and product features to meet consumer demands, the Group's ability to grow or sustain the reach of its product, attract and retain subscribers may be adversely affected. As revenue from subscribers corresponded to 93 percent of the Group's total revenue during 2022, a decrease of subscribers would decrease the Group's total revenue and materially adversely affect the Group's financial position.

Readly is dependent on a pricing structure that meets the expectations from subscribers. If Readly increases the price of its service it could lead to disappointment from Readly's subscribers and a negative impact on the subscriber base which can materially adversely affect the Company's revenue growth and profitability.

Subscriber base growth and at the same time uphold high revenue retention is also an important factor for current and future investors when assessing Readly's overall performance. There is a risk that the growth of Readly's subscriber base fails to live up to expectations from investors, which could decrease Readly's market value and decrease the possibility to raise the funding required to support the Group's planned growth strategy when additional capital is needed. This could affect, for example, the planned rate of expansion and fulfilment of commitments and have a material adverse effect on the Group's growth, revenue and profitability.

Risks related to marketing costs and unsuccessful marketing activities

Marketing is crucial to Readly's ability to attract new subscribers and increase brand awareness. Historically, Readly has invested large sums in marketing activities to enable and support continued growth. The Company's focus is now more on optimising marketing costs and marketing activities are mainly directed towards markets and channels that show a high return relative to each subscriber's expected lifetime value. As a share of total revenue, marketing costs have amounted to 40.7 percent during the financial year 2021 and 16.4 percent during the financial year 2022. Readly has incurred and will continue to incur significant expenses in marketing through a broad range of activities and channels to attract new subscribers, grow net sales, and enhance Readly's overall brand awareness. Readly balances the marketing costs with the Group's overall growth strategy to increase its subscribers base in strategically important markets.

Readly invests in brand awareness marketing in order for potential subscribers to become aware of the Company and its product and service offering, as well as increasing awareness and creating a preference and demand for the digital magazine subscription model in general. Readly has historically invested significantly in brand awareness campaigns, primarily in its core markets, which is expected to contribute to lower average subscriber acquisition cost over time as the organic inflow from subscribers increases. Historically, approximately one third of the total marketing costs have been used for brand awareness marketing.

Readly also invests in digital conversion marketing in various channels with the aim of increasing the awareness of Readly, offer target groups the possibility to test the service during a limited period to eventually being converted into fully paying subscribers. The digital conversion marketing is data-driven and based on a cost and benefit analysis to attract new subscribers, which enables the marketing team to efficiently target new potential subscribers through the most effective channels. Historically, approximately two thirds of the total marketing costs have been used for conversion marketing.

There is a risk that Readly's costs for marketing might increase in the future in order to attract new subscribers. Due to the rapid changes in the marketing environment there is also a risk that the Company fails on using the most suitable marketing methods and thereby there is an increased risk of unsuccessful marketing campaigns, which may affect the number of subscribers, the interest from investors and publishers, revenue, the Group's sales and earnings.

Readly is dependent upon third-party publishers

Readly has entered into agreements with third-party publishing companies granting Readly the right to make magazine and newspaper titles available on Readly's platform. As of 30 September 2023, Readly offers its subscribers access to approximately 7,600 magazine titles from approximately 1,200 publishers. The publishers Readly has agreements with include publishing houses such as Bauer Media, Condé Nast, Future Publishing, and Hearst Magazines that are global corporations and extend across the UK, the US, Australia, France, Germany, Italy and the Netherlands. Aller Media, Bonnier News, and Egmont Publishing are key publishers in the Swedish market and Axel Springer, Burda Media, and Funke Mediengruppe are key publishers in the German market. In France, Readly has cooperations with leading publishers such as CMI and Reworld Media from the magazine sector, and newspapers as Libération and L'Express. All content offered through Readly's platform is licensed from third party publishers. The agreements with the publishers are entered into on a non- exclusive basis. Being able to offer its subscribers as attractive content as possible is crucial to Readly's business and continued development. Furthermore, there is a risk that Readly cannot expand to new markets as Readly is required to enter into agreements with magazine publishers in local markets.

Readly is dependent on publishers in the twelve markets where the Company offers content from local publishers. There is a risk that Readly becomes dependent on certain key publishers. In order for Readly to maintain and also increase the number of partnerships with publishers it is important that Readly continues to build relationships with publishers, increase its subscriber base and that the publishers benefit from the collaboration, both monetarily and in other ways, for example through, access to advanced data analysis.

In general, the agreements with publishers are entered into an initial period of six months and are automatically prolonged by one year at a time unless terminated with three months' notice.

A majority of Readly's agreements with the top ten publishers in terms of revenue are valid until further notice with varying notice of termination periods of between two to six months. There is no guarantee that these agreements will continue to be available in the future at rates and on terms that are favourable or commercially reasonable. Readly may fail to work proactively with publishers to ensure existing agreements are extended, which could lead to loss of important contracts. The terms of these agreements may change as a result of changes in Readly's bargaining power, changes in the industry, changes in the law, or for other reasons. Increases in compensation to publishers or changes to other terms of these agreements may materially impact Readly's business, operating results, and financial condition. If such agreements are terminated, it could decrease Readly's content offering in certain markets and the overall content offering. The agreements with the key publishers mentioned above are particularly important as these publishers provide either separate titles or a number of titles, which makes Readly competitive in Readly's core markets, Germany, United Kingdom, Sweden and France. These markets represented 84 percent of the Group's net revenue during the third quarter of 2023. This may lead to reduced demand for Readly's service and risk that subscribers change to a competing service for digital magazines, which can lead to reduced revenues and adversely affect the Group's financial position. Furthermore, a reduced subscriber base can reduce Readly's attractiveness and negotiating power towards publishers. This could lead to increased publisher costs or deterioration of other terms in these agreements, which could have a material adverse effect on the Group's revenue and earnings.

Readly is dependent on being innovative and adapting to technological advances and subscriber preferences

Readly competes with other companies offering similar service. The market in which Readly operates is characterised by rapid technological development. Readly has since 2012 invested in its proprietary subscription platform. As of 31 December 2022, SEK 58 million is recognised as capitalised development expenditures. In 2022, podcasts were launched on the platform in partnership with UK and Swedish publishers, with the aim to increase the use of Readly and to reach new audiences The Company is further examining how additional audio features, such as text-to-speech and read-aloud articles, could be added to the offer to subscribers. The Group's ability to foresee technological development, market needs, subscriber preferences and demands and to adapt its product and service accordingly, is of central importance for the Group's continued development and continued success. There is a risk that Readly could misjudge these developments or that Readly's product development initiatives will not live up to subscribers' expectation. There is also a risk that Readly does not or will not be able to provide sufficient resources to the product team or R&D, which could lead to Readly not being able to develop the existing product and new features or work on new ideas quickly enough to meet subscriber expectations. If Readly's research and development investments fail to keep up with the rate of development in the market or the available technology, or if the product and service development do not meet subscriber expectations, this could lead to a lack of demand for Readly's service and a bad reputation amongst subscribers and other stakeholders, which could have a material adverse effect on the Group's revenue from paying subscribers and its ability to enter into contracts with, for example, publishers. Readly needs to predict which magazines its subscribers are most interested in. Readly's ability to predict consumer behaviour and consumer preferences and select magazines suitable for its subscribers' individual preferences is crucial for the perceived value of its service and is dependent upon the Company's ability to collect and effectively analyse large amounts of user data to understand demographic patterns, economic trends and cultural concerns. Unsuccessful predictions can have a significant effect on Readly's ability to attract new and retain existing subscribers which can have an adverse effect on the Group's financial position and reputation.

Readly is exposed to risk attributable to the Company's IT systems

Readly uses certain key third-party service providers, such as Amazon Web Services, which provide Readly with systems, infrastructure and databases for IT operations. Use of services provided by third parties exposes the Group's business to a number of risks, including the risk that critical service providers are unable to deliver according to the contract, which could be for reasons that is outside of the service providers' control or that they are subject to data breaches or technical interruptions.

Readly's business relies on its technology and digital infrastructure, including software, hardware, telecommunications and other systems, to operate its platforms, deliver its service, provide transaction and payment processing, and to manage and secure its business and data. This particularly applies with respect to internal communications, controls, reporting and relations with subscribers and publishers. Readly may fail to establish and maintain disaster recovery for its IT systems. Readly's disaster recovery plans in the event of such occurrence, and their existing back-up systems and plans may not prove effective.

In addition, despite implementing network security measures, Readly's and its business' servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorised tampering with, and/or cyber-attacks on, such computer systems. Readly may be required to spend significant capital and other resources to protect its platforms against computer viruses and hackers and to remedy any problems caused by them. Moreover, if a computer virus or cyber-attack affecting such system is highly publicized, Readly's reputation or users' trust in the relevant business could be materially damaged and the user base or utilisation of the relevant platform may decrease.

Any disruption to the service provided by third parties or failure in the systems can affect the availability of Readly's system and platforms and could lead to increases in the response times of its service or otherwise disrupt the functionality or operations of Readly's business. This could materially affect Readly's reputation, subscriber and partnership relationships. For example, Readly has entered into agreements with partners for the purpose of providing value added services to the partners' customers and to increase Readly's brand awareness and subscriber base by marketing and sales initiatives from the partners. These partnership agreements can be terminated if the service availability level falls under a certain threshold indicated in the agreements. Historically, Readly's service has not been affected to any great extent by, for example, system shutdown, disruptions unauthorised tampering and/or cyber-attacks. If the availability of Readly's service were to be limited or completely down for a period, it could have a material negative impact on Readly's reputation and customer and partner relationships, which could lead to reduced revenues and earnings.

Readly is dependent on third party payment solution providers

Readly accepts payments through various third-party payment solution providers, such as payment with cards, mostly via Adyen, and the digital payment service provider PayPal. Readly may add additional payment solution options in the future. The services provided include handling transactions between Readly and its subscribers for monthly subscription payments and handling of settlement of the transactions with the credit card companies and the subscribers' banks. These payment solution providers provide services to the Group in exchange for a fee, which may be subject to change. There is a risk that the transaction fee issued by existing or future payment solutions providers is increased in connection with agreement negotiations with current payment solution providers or if the Company enters into agreements with new providers. A factor that can impact the negotiations is if the payment solutions provider considers that Readly's volumes are not high enough and that Readly thereby cannot enter into agreements on competitive terms. As the majority of the Group's revenue is derived from subscribers through card and bank transactions, an increase of transaction fees would have a direct negative impact on the Group's profit margins and earnings.

Risks relating to acquisitions and integration of additional business

In 2021, Readly acquired 98.4 percent[5] of the shares in Readly France SA (former Toutabo SA) and might in the future further expand its business in a similar manner. There are both operational as well as financial risks involved in acquiring and integrating businesses, including exposure to unknown liabilities and higher than expected acquisition and integration costs, as well as not being able to realise expected synergies or cost savings within expected timelines. Further, unforeseen expenses or conditions may arise, for example in the form of disputes involving the acquired business. There is also a risk that conflicts or disputes related to sellers or any remaining minority shareholders may arise, as well as any selling parties bringing claims in relation to terms in purchase agreements. For example, in July 2023, certain sellers of Readly France SA filed a lawsuit towards the Company concerning potential earn-out payments or contingent considerations under the share purchase agreement. In October 2023, one of the other sellers joined the lawsuit as plaintiff, making the total claim amount to approximately SEK 18.8 million. If all sellers of Readly France SA would make corresponding claims, the total claim would amount to approximately SEK 21 million, see "*Legal inquiries and other information – Litigations and governmental proceedings*" for further details.

[5] As of the date of the Company Description, Readly owns 99.83 percent of Readly France SA.

Any complaints and claims relating to acquisitions or additional businesses could result in significant costs for Readly and have a negative impact on the Company's financial position and results of operations, and even if successfully resolved without direct adverse financial effect, could have a material adverse effect on Readly's brand and reputation, and divert its financial and management resources from more beneficial use.

Readly is dependent on retaining and recruiting key individuals

Readly's success is dependent on highly qualified key employees and consultants with specific specialist expertise. The right expertise is crucial for ensuring the Group's current as well as future growth initiatives. All of the employees and consultants, including the executive management, are free to terminate their relationship with Readly at any time (with customary notice of termination periods), and their knowledge of Readly's business and industry may be difficult to replace. As of 30 September 2023, 23 percent of Readly's workforce consisted of consultants. Readly has strategically and operationally important people employed in Växjö and Stockholm who are responsible for IT development. There is fierce competition to employ or hire individuals with industry experience and specialist expertise within the Group's industry. Such people are highly sought after and Readly may incur significant costs to attract and retain them. If the Group is unable to attract and retain its key employees and consultants, the Group may struggle to achieve its strategic objectives, growth strategy and its business could be harmed. Thus, loss of key employees and consultants or failure to attract new employees or consultants could have a material adverse impact on Group's relationships with publishers and subscribers and on its ability to grow to new markets and further develop its service.

Legal and compliance risk

Risks related to personal data and anonymised data

Readly handles large amounts of personal data mainly in relation to its subscribers. Readly's subscribers register their personal data on Readly's website and/or app, and the personal data is stored by Readly. Readly had, as of 30 September 2023, 460,686 fully paying subscribers, all being individuals. As Readly handles a large amount of personal data, incorrect handling or a data breach could lead to many data subjects being affected, which could lead to high administrative penalties such as civil and/or criminal law measures imposed by the Swedish Authority for Privacy Protection and other data protection authorities, which may also affect Readly's reputation in relation to subscribers, partners and publishers within the digital magazine market. Readly shares anonymised and aggregated data with its publishers consisting of, for example, the age, gender of the users, country of origin, when and what the user reads and on what type of device the magazine usually is read on. If anonymisation does not prevent an individual from being identifiable by third parties, for example by analysing data in combination with other data, the data is not deemed to be anonymised and thus falls within the definition of personal data according to the General Data Protection Regulation 2016/679 (the "**GDPR**"). The sharing of anonymised data with publishers are part of the agreements with the publishers and hence important for maintaining continued cooperation with the Company's publishers. There is a risk that the anonymised data can be used in combination with other data to identify a natural person and thus constitute personal data. If such risk were to materialise there is a risk that Readly is processing or has in the past been processing personal data in breach of the GDPR, which could lead to high administrative penalties such as civil and/or criminal law measures imposed by the Swedish Authority for Privacy Protection and other data protection authorities as described above. This could also affect Readly's reputation in relation among its subscribers, partners and publishers. In addition, in individual cases, Readly provides publishers with specific data, mainly email addresses, for the strictly limited purposes as disclosed in Readly's Data Protection Policy. There is also a risk that new initiatives by the

Company to improve and develop the customer offering will result in personal data processing that does not comply with the applicable regulations.

Further, there is a risk that Readly may be adversely affected by changes to the GDPR, interpretation of the GDPR or government policies in relation to anonymised data. Stricter or changing regulatory regimes, government policies and legislation in any of the markets Readly operates in may prohibit sharing of anonymised data to publishers which could negatively affect the offering of value-added services to the publishers and the relationships with the publishers.

Financial risks

Risks related to liquidity

Readly has in the past experienced rapid growth and has therefore reported negative cash flows from operations for the financial years 2022 and 2021 as a consequence of the Group's investments in marketing, product development, and other activities aimed at generating growth. As of 30 September 2023, the Group's cash and cash equivalents amounted to SEK 108.7 million. The Group has historically not made any profit and has not been able to finance its business operations from its own generated cash flows and has therefore been dependent on financing from other sources. This means that Readly needs to put considerable resources on planning and monitoring of its need for capital and cash. There is a risk that Readly will not be able to obtain the liquidity required in time to meet its growth objectives and strategy in the medium to long term. If new share capital and/or external borrowing would not be available to the Group in time in the event of future needs, this could affect, for example, the planned rate of expansion and have a material adverse effect on the Group's growth and liquidity.

The Group carries goodwill and other intangible assets of material significance on its balance sheet

In the fourth quarter of 2021, Readly acquired Readly France SA (formerly Toutabo SA). The acquisition generated acquisition related assets such as publisher contracts, customer contracts, and trademark, and further implied that a significant goodwill asset was recognised. As of 31 December 2022, the Group recognised goodwill of SEK 50.0 million and SEK 93.5 million in other intangible assets on its balance sheet. Goodwill and other intangible assets with an indefinite useful life are not amortised on an ongoing basis in accordance with any established plan, but instead the need for impairment is reviewed annually (or as soon as changes indicate that an impairment loss may be necessary). During the financial year 2022, net goodwill decreased by SEK 20.8 million due to impairment and currency effects. Based on the impairment test performed in the fourth quarter 2022, a total goodwill impairment of SEK 27 million was recognised. The impairment tests reflected a somewhat lower growth potential and higher Weighted Average Cost of Capital (WACC) for the Group, which resulted in the need for impairment of goodwill related to Readly France SA. The Group continuously monitors relevant circumstances that affect its operations and financial position, and the possible effects such circumstances may have on the valuation of the Group's goodwill and other intangible assets in the future. If impairment charges in respect of goodwill or other intangible assets were to occur, it could have an adverse effect on the Group's financial position and results.

Risks of having revenue and costs in several currencies which exposes the Group to currency exchange risk

Readly, reporting in SEK, is active internationally with subsidiaries and subscribers in several countries and is thereby subject to currency exposure. This means that the Group is exposed to currency risk and fluctuations in exchange rates that can impact earnings and equity. The majority of the operations are carried out by the subsidiary Readly AB.

Readly's is primarily exposed to euro ("**EUR**") and Great British Pound ("**GBP**"), but also to US dollars ("**USD**"), Australian dollars ("**AUD**") and Swiss francs ("**CHF**"). The Group's sales to external customers are made in local currency at the same time as the Group has costs in the form of remuneration for publishers, often in corresponding currencies, which creates a "natural hedge" for transactions in its operating activities.

The Group's significant currency risk arises in connection with translation of balance sheet items in foreign currency to the reporting currency SEK. For example, currency exposure exists relating to upcoming payments to publishers booked as liabilities. As per 31 December 2022, there are liabilities in EUR, GBP and USD for payments to publishers amounting to SEK 48.3 million, SEK 30.3 million and SEK 6.6 million, respectively. This means that a change in the SEK/EUR rate, the SEK/GBP rate and the SEK/USD rate of +/-10 per cent would have an impact on consolidated profit and equity of +/- SEK 4.8 million, SEK 3.0 million and SEK 0.7 million, respectively. Further, the Group is exposed to changes in the EUR/SEK exchange rate through loans raised by subsidiaries. The exchange rate sensitivity is attributable to the borrowing in EUR and to interest expenses. As per 31 December 2022, a change in the SEK/EUR rate of +/-10 per cent would have an impact on loans raised, revalued through profit or loss, of +/- SEK 1.8 million and profit before tax of +/- SEK 0.3 million. Since the exchange rate for foreign currencies fluctuates in relation to SEK, there is a risk that future changes in exchange rates could have a substantial adverse impact on the Group's financial position and earnings.

Readly has tax losses carried forward

Readly has substantial unutilised tax losses carried forward for which no deferred tax assets has been reported. As of 31 December 2022, the unutilised tax losses carried forward for the Group amounted to SEK 1,134 million, and mainly relates to Sweden and the operating company and subsidiary Readly AB. The Group has not reported any deferred tax asset related to the tax losses carried forward in the consolidated financial statement. Swedish tax law contains certain change of control rules, implying a risk that such tax losses carried forward may not be fully utilised in case of a change of control. A change in the current tax legislation may also have an adverse impact on the future possibility to utilise such tax losses. Such restrictions and changes could have an adverse impact on the Group's financial position and tax cost since future profits may in such case not be offset, wholly or partially, against the tax losses carried forward. Further, Readly has in the past and could also in the future be affected by changes in the VAT rates applied across its markets and segments. A change in VAT rates could have a substantial adverse impact on the Group's financial position and earnings.

Risks related to the Company's shares

Risk of an illiquid market and price volatility

The Company's shares have been listed on Nasdaq Stockholm since September 2020. From a historical perspective, the price at which the shares of Readly have been traded has at times been volatile. During the period from 1 October 2022 up to and including 30 September 2023 the lowest and highest closing price of Readly's share has amounted to SEK 6.305 (on 24 October 2022) and SEK 14.66 (on 6 July 2023 and 29 June 2023), respectively.[6] From time to time, the Readly share has been subject to a limited trade and the distance between the purchase price and selling price may from time to time be large. The development of Readly's share price depends on a number of factors, some of which are company-specific, and others linked to the stock market as a whole.

[6] On 5 December 2022, Tidnings AB Marieberg announced its public takeover offer regarding all shares in the Company, which likely has had an effect on the Company's share price. During the period from 1 January 2022 up to and including 2 December 2022 (last trading day prior to the public takeover offer) the lowest and highest closing price of Readly's share amounted to SEK 6.005 (on 4 July 2022) and SEK 19.5 (on 3 January 2022), respectively.

There is a risk that the price of the shares will be highly volatile in connection with the admission to trading on Nasdaq First North Growth Market and there is no guarantee that future developments in the share price will be favourable. If active and liquid trading does not develop or does not prove sustainable, this could make it difficult for shareholders to sell their shares at a share price acceptable to the shareholder at any time.

Influence from major shareholders

As of the date of this Company Description, Readly's largest shareholder, Tidnings AB Marieberg ("**Bonnier**"), controls 77.61 percent of the capital and votes in Readly. Following the change of listing venue from Nasdaq Stockholm to Nasdaq First North Growth Market, Bonnier will continue to have the ability to exercise a significant influence over the result in matters referred to shareholders for approval, including election of board members and potential increases of share capital, mergers, consolidations or sales in all, or almost all, of Readly's assets. There is a risk that Bonnier in the future, in accordance with the previously communicated intentions, [7] may exercise its influence to work towards implementing a transfer of the non-Nordic businesses of the Company to Cafeyn Group or to seek to achieve the intended separation by other means. Applicable corporate governance regulations, including the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and Nasdaq First North Growth Market Rulebook for Issuers of Shares, contain a number of rules intended to protect minority shareholders, but there is a risk if such intentions are accomplished that the Company's operations are significantly transformed.

Furthermore, Bonnier may further strengthen its influence through acquisitions of shares. If Bonnier, in such an acquisition or otherwise, increases its shareholding to more than 90 percent of the shares in the Company, the rules in the Swedish Companies Act on the redemption of minority shares may become relevant, meaning that Bonnier would have the right to redeem the remaining shares in Readly from the other shareholders of the Company.

Future sales of major shareholdings and new share issues

If Bonnier or another large shareholder would sell their shareholding in the Company, or if the market believes that such a sale may take place, this could have a negative impact on the Company's share price. Bonnier has no obligation to the Company to maintain its current shareholding and can therefore choose not to maintain its current shareholding in Readly. There is also a risk that potential future issues of shares with preferential rights for shareholders may result in a dilution of ownership for shareholders who, for some reason, cannot participate or choose not to subscribe for shares in such issues. The same applies if the Company carries out share issues directed towards other than the Company's shareholders.

Risk of no dividend

According to the Company's dividend policy, the board of directors does not intend to propose the distribution of a dividend in the short or medium term, but instead intends to use any cash flow that is generated for continued investments in growth. Up until 30 September 2023, the cash flow of the Company has been negative. The board of directors shall each year evaluate the possibility of distributing a dividend after taking into account the development of the business as well as its operating profit and financial position. Under Swedish law, decisions regarding dividends are to be made by the annual general meeting. The timing and size of potential future dividends is proposed by the board of

[7] For more information on the communication of Bonnier in connection with the announcement of its public takeover offer regarding all shares in the Company, please refer to the section "*Share capital and ownership – Shareholder's agreements etc. – Announcements by the major shareholder*".

directors. When giving consideration to future dividends, the board of directors will weigh in factors such as the requirements with respect to the size of the equity given the nature, scope and risks associated with the operations and the Company's need to strengthen its balance sheet, liquidity and financial position in general. Readly may not have sufficient funds to make dividend payments and the Company's shareholders may decide not to approve dividend payments in the future.

Shareholders in the US or other countries outside Sweden may not be permitted to take part in potential future rights issues

If the Company issues new shares with preferential rights for the existing shareholders in the future, shareholders in some countries may be subject to restrictions that mean that they are unable to participate in such rights issues or that their participation is otherwise obstructed or limited. For example, shareholders in the US may not be permitted to exercise their rights to subscribe for new shares unless there are registration documents in accordance with the US Securities Act regarding such shares or an exemption from the registration requirements under the US Securities Act is applicable. Shareholders in other jurisdictions outside Sweden may similarly be affected. The Company has no obligation to submit registration documents in accordance with the US Securities Act or to seek similar approval or relevant exemptions in accordance with legislation in any jurisdiction outside Sweden, and these actions may be associated with practical difficulties and costs. Insofar as Readly's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, their proportional interests in the Company will be reduced. Such issues may therefore entail that existing shareholders will see their share of the Company's share capital diluted and this may have a negative impact on the share price, earnings per share and net asset value per share.

Background and reasons

Readly is one of the leading European companies for digital "*all-you-can-read*" subscriptions. Readly's subscribers have unlimited access to around 7,600 magazines and newspapers from approximately 1,200 publishers for a fixed monthly fee. Since inception, Readly has attracted a large group of subscribers and as of 30 September 2023, Readly had 460,686 fully paying subscribers and, as of the date of the Company Description, Readly provides its subscription service in more than 50 countries and 17 languages.

Since 17 September 2020, Readly's shares have been, and are as of the date of the Company Description, admitted to trading on the regulated market Nasdaq Stockholm. The Company has applied for a change of listing venue from Nasdaq Stockholm to Nasdaq First North Growth Market. The board of directors believes that Nasdaq First North Growth Market would be a more suitable listing venue for the Company considering that the liquidity in the Company's share has been low since the completion of the public takeover offer from the Company's main shareholder Tidnings AB Marieberg in March 2023, and the now concentrated shareholder base. The board of directors assesses that a listing of the Company's shares on Nasdaq First North Growth Market would entail lower costs for compliance with ongoing obligations due to lower regulatory requirements and that the corporate governance and ongoing administration of the Company would be simplified. As of the date of the Company Description, Tidnings AB Marieberg holds approximately 77.61 percent of the shares and votes in Readly.

The board of directors therefore considers that a change of listing venue from Nasdaq Stockholm to Nasdaq First North Growth Market would support the Company's continued development and profitability due to a more suitable regulatory environment and lowered costs for complying with ongoing obligations, as well as that such a listing is deemed more suitable for the Company's current shareholder base. On 3 November 2023, Readly received approval for the delisting of the Company's share from Nasdaq Stockholm conditional upon the Company's share being approved for admission to trading on Nasdaq First North Growth Market. On 31 October 2023 Nasdaq Stockholm made the assessment that Readly fulfils the requirements for admission to trading on Nasdaq First North Growth Market. Nasdaq Stockholm will approve the application for admission to trading subject to customary conditions. The last day of trading on Nasdaq Stockholm is expected to be 17 November 2023 and the first day of trading on Nasdaq First North Growth Market is expected to be 20 November 2023. Shareholders in Readly do not need to take any action in connection with the change of listing venue.

Stockholm, 15 November 2023

Readly International AB (publ)

The board of directors

The board of directors of Readly International AB (publ) is solely responsible for the content of the Company Description. The board of directors hereby declares that, to the best of their knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Market overview

Information concerning market growth and size as well as Readly's market position in relation to the competitors specified in the Company Description comprises an overall assessment by Readly, which is based on both internal and external sources. Readly has obtained certain market and competitive position data in this Company Description primarily from PwC – Global Entertainment & Media Outlook 2023-2027. In addition, Readly has made several statements and assumptions in the Company Description about the industry and its competitive position. These statements and assumptions are based on the Company's experience and its own market surveys. None of Readly's available information has been verified by independent sources, which may have estimates or views of industry-related information that differ from those of Readly itself. Market and business information may include estimates concerning future market trends and other forward-looking statements. Forward-looking statements are not a guarantee of future results or trends, and the actual results could differ materially from those contained in the forward-looking statements.

Information from third parties has been accurately reproduced and, as far as Readly is aware and can ascertain by comparisons with other information published by the relevant third party, no information has been omitted that could render the reproduced information inaccurate or misleading.

Overview of the magazine and newspaper market

Readly is a European category leader[8] in the "*all-you-can-read*" category for digital magazines and newspapers. Readly is a digital subscription service that gives access to unlimited reading to a wide range of digital magazines and newspapers from various third-party publishers. The subscription model is, by the industry, referred to as "*all-you-can- read*" and reflects the difference compared to other players who, for example, offer the purchase of individual digital articles or unlimited reading of one digital magazine or newspaper.[9]

Introduction

Revenue on the global magazine and newspaper markets consist of sales of digital and physical editions, and of advertising space in these editions. Readly primarily addresses the market for sales of digital editions,[10] which is growing in line with increasing consumer and advertiser demand. The global magazine and newspaper market's main providers are publishers, who provide titles in various categories, both in print and in digital format. Financial challenges and digital trends have resulted in declining sales of physical editions, reflecting the trend seen also in other media, such as music and books. Publishers are therefore looking for revenue streams from sources other than printed editions.

With digital reading, it is possible to collect and store a large amount of data, which is requested by publishers to gain deeper insights in reading habits. In addition, it is possible to measure the results of advertising placed in digital issues to a considerably greater extent than advertising in print issues, which allows the companies to optimise the advertising space. Providers of "*all-you-can-read*" subscriptions, such as Readly, also help to set up a wider network of readers that enables increased advertising revenue in line with increased sales of issues.

The global magazine and newspaper market

The global magazine and newspaper market is, and has been, going through a shift from print to digital publications. By 2026, sales of digital editions are expected to account for 17 percent of the total

[8] Company's own assessment based on Company and third party data for 2020, inter alia, the number of titles offered in the platform, the rating in the AppStore and Google Play, and agreements with the most of the largest publishing houses in Germany, the UK, Sweden and France.
[9] Refers to a subscription based model for digital magazines and/or newspapers with unlimited reading.
[10] With the exception of a small amount of print sales in France through the French subsidiary Readly France SA (former Toutabo SA).

market for magazine and newspaper editions. The total market is expected to amount to USD 89 billion. Including the value of advertising, the total market is expected to be worth around USD 140 billion by the same year.[11]

Newspapers

Anticipated projections indicate a decrease in global newspapers revenue from USD 85.7 billion in 2022 to USD 77.4 billion in 2027, equivalent to a compounded annualised growth rate ("**CAGR**")[12] of -2.0 percent. In this trajectory, revenue within the print sector is expected to decline, while the digital sector will experience growth. Forecasts suggest a 3.4 percent CAGR growth in digital advertising revenue, propelling it from USD 11.2 billion to USD 13.2 billion. The circulation sector will remain dominated by print, constituting 85.7 percent of the total circulation revenue in 2022, with digital accounting for the remaining 14.3 percent. Although print is expected to retain its position as the largest part of the sector during the upcoming years, its revenue share is projected to decrease to 77.8 percent by 2027, while the digital sector is anticipated to expand to 22.2 percent.

Print circulation revenue is predicted to decline at a -3.8 percent CAGR over the period between 2023-2027, plummeting from USD 43.2 billion to USD 35.5 billion. Conversely, digital circulation is expected to surge, with a 7.1 percent CAGR increase anticipated to drive revenue to USD 10.2 billion by 2027, up from USD 7.2 billion in 2022. It remains imperative for news publishers to devise strategies for monetizing online content to compensate for print sector losses.

Consumer magazines

The revenue generated by global consumer magazines amounted to USD 54.9 billion in 2022 and is projected to experience a decline with a CAGR of -2.8 percent, reaching USD 47.7 billion by 2027. The revenue from print circulation is predicted to witness a decline at a CAGR of -3.1 percent, dropping from USD 33.4 billion to USD 28.5 billion. Print circulation revenue stands as the primary contributor to the overall revenue of global consumer magazines. In 2022, circulation contributed to 68.6 percent of the total magazines' revenue, while digital circulation constituted 31.4 percent.

Looking ahead to 2027, these proportions are not expected to change significantly. Circulation is anticipated to account for 70.0 percent, while advertising will make up 30.0 percent of the revenue. Print will remain the predominant medium for consumer magazine circulation, representing 88.6 percent of the revenue in 2022. However, this share is projected to decrease to 85.2 percent by 2027 as digital gains traction. Globally, the digital penetration of sales of issues increased from 8.3 percent in 2018 to 11.4 percent in 2022. Despite recent years' growth, digital trends and penetration, the global digital magazine market is still expected to continue growing. The global digital magazine industry is estimated to amount to USD 13.1 billion in 2027, corresponding to a CAGR of 3.5 percent compared to 2022. The digital penetration within sales of issues is estimated to reach 14.8 percent in 2027.

Overview of Readly's markets

Readly is as of the date of the Company Description available to subscribers in more than 50 countries and has agreements with local publishers and offers local content, i.e., magazines and newspapers in local languages, from twelve countries.[13] In Europe, Readly provides local content from Austria, France, Germany, Ireland, Italy, the Netherlands, Sweden, Switzerland and the United Kingdom. Outside of

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[11] PwC Global Entertainment & Media Outlook 2023-2027.
[12] Calculated as follows: (Amount for last year/Amount for first year)^(1/number of years after deducting the first year in the time period)-1.
[13] Please refer to section "*Share capital and ownership – Shareholders' agreements, etc. – Announcements by the major shareholder*" for information regarding information disclosed by the major shareholder relating to future plans of the Nordic and non-Nordic business.

Europe, Readly provides local content from the United States, Australia and New Zealand. Of these markets, which are termed "active markets", Germany, the United Kingdom, Sweden, and France are Readly's core markets. Readly's core markets together represented 84 percent of the Group's total sales in the third quarter in 2023. In total, these four magazine and newspaper markets were estimated to be worth almost USD 25.7 billion in 2022.[14]

Germany

The German magazine market is characterised by a strong habit among consumers of buying single issues from newsagents, which is an underlying factor for the large size of the magazine market in Germany (USD 2.8 billion in 2022). In 2022, the total German digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 482 million. This corresponds to a digital penetration rate of around 17 percent. The German market for sales of magazine editions was estimated at USD 1.9 billion in 2022, of which the digital share was USD 261 million. Digital sales of magazine editions therefore represent around 14 percent of total sales. The total digital magazine market in Germany is expected to grow at a CAGR of 3.7 percent between 2022 and 2027. In 2022, the German newspaper market was estimated at USD 7.1 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 1.0 billion. The newspaper market in Germany therefore has a digital penetration rate of 14 percent.

United Kingdom

Even though the UK magazine market is smaller than its German counterpart (USD 1.9 billion in 2022), its digital market is considerably larger and thus the digital penetration rate is higher. In 2022, the total British digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 668 million. This corresponds to a digital penetration rate of 36 percent. The British market for sales of magazine editions was estimated at USD 1.3 billion in 2022, of which the digital share was USD 390 million. Digital sales of magazine editions therefore represent around 30 percent of total sales. The total digital magazine market in the UK is expected to grow at a CAGR of 1.1 percent between 2022 and 2027. In 2022, the British newspaper market was estimated at USD 3.1 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 1.0 billion. The British newspaper market therefore has a digital penetration rate of 31 percent.

Sweden

The Swedish magazine market was estimated at USD 236 million in 2022. The total Swedish digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 40 million. This corresponds to a digital penetration rate of around 17 percent. The Swedish market for sales of magazine editions was estimated at USD 177 million in 2022, of which the digital share was valued at USD 18 million. Digital sales of magazine editions therefore represent around 10 percent of total sales. The total digital magazine market in Sweden is expected to grow at a CAGR of 6.2 percent between 2022 and 2027. In 2022, the Swedish newspaper market was estimated at USD 961 million, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 232 million. The newspaper market in Sweden therefore has a digital penetration rate of 24 percent.

[14] PwC Global Entertainment & Media Outlook 2023-2027.

France

France is the largest magazine market in Europe (USD 3.5 billion in 2022). In 2022, the total French digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at around USD 1.4 billion. This corresponds to a digital penetration rate of 38 percent. The French market for sales of magazine editions was estimated at USD 2.5 billion in 2022, of which the digital share was USD 720 million. Digital sales of magazine editions therefore represent around 29 percent of total sales. The total digital magazine market in France is expected to grow at a CAGR of 4.4 percent between 2022 and 2027. In 2022, the French newspaper market was estimated at USD 3.0 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 808 million. The newspaper market in France therefore has a digital penetration rate of 27 percent.

Trends in the magazine and newspaper industry

The digitalisation of the magazine and newspaper industry is driven by several trends, following the patterns of other media industries. These trends include:

- Higher demand for digital content
- Higher demand for content from trusted sources
- Greater willingness to pay for digital subscriptions and news
- An increasingly environmentally conscious consumer

Higher demand for digital content

Digital business models have shown continued growth in the media industry. The shift to digital business models has been evident in the music industry, which is experiencing overall market growth thanks to digitalisation and a number of strong industry players such as Spotify, Deezer and YouTube. Sales of digital editions in the magazine market are expected to account for 14 percent of total magazine publishing market turnover by 2026, according to PwC.[15] Sales of digital editions in the newspaper market are expected to account for 19 percent of total newspaper market turnover by 2026. The music industry already has a digital penetration rate of around 69 percent.[16] This highlights the crucial difference in maturity between written and other media and points to a significant opportunity for further growth. Increasing digital penetration in the media industry is driven by consumers' growing demand for digital content as the use of smartphones continues to grow. Globally, consumers spent a total of 4.1 trillion hours on their smartphones in 2022 – an increase of 40 percent from 2019 and 10 percent from 2021.[17] According to Reuters, mobile phones have now become the dominant channel through which most people consume news in the morning.[18]

Higher demand for content from trusted sources

The demand for more reliable information and journalism is increasing, and many people are willing to pay for it. Increased digitalisation has led to rapid growth in the information flow and number of channels, which is resulting in false information – which is hard for consumers to fact-check – being spread to a higher degree than previously. A survey by the Reuters Institute for the Study of Journalism shows that consumer concerns about false and misleading information further increased in 2022.[19] In

[15] PwC Global Entertainment & Media Outlook 2023-2027.
[16] https://cms.globalmusicreport.ifpi.org/uploads/Global_Music_Report_State_of_The_Industry_5650fff4fa.pdf
[17] https://www.dailymail.co.uk/health/article-11623487/How-spend-time-phone-2023-according-leading-experts.html and https://www.data.ai/en/insights/market-data/social-apps-2022/
[18] https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf
[19] https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf

Readly's own global customer survey from January 2023, 79 percent say they are very or somewhat concerned about the spread of fake news.

Greater willingness to pay for digital subscriptions and news

Increasingly quality journalism is being put behind paywalls and publishers are rethinking their business strategies. In 2022, Reuters found that more consumers say they have paid for news online, and that the share of multiple digital subscriptions to magazines and newspapers is continuing to grow in mature markets such as Germany and Sweden, as users look to compare news sources.[20] Readly's customer survey from January 2023 also shows that more than one in five subscribers believes that the healthy consumption of journalism requires diversity in the news coverage, which should reflect society as a whole. This may also explain why consumers pay for multiple subscriptions.

An increasingly environmentally conscious consumer

A report by PwC shows that more consumers than ever before, around 50 percent, say they consciously take sustainability into account in their consumption decisions.[21] Owing to increased environmental awareness, consumers are making an effort to reduce their use of paper and instead focus on digital alternatives, which they feel are better for the environment. In Readly's own 2023 global customer survey, 54 percent say that one of the benefits of reading magazines and newspapers digitally is that it is sustainable and environmentally friendly.

Competitive landscape

The competitive landscape for digital media providers can be categorised along four dimensions, as illustrated in graph A below:

I. **Company type** – The company type for digital media providers can be divided into a content aggregator or publisher platform. A content aggregator, like Readly, aggregates and provides content from a broad range of publishers. On the contrary, publisher platforms distribute content from a single publisher or a specific title. Publisher platforms are considered a parallel distribution channel and normally, publishers do not directly compete with media providers like Readly.[22]

II. **Business model** – The current established business models for digital media providers, and payment of content, are an "*all-you-can-read*" or a digital newsstand model, or a mix of both. The "*all-you-can-read*" model, like Readly's, offers unlimited access to the content available on the platform for a fixed payment, while the consumer pays for each single title or article in the digital newsstand model.[23] The business model can either be B2C, B2B2C, or B2B, with a variety of those, where Readly's business is predominately B2C. The Company further operates on the basis of a revenue share model, which means that the subscription revenue is shared with the publishers.

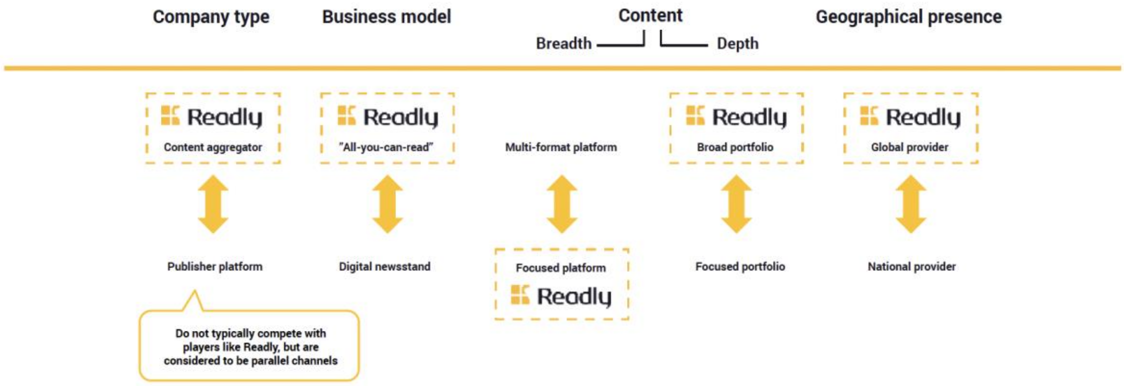
III. **Content** – The content offered on different providers' platforms is measured in terms of both breadth and depth of content. The breadth is either a multi-format platform or a focused format meaning that the content is only distributed in one format. Readly offers a focused platform, as Readly primarily focuses on distribution of digital magazines. The multi-platform provides a range of formats, such as digital newspapers, magazines and audiobooks. The depth of the content is determined based on how broad the portfolio of

[20] https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf
[21] https://www.pwc.com/gx/en/industries/consumer-markets/consumer-insights-survey.html
[22] PwC Global Entertainment & Media Outlook 2023-2027.
[23] PwC Global Entertainment & Media Outlook 2023-2027.

content is in terms of titles, categories, and coverage of various interests.[24] Readly has a broad portfolio and offers, as per 30 September 2023, approximately 7,600 titles on its platform.

IV. **Geographical presence** – The reach of the platform is either limited to a few markets or available in a large number of countries.[25]

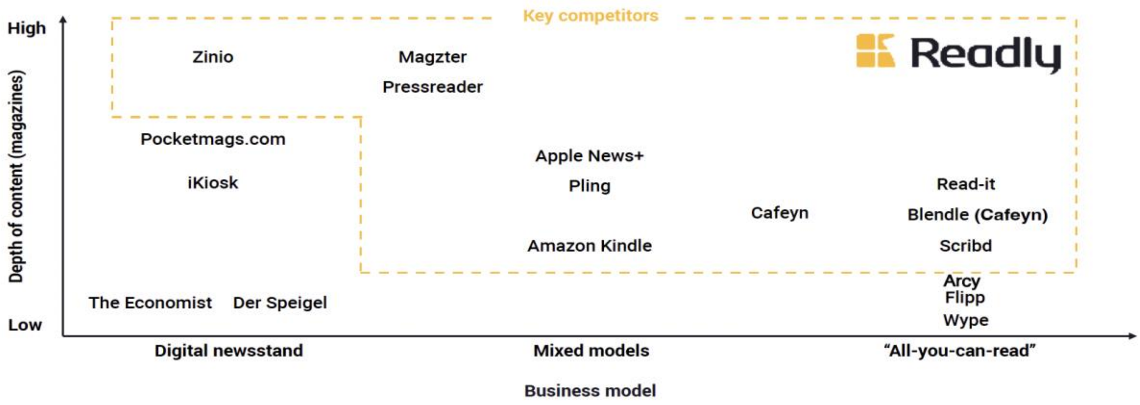
Graph A: The competitive landscape in the digital magazine market[26]



Competitors based on business model and content

Graph B below illustrates a comparison of the most relevant competitors to Readly. The matrix is based on the competitors' offering in terms of business model and depth of content. This has not been reflected in the section "*Competitive landscape*". The competitors' business models vary between the digital newsstand model and the "*all-you-can-read*" model, and some competitors offer a combination of both. There are also competitors offering a mix between the digital newsstand model and "*all-you-can-read*", namely, Cafeyn, Apple News+, Pling, and Amazon Kindle. In addition, Readly also competes with the digital newsstand focused providers Magzter, Pressreader and Zinio.

Graph B: Competitive landscape[27]



[24] PwC Global Entertainment & Media Outlook 2023-2027.
[25] PwC Global Entertainment & Media Outlook 2023-2027.
[26] PwC Global Entertainment & Media Outlook 2019, dated 5 June 2019 and supplementary information from a study purchased by the Company from PwC Strategy&, dated 6 February 2020 ("**PwC Strategy& market study**").
[27] PwC Strategy& market study and Company's own assessment.

Some competitors such as Magzter and Zinio offer portfolios with extensive content, although predominantly through the digital newsstand model, i.e., single issue purchasing. Only Magzter offers a comparably large magazine portfolio through "*all-you-can-read*" subscriptions, however, with a large focus on the Asian market.[28]

[28] PwC Global Entertainment & Media Outlook 2023-2027.

Business overview

Introduction to Readly

Readly's mission is to bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation. The Company was established in 2012 and is one of the market leaders in its category in Europe with respect to digital magazine and newspaper services.[29] Readly is available in more than 50 countries.

Readly offers customers a digital subscription service in the market for digital magazines and newspapers with content from third-party publishers. The subscription model is what's referred to in the industry as an "*all-you-can-read*" service and reflects the difference compared with other actors, which offer, for example, purchases of individual digital articles or unlimited reading from one and the same digital magazine or newspaper. For a fixed monthly fee, Readly's subscribers have unlimited access to quality content from approximately 1,200 publishers. The product can be accessed online or via apps that can be downloaded from Apple App Store, Google Play, Amazon AppStore and Huawei App Gallery.

An increasing number of publishers have chosen to join Readly to take advantage of the growing demand for digital content, new revenues and more efficient data collection.[30] With access to Readly's 80 billion data points, publishers can optimise content and advertising space through more in-depth customer insights. Readly's global subscriber base also helps publishers reach new audiences, including people who are in a geographic location where the publisher's physical publications are not available. This can lead to increased advertising revenue as the readership rises in pace with increased reach. Digital publishing also has a long-tail effect on back issues, i.e., they are still read even after a new issue has been published.

Readly is headquartered in Stockholm, Sweden and has offices in Växjö, Sweden, Berlin, Germany, Paris, France and London, the United Kingdom. As of 30 September 2023, the Company had 125 full-time equivalent employees.

History of Readly

The idea for Readly arose in 2012 when Readly's founder, Joel Wikell, was on vacation with his family. After reading the magazines he had brought with him over and over again, whilst enjoying the seemingly endless stream of music in his earbuds, the idea of a product that provided unlimited access to digital magazines was born.

2012	The Växjö office opened and on May 24 the first line of code was written. On December 12 the company was registered with the Swedish Companies Registration Office.
2013	Readly was launched in Sweden and the Stockholm office opened.
2014	Readly was launched in the UK and the London office opened.
2015	Readly was launched in Germany and the Berlin office opened
2017	Readly was launched in Austria and Switzerland
2018	Readly was launched in the Netherlands

[29] Company's own assessment based on Company and third party data for 2020, inter alia, the number of titles offered in the platform, the rating in the AppStore and Google Play, and agreements with the most of the largest publishing houses in Germany, the UK, Sweden and France.

[30] At the end of 2021, the number of publishers on the Readly platform (not incl e-presse) amounted to approximately 820. The corresponding number as of September 2023 is approximately 1,040 publishers.

2019	Readly was launched in Italy
2020	Readly was launched in Australia and New Zealand
2020	Readly starts trading on Nasdaq Stockholm
2021	Readly acquired French Toutabo with office in Paris
2022	Readly France was launched
2023	Bonnier invested

Purpose and vision

Purpose

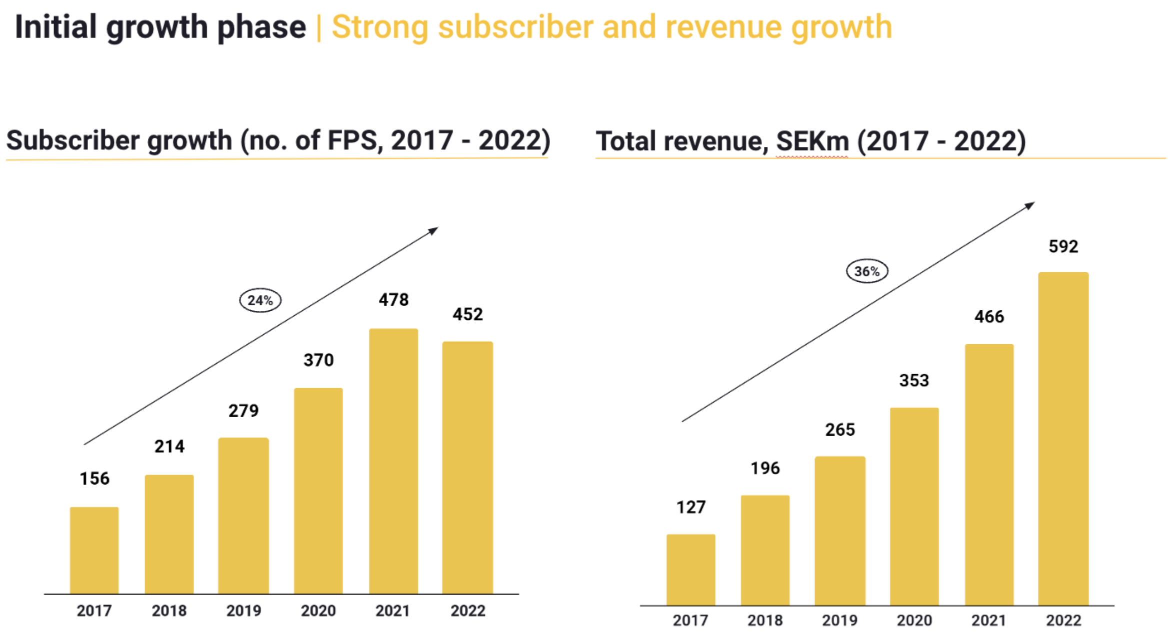
We bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation.

Vision

To inspire millions of people to discover and enjoy the power of great editorial content from across the globe.

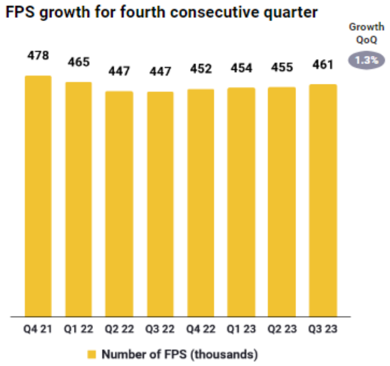
Path to profitability

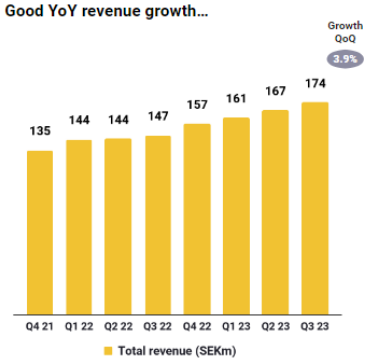
Since Readly was founded in 2012, the Group has experienced a rapid growth in terms of subscriber numbers and revenues. Between 2017 and 2021, the average subscriber growth was 32 percent and revenues grew by 38 percent. From early 2022 Readly's focus has been profitability and sustainable growth through pricing and increased value creation when acquiring new customers. Despite the increased focus on profitability, which entails a decrease in marketing investments, Readly has reported positive subscriber growth for the three quarters that preceded the date of the Company Description.[31]

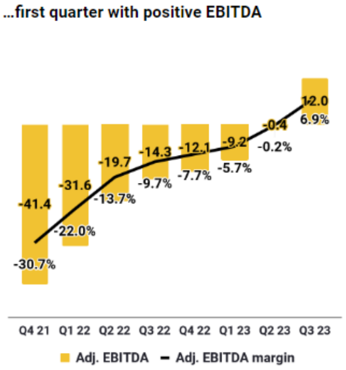


[31] Subscriber growth is defined as fully-paying subscriber growth, which includes subscribers who pays 51 percent or more of the ordinary price for a subscription.

Trend shift towards profitability







Note: The information in the table is based on information from the Group's internal book-keeping system. Information relating to the first, second and third quarter of 2023 is not audited. Information relating to the third quarter of 2023 has been reviewed.

In the third quarter 2023, the Group reported its tenth consecutive quarter with improved profitability defined as adjusted EBITDA[32]. The Company assesses that this is a strong trend and a proof point of the Company's business model and the ability to become profitable in the future.

Business model

Readly's business model is based on what the Company refers to as its ecosystem, where Readly aspires to drive the digitalisation of the magazine and newspaper industry through a strong and value-adding offer to all its stakeholders. The core external stakeholders of the subscription platform consist of the publishers, subscribers and advertisers, as illustrated in the graph below.

[32] Adjusted EBITDA is adjusted for items affecting comparability.

Readly's publisher partnerships

By partnering with Readly, publishers can strengthen their digital presence and reach new readers, increase brand awareness and gain deeper insights into readers' behaviours and preferences. In this way, publishers can generate additional revenue from Readly's subscription fees and potentially increase their advertising revenue as a result of the increased reach.

Readly's subscribers

Readly offers a digital subscription service for magazines and newspapers whereby the subscribers gain unlimited access to the full content portfolio. Subscribers pay a monthly fee in advance, and through their subscriptions readers gain access to thousands of national and international magazines, newspapers and podcasts in one subscription.

Commercial partners

Readly's commercial partners let their customers try Readly for a certain period of time as part of their offer. When the trial period expires, Readly has good opportunities to convert the trial subscription to a full paying one. Commercial partnerships are an important channel for cost-effective growth and increasing brand awareness. To leverage Readly's broad and strong geographic presence, larger global integration partnerships are being prioritised with the aim of driving even more cost-effective and stable growth.

Description of Readly's subscription service

Readly is a digital subscription service where users have unlimited access to 7,600 national and international magazines, newspapers and podcasts - all in one app and at a fixed monthly fee. The core content of the Readly service is magazines and newspapers.

The broad portfolio of quality content from approximately 1,200 publishers across 28 countries, covers more than 30 different categories. As of September 2023, more than 310,000 issues are available on the Readly platform. In 2022, the total number of issues on Readly were read 146 million times by users in more than 50 countries.

Readly's subscribers pay a monthly fee in advance for the service, and each subscription account has a family sharing function, which means that a subscriber may create up to five profiles within each account at no additional cost. The subscription fee varies between Readly's markets and whether a subscriber has signed up for an account on Readly's website or through an app store.

Readly has subscribers in 50 countries and content available in 17 different languages. Readly's largest geographical market, based on subscription revenue, is Germany, followed by the UK, Sweden and France. The below table shows net sales from Readly's core markets and the other markets divided into quarterly figures for 2022, 2021 and the first, second and third quarter 2023.

	2023	2023	2023	2022	2022	2022	2022	2021	2021	2021	2021
SEK thousands	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Germany	69,748	64,135	60,907	60,011	51,712	49,831	49,356	47,751	45,406	42,139	38,354
Sweden	24,935	25,345	24,131	23,051	24,205	24,004	25,582	26,106	26,045	23,967	23,499
United Kingdom	32,981	31,353	30,861	29,346	29,691	27,676	27,354	25,269	26,221	25,549	22,843
France	15,403	18,719	17,193	17,810	15,417	17,538	15,813	12,012	64	62	60
France (Toutabo)	15,106	18,422	16,983	17,681	15,363	17,477	15,729	11,947			
France (Readly)	297	297	210	129	53	61	85	66	64	62	60
Rest of the World	26,445	25,121	25,198	25,119	23,083	21,549	22,591	22,374	19,335	17,826	15,845
Total Net Sales	**169,512**	**164,672**	**158,290**	**155,337**	**144,107**	**140,598**	**140,698**	**133,512**	**117,071**	**109,543**	**100,601**

Note: The information in the table is based on information from the Group's internal book-keeping system and thus the information is not audited.

Readly's offering includes best-selling magazine titles from well-known publishers covering a wide range of categories such as Lifestyle, Health & Fitness and Business & Finance. For children and young adults, Readly offers a catalogue of best-selling titles in local languages and in English.

Readly is one of the European leaders in the "*all-you-can-read*" category, measured by, among other factors, the largest number of titles, the highest rating in the AppStore and Google Play, and agreements with most of the largest publishing houses in Germany, the UK, Sweden and France.[33]

Publishers

The Readly publisher base

Readly offers content from approximately 1,200 publishers. The publishers Readly has agreements with include publishing houses such as Bauer Media, Condé Nast, Future Publishing, and Hearst Magazines who have global corporations and extend across the UK, USA, Australia, France, Germany, Italy and the Netherlands. Aller Media, Bonnier News, and Egmont Publishing, are key publishers in the Swedish market and Axel Springer, Burda Media, and Funke Mediengruppe in the German market. In France, Readly has cooperations with leading publishers such as CMI and Reworld Media from the magazine sector, and newspapers as Libération and L'Express.

Benefits to publishers

Readly enables publishers to expand their reader base globally and generate additional revenue from remuneration based on Readly's subscription fees, as well as potentially increasing their advertising revenues due to the increased circulation. Readly offers to publishers to develop their offering as part of their digital strategy and work more data-driven with the practical audience insights that Readly makes available.

Readly helps publishers to develop its reader base and generate new subscribers and increase their digital reach. By using Readly, publishers could benefit through lower distribution costs of magazines and minimise risks and resources used.

The majority of the agreements with publishers are entered into for an initial period of six months and are automatically prolonged by one year at a time unless terminated with two to three months' notice. Readly operates on the basis of a revenue share model, which means that the subscription revenue is shared with the publishers. Revenue from subscribers after deduction of VAT and payment charges are split between the Company and the publishers according to a certain revenue share model.

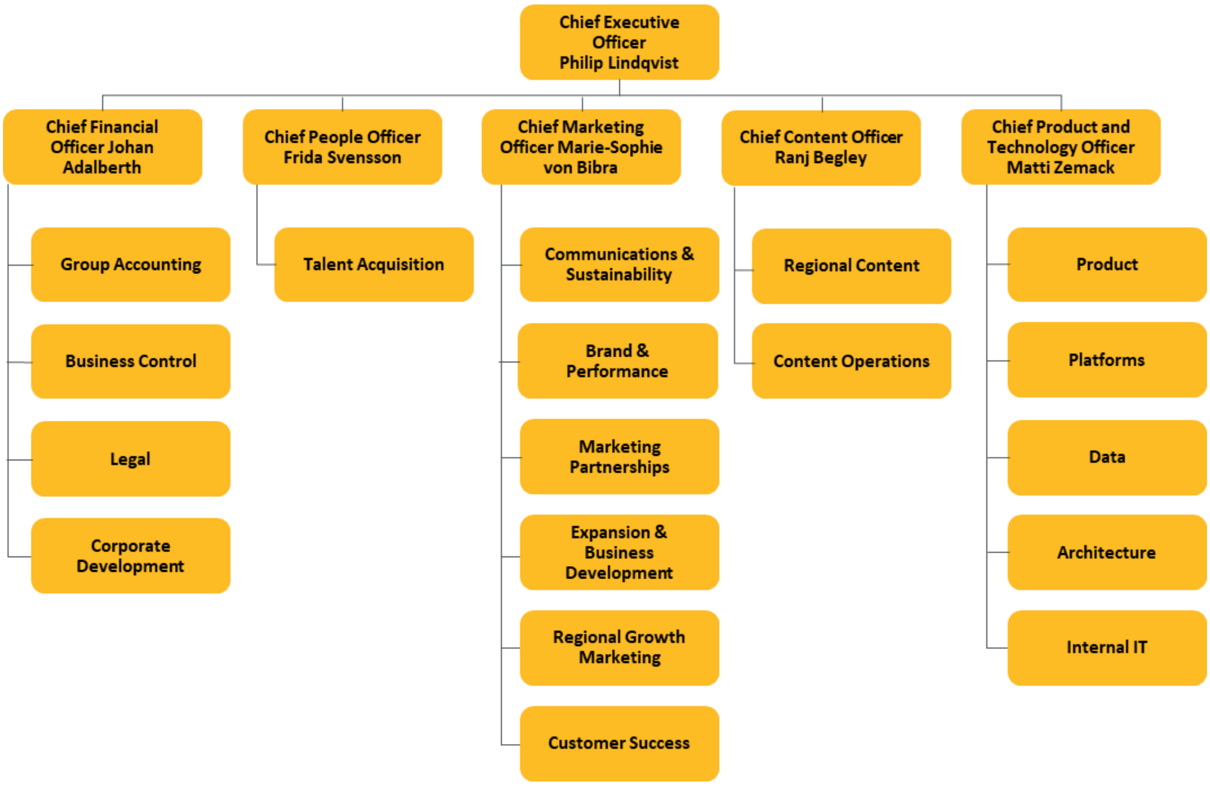
Data that provides insights

Readly has a large subscriber base that is active and engaged on the platform, which allows Readly to collect data about its subscribers' behaviour and preferences. Readly uses this data to improve its service to create a more personalised and engaging experience for its subscribers. Anonymised and aggregated, and occasionally limited specific data is also shared with the publishers to analyse what type of content the subscribers prefer to read, which helps publishers improve their content for the benefit of their readers, as well as improve their advertising. Publishers only get access to the anonymised and aggregated data with regard to the readership of their own magazines.

[33] Company's own assessment based on Company and third party data for 2020.

Organisation

Organisational structure



Employees

The employees at Readly are high-performing team players, passionate about the product and proud of the large portfolio Readly has. Readly is in a rapid growth phase, and maintaining and developing its culture is essential for the company's continued success. As of 30 September 2023, the average number of staff in the Group, including consultants, was 125 full-time equivalents, of which 96 was employees.

Promote equity and diversity throughout the organisation

Readly believes that equity and diversity are of strategic importance for the Company. The user base from more than 50 countries is evenly represented by men and women, and therefore it is important that the Company develops its product to ensure it meets diverse needs and user patterns. The Group offers a workplace that stands for diversity and the Company deems it important to be working actively to make everyone feel included. Over the years, recruitments have had a focus on diversity and gender balance and have been highly successful in regard to the Company's executive management, among the managers and in the Group as a whole, with regards to the distribution between women and men which is at least 40/60 and together the employees represent over 15 nationalities.

The Company is proud to have an even gender distribution in the executive management team and thereby placed on Allbright's green list for Equal Gender Balance in 2022 for the second year in a row. In the end of 2022, the Group carried out a DEI (diversity, equity and inclusion) survey, and has ensembled an internal diversity committee which will work with follow up initiatives from the survey as well as other initiatives to further improve DEI with Readly. For example, during 2023 hiring managers have been offered unbiased recruiting training.

Sustainability work

Readly is committed to sustainability and integrates these aspects across the entire Group as a crucial part of the overall culture. Readly aims to make a positive impact in the Group's operations overall. Readly aims to play a large role in making quality journalism digitally accessible to people across the world, and through this have a positive impact on society and create value for its stakeholders in various ways.

At the heart of Readly's sustainability strategy is the focus on three areas which have the most material impact on Readly and its stakeholders:

climate friendly reading: through digitalisation Readly's goal is to increase the consumption of journalistic content with the lowest possible climate impact. Among other things, Readly calculates the climate footprint from using the Readly platform. Readly is committed to continuously reducing the Company's environmental and climate impact as well as use of resources with focus on five areas; travel, waste management, renewable energy, energy usage at Readly offices, energy usage at data centres and by servers.

empowerment of readers: journalists serve as watchdogs, representatives of diverse perspectives, educators and protectors of democracy. Readly brings that positive force to people, connecting subscribers with quality journalism from the respected and well-known publishers that Readly partner with. Through digitalisation Readly subscribers gain diverse perspectives from both national and international sources and unlimited access to knowledge through a vast catalogue of back issues.

providing responsible content: being a part of the media industry, Readly is concerned about the development of false and misleading information, which keeps people from obtaining the truthful facts and can be used to discredit the media. Readly provides an offering in which there is an editor-in-chief behind all content on the platform who is responsible for the respective publications' operations, content, and policies. Content on Readly must also be in compliance with the respective countries' laws and regulations, be relevant for the subscribers, and meet Readly's ethical guidelines.

Strategy – what is next

Mobile focus

The Readly user experience is about serving the right content, in the right format, at the right time. In this way, Readly can maximise how often and for how long the service is used and therefore the value of being a subscriber. A strong habit of engaging with the content on the platform will in turn have a positive impact on the rate of conversion from trial to full-paying customer and the retention of existing users. We are continuing to add quality journalism from popular publishers. With its leading range of thousands of national and international magazines and newspapers, Readly's strategy is focused, for example, on developing personalised and curated reading recommendations in the apps and newsletters. More frequent, more relevant communication with users will have a direct effect on behaviour and engagement, creating better opportunities to discover relevant titles. A person's individual experience of using Readly also depends on how actual browsing in the apps will be changed based on users' respective preferences.

Technological development and innovation

The Company's work on technology aims at enabling more efficient product development and creating technological solutions for new content formats, with the goal of accelerating the development of its features. This includes increasing the use of customer data and insights to provide real-time recommendations across all customer touchpoints with Readly, which is an important basis for the development of personalised content, recommendations, and the search function in the Company's service. The Company further provides additional data for internal knowledge development, for example through analyses and data reports, which can be used to help make product development decisions. The methods used to process different types of content, such as complete issues and articles, will improve, to speed up the publication of new issues. At the same time, internal processes will be optimised, and capacity freed up by using SaaS and automated operations.

Sustainable growth

We are continuing to work with a lower marketing budget and are focusing on improved unit economics, i.e. the most attractive development of lifetime value relative to the acquisition cost per subscriber. We are now more efficient when it comes to channel selection and the markets to be prioritised to get better returns on investment. Partnerships are continuing to serve as strong sources of new subscribers while offering low acquisition costs. Readly's offer is promoted through brand-building partnerships in joint marketing campaigns or via resellers.

In 2022, Readly launched around one hundred new campaigns with new and existing partners in sectors such as telecoms, energy, grocery retailers and the travel industry. Overall, partnerships are expected to continue to deliver long-term stable and cost-effective growth.

Readly is concentrating on increasing growth in its four core markets of Germany, the UK, Sweden and France, and scaling up in the other markets that are reporting the highest rates of return. The commercial launch of Readly in France took place at the end of 2022, and in 2023 marketing investments will be increased and new partnerships established in order to achieve the growth targets. The Company will also review the marketing strategy for the US, where it now has content from two of the country's largest publishers.

Selected financial information

The selected historical financial information presented below has been retained from the Group's audited consolidated financial statements for the financial years 2022 and 2021, respectively, and from the Group's interim report reviewed by the auditor for the nine-months period ending 30 September 2023.

The Group has prepared the financial statements for the financial years 2022 and 2021, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretation Committee (IFRIC) as adopted by the EU. IN addition, the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups have been applied. The interim reports have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable stipulations of the Swedish Annual Accounts Act. The interim report has been reviewed, but not audited, by the Company's auditors.

The information in this section should be read together with the sections "Comments to the financial development", "Capitalisation, indebtedness and other financial information" as well as the Company's audited consolidated financial statements for the financial years 2022 and 2021, and the reviewed and unaudited interim financial report for the nine-month period ending on 30 September 2023 (with comparative figures as per and for the corresponding period in 2022).

Other than which is expressly stated, no information in the Company Description has been reviewed or audited by the Group's auditor. Financial information relating to the Company in the Company Description and that is not a part of the information that has been audited or reviewed by the Company's auditor in accordance with what is stated herein, has been collected from the Company's internal accounting and reporting system.

The amounts stated in the tables below have been rounded, while the calculations have been performed with a larger number of decimals. Therefore, the tables do not necessarily always add up exactly.

Consolidated income statement

	1 Jan – 30 Sep		Full year	
SEK thousand	**2023**	**2022**	**2022**	**2021**
Net sales	492,475	425,403	580,740	460,727
Other revenues	10,284	9,644	10,873	5,581
Total revenue	**502,759**	**435,047**	**591,613**	**466,308**
Publisher costs	-308,415	-289,386	-388,422	-310,181
Other external costs	-110,417[34,35]	-127,852[36]	-164,182	-252,769[37]
Personnel costs	-92,521[35,38]	-85,520[36]	-117,314	-94,977
Depreciation, amortisation and impairment	-39,844	-17,933	-54,126	-12,155

[34] Items affecting comparability associated with the public cash offer amount to SEK 13.1 million.

[35] Items affecting comparability attributable to severance pay to personnel and for the delisting and relisting process amount to SEK 1 million.

[36] Items affecting comparability associated with the Group restructuring and integration of Toutabo SA amount to SEK 9.6 million, whereof SEK 2.6 million in the second quarter.

[37] Items affecting comparability associated with the acquisition and integration of Toutabo SA amount to SEK 4.6 million.

[38] Items affecting comparability attributable to severance pay to the former CEO amount to SEK 6.3 million.

Other operating expenses	-9,481	-7,563	-10,040	-5,754
Total operating expenses	**-560,678**	**-528,254**	**-743,084**	**-675,836**
Operating profit/loss	**-57,920**	**-93,207**	**-142,471**	**-209,528**
Net financial items	-420	702	20,833	-9,871
Net result before tax	**-58,340**	**-92,505**	**-121,638**	**-219,399**
Tax	1,541	1,450	1,678	-202
Net result for the period	**-56,799**	**-91,055**	**-119,960**	**-219,601**
Net result for the period attributable to the parent company shareholders	-56,724	-90,955	-119,883	-219,594
Net result attributable to non-controlling interest	-75	-60	-77	-7

Consolidated balance sheet

SEK thousand	**30 Sep 2023**	**30 Sep 2022**	**31 Dec 2022**	**31 Dec 2021**
ASSETS				
Non-current assets				
Goodwill	52,503	75,524	49,982	70,744
Other intangible assets	83,798	91,476	93,501	80,678
Property, plant and equipment	268	701	580	997
Right-of-use assets	2,830	8,759	7,973	11,244
Other non-current assets	9,240	9,473	9,874	9,297
Total non-current assets	**148,640**	**185,934**	**161,910**	**172,961**
Current assets				
Trade receivables	13,016	8,899	7,673	6,615
Other current assets	29,704	20,409	24,797	21,722
Cash and cash equivalents	108,672	219,146	188,706	306,209
Total current assets	**151,391**	**248,454**	**221,176**	**334,546**
TOTAL ASSETS	**300,031**	**434,388**	**383,086**	**507,507**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the parent company shareholders	36,623	117,229	90,552	200,010
Equity attributable to non-controlling interests	10	21	5	1,704
Total equity	**36,634**	**117,250**	**90,557**	**201,714**
Non-current liabilities				
Lease liabilities	2,034	5,414	4,833	7,107
Other financial liabilities	-	9,567	-	8,090
Deferred tax liabilities	7,926	9,712	9,343	10,632
Long-term borrowings	6,630	12,628	11,197	16,721
Provisions	2,607	2,787	2,558	3,488
Total non-current liabilities	**19,196**	**40,108**	**27,930**	**46,038**

Current liabilities				
Other financial liabilities	11,444	36,301	26,170	33,134
Trade payables	43,543	44,160	44,569	41,697
Lease liabilities	851	2,701	2,701	3,266
Short-term borrowings	6,956	11,324	6,988	24,476
Other current liabilities	181,407	182,543	184,169	157,181
Total current liabilities	**244,201**	**277,029**	**264,598**	**259,753**
TOTAL EQUITY AND LIABILITIES	**300,031**	**434,388**	**383,086**	**507,507**

Consolidated cash flow analysis

	1 Jan – 30 Sep		Full year	
SEK thousand	**2023**	**2022**	**2022**	**2021**
Operating result (EBIT)	-57,920	-93,207	-142,471	-209,528
Depreciation and amortisation	39,844	17,933	54,126	12,155
Other items not affecting liquidity	1,379	22	222	-2,120
Interest received	610	-	92	-
Interest paid	-1,011	-4,187	-2,713	-4,124
Paid tax	-549	-185	-509	-484
Cash flow from operations before changes in working capital	**-17,647**	**-79,625**	**-91,254**	**-204,101**
Changes in working capital	-12,938	28,850	28,529	38,631
Cash flow from operating activities	**-30,585**	**-50,775**	**-62,725**	**-165,470**
Acquisition of subsidiaries, after deduction for acquired cash and cash equivalents	-	-	-	-7,314
Investments in intangible assets and tangible assets	-25,985	-22,941	-32,861	-22,123
Investments in financial items	940	402	192	-1,175
Settlement of earn-out considerations	-16,074	-	-	-
Cash flow from investing activities	**-41,119**	**-22,539**	**-32,669**	**-30,612**
Transactions with non-controlling interests	-	-945	-945	-
Transaction costs for issues	-	-14	-14	-156
Warrants	-	300	300	-
Exercised warrants	-	-	-	2,329
Repurchase options	-764	-	-	-
Repurchased warrants	-863	-	-	-
Repayment of lease liabilities	-2,105	-2,812	-3,706	-4,378
Repayment of loans	-5,192	-18,903	-26,808	-19,576
Cash flow from financing activities	**-8,924**	**-22,374**	**-31,172**	**-20,152**
Cash flow for the period	**-80,629**	**-95,687**	**-126,566**	**-216,234**
Cash and cash equivalents at the beginning of the period	188,706	306,209	306,209	521,574
Exchange rate differences related to cash and cash equivalents	594	8,624	9,063	869
Cash and cash equivalents at the end of the period	**108,672**	**219,146**	**188,706**	**306,209**

Key performance indicators

The Group presents certain performance measures in its annual reports and interim reports that are not defined by IFRS. The Group believes that these Alternative Performance Measures (APMs) provide valuable, complementary information to investors and Group management, as they allow evaluation of the Group's financial performance and financial position. Since not all companies calculate performance measures in the same way, these are not always comparable with measures used by other companies. These performance measures shall therefore not be regarded as a replacement for the measures defined in accordance with IFRS. The table below presents certain financial measures that are not defined in IFRS, and they are therefore defined under the section "*Definitions of key performance indicators*".

	1 Jan – 30 Sep		**Full year**	
	2023	**2022**	**2022**	**2021**
Amount in SEK thousand (unless stated otherwise)				
FPS (full-paying subscribers, number)	460,686	446,861	452,466	478,362
Total revenue	502,759	435,047	591,613	466,308
ARPU (Average revenue per user), SEK	116	99	102	92
Gross profit	194,344	145,661	203,191	156,127
Gross profit margin, %	38.7	33.5	34.3	33.5
Gross profit contribution	131,078	73,475	106,417	-33,780
Gross profit contribution margin,	26.1	16.9	18.0	-7.2
Operating profit/loss (EBIT)	-57,920	-93,207	-142,471	-209,528
Operating margin,	-11.5	-21.4	-24.1	-44.9
Adjusted operating result	-37,426	-83,514	-104,823	-204,943
Adjusted operating margin, %	-7.4	-19.2	-17.7	-44.0
Net result for the period	-56,799	-91,055	-119,960	-219,601
Basic and diluted earnings per share, SEK	-1.5	-2.4	-3.2	-5.9

Definitions of key performance indicators

Key performance indicator	Definition	Purpose
Full paying subscribers (FPS)	A subscriber who pays 51 percent or more of the ordinary price for a subscription.	This measure is used to identify the subscribers who pay the full price for the service.
Average revenue per user (ARPU)	Total revenue divided by the number of FPSs in the corresponding month.	This measure is used to identify the share of total revenue that is attributable to each full-paying subscriber.
Gross profit	Revenue less publisher costs.	Used as a measure of the core business's operating profit, regardless of the effect of other operations, items affecting comparability between years, and financing and corporate tax.
Gross margin	Gross profit/loss divided by revenue.	Used as a measure of the core business's profitability, regardless of the effect of other operations.
Gross profit contribution	Gross profit less operating marketing expenses.	A measure of the Company's gross profit after marketing costs used by investors, analysts and Group management to evaluate the Group's profitability.
Gross contribution margin	Gross contribution divided by operating revenue.	A measure of profitability used by investors, analysts and Group management to evaluate the Group's profitability.
Operating profit/loss (EBIT)	Operating revenue less operating expenses.	A measure of the Company's operating profit/loss before interest and tax that is used by investors, analysts and Group management to evaluate the Company's profitability.
Operating margin	Operating profit/loss relative to operating expenses.	A profitability measure used by investors, analysts and Group management to evaluate the Group's profitability.

Comments to the financial development

This section should be read together with the information contained in the sections "Selected financial information" and "Capitalisation, indebtedness and other financial information", as well as the Group's audited consolidated financial statements as per and for the two years ending 31 December 2022 and 2021, and the interim report reviewed by the auditor as per and for the nine-months period ending 30 September 2023.

Comparison between the interim period 1 January – 30 September 2023 and 1 January – 30 September 2022

Revenue, expenses and profit

Total revenue for the period amounted to SEK 502.8 million (435.0), an increase of 15.6 percent compared with the corresponding period the previous year. The increase was primarily due to increased average revenue per user and continued good growth in Germany. The number of full-paying subscribers (FPS) increased 3.1 per cent to 460,686 (446,861) despite lower investments in marketing. Adjusted for currency effects, organic growth was 8.1 percent. Total operating expenses increased by 6.1 percent to SEK 560.7 million (-528.3). The increase is mainly attributable to higher personnel costs together with higher publisher costs driven by revenue growth. The period included extraordinary operating expenses of SEK 20.5 million, which pertained to transaction costs for the public cash offer and severance pay for the CEO and other employees and costs for the delisting and relisting processes.

Cash flow and liquidity

Cash flow from operating activities before changes in working capital for the period was SEK 17.6 million (-79.6). The change in working capital of SEK 12.9 million (28.9) was impacted by higher operating liabilities related to publishers and improved sales. Cash flow from investing activities totalled SEK -41.1 million (-22.5), of which SEK -26.0 million (-22.9) related to capitalised product development costs. Cash flow from financing activities was SEK -8.9 million (-22.4). Amortisation of loans amounted to SEK -5.2 million (-18.9) on 30 September 2023.

Financial position

Cash and cash equivalents for the period amounted to SEK 108.7 million (219.1). The Group recognised goodwill of SEK 52.5 million (75.5) on 30 September 2023, which relates to the acquisition of Readly France SA. Impairment of SEK 27.0 million related to goodwill was recognised in 2022. Total liabilities amounted to SEK 263.4 million (317.1) on 30 September 2023. The estimated earnout consideration related to the acquisition of Readly France SA totalled SEK 11.4 million (45.9). The Group's shareholders' equity amounted to SEK 36.6 million (117.3) on 30 September 2023, representing equity per share of SEK 1.0 (3.1). The change in equity is mainly due to the loss for the year.

Comparison between the financial year 2022 and 2021

Revenue, expenses and profit

Total revenue for the financial year 2022 amounted to SEK 591.6 million (466.3), an increase of 26.9 percent compared with the financial year 2021. The increase was mainly due to a higher average revenue per user, and to revenue from Readly France SA. The number of full-paying subscribers declined by 5.4 percent to 452,466 (478,362) and was the result of an adapted marketing spend with a focus on profitable unit economics. Organic revenue growth for the year was 15.6 percent. Adjusted for currency effects, organic growth was 9.9 percent. Total operating expenses increased by

8.6 percent to SEK -734.1 million (-675.8). The increase is mainly attributable to higher personnel costs together with higher publisher costs driven by revenue growth. The period included extraordinary operating expenses of SEK 10.6 million, which pertained to restructuring and costs for the public cash offer.

Cash flow and liquidity

Cash flow from operating activities before changes in working capital for the financial year 2022 was SEK -91.3 million (-204.1). The change in working capital of SEK 28.5 million (38.6) was impacted by higher operating liabilities related to publishers and improved sales. Cash flow from investing activities totalled SEK -32.7 million (-30.6), of which SEK -32.8 million (-21.7) related to capitalised product development costs. Cash flow from financing activities was SEK -31.2 million (-20.2). Amortisation of loans amounted to SEK 26.8 million (19.6) on 31 December 2022, while interest paid (reported as cash flow from operating activities) stood at SEK 1.3 million (3.5).

Financial position

Cash and cash equivalents for the financial year amounted to SEK 188.7 million (306.2). The Group recognised goodwill of SEK 50.0 million (70.7) on 31 December, which relates to the acquisition of Readly France SA. Impairment of SEK 27.0 million related to goodwill was recognised in 2022. Total liabilities amounted to SEK 292.5 million (305.8) on 31 December. The estimated earnout consideration related to the acquisition of Readly France SA totalled SEK 26.2 million (41.2). A value adjustment of SEK 19.9 million was recognised on 31 December. The Group's shareholders' equity amounted to SEK 90.6 million (201.7) on 31 December 2022, representing equity per share of SEK 2.4 (5.4). The change in equity is mainly due to the loss for the year.

Capitalisation, indebtedness, and other financial information

The tables in this section describe the Company's capitalisation and indebtedness at Group level as of 30 September 2023. See section "*Share capital and ownership*" for further information about the Group's share capital and shares. The tables in this section should be read in conjunction with section "*Selected financial information*".

Capitalisation

(in SEK million)	**As of 30 September 2023**
Current debt (including current portion of non-current debt)	
Guaranteed	-
Secured	3.9
Unguaranteed/Unsecured	3.8
Total current debt	**7.7**
Non-current debt (excluding current portion of non-current debt)	
Guaranteed	-
Secured	0.9
Unguaranteed/Unsecured	5.3
Total non-current debt	**6.2**
Shareholder equity	
Share capital	1.1
Other contributed capital	1,182.2
Other equity including profit/loss for the period	-1,146.7
Total equity	**36.6**
Total	**50.5**

Net indebtedness

(in SEK million)	As of 30 September 2023
(A) Cash	108.7
(B) Cash equivalents	-
(C) Other current financial assets	0.1
(D) Liquidity (A) + (B) + (C)	**108.8**
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-
(F) Current portion of non-current financial debt	11.5
(G) Current financial indebtedness (E) + (F)	**11.5**
(H) Net current financial indebtedness (G) – (D)	**-97.3**
(I) Non-current financial debt (excluding current portion and debt instruments)	-
(J) Debt instruments	-
(K) Non-current trade and other payables	-
(L) Non-current financial indebtedness (I) + (J) + (K)	**-**
(M) Total financial indebtedness (H) + (L)	**-97.3**

Investments

Readly's standard investments relate to investments in intangible non-current assets. Readly makes continuous investments in product development and the Company's investments in intangible non-current assets consists of capitalised product development costs for Readly's digital subscription service. Apart from this, Readly has no significant ongoing investments as of the date of the Company description.

Trends

Apart from what has been described in the sections "*Risk factors*", "*Market overview*", "*Business overview*" and "*Legal inquiries and other information*", the Company's assessment is that, as of the date of the Company Description, there are no known trends, related to production, sales, costs and sales prices during the period from the end of the last financial year to the date of the Company Description. Readly is not aware of any measures regarding public, financial, fiscal or monetary policy, or other political actions that, directly or indirectly, have had or could have a significant impact on the Group's operations and prospects for the current financial year and that can be expected to have a significant impact on the Groups' operations and prospects for the current financial year.

Significant events after the end of the last reporting period

Readly is not aware of any significant changes of the Company's financial position or financial result during the period from 30 September 2023 up until the date of the Company Description.

Working capital statement

It is the Group's opinion that the working capital available is sufficient for the Group's needs for the twelve months following the date of this Company Description. The term working capital refers here to the Group's ability to access cash and cash equivalents to fulfil its payment obligations as they become due.

Board of directors, senior executives, and auditors

Board of directors

According to Readly's articles of association, the board of directors shall consist of between three and ten ordinary members appointed by the general meeting, without deputies. As of the date of the Company Description, Readly's board of directors consists of seven members, including the chairman of the board, who have been appointed by the general meeting. The current board of directors is appointed for the period until the end of the annual general meeting to be held in 2024.

				Independent in relation to	
Name	**Position**	**Year of birth**	**Appointed**	**Company and executive management**	**Major shareholders**
Jan Lund	Chairman of the board	1970	2023	Yes	No
Mikael Antonsson	Board member	1985	2023	Yes	No
Carolina Brandtman	Board member	1974	2023	Yes	Yes
Laurent Kayser	Board member	1986	2023	Yes	Yes[1]
Veronica Selin	Board member	1989	2023	Yes	No
Malin Stråhle	Board member	1971	2020	Yes	Yes
Jesper Wikberg	Board member	1990	2023	Yes	No

1) Laurent Kayser is the deputy CEO of Cafeyn Group which, in accordance with what has been communicated in connection with Tidnings AB Marieberg's public takeover offer, has entered into an agreement with Tidnings AB Marieberg with the intention that Cafeyn Group will become the owner of the non-Nordic businesses of Readly International AB (publ), see section "*Share capital and ownership – Shareholders' agreements etc.*".

Jan Lund

Born in 1970. Chairman of the board since 2023.

Education and professional experience: BSc. in Business Administration and Economics from Stockholm University. Jan is Head of Strategy & Corporate Development at Bonnier Group AB since 2015, and his professional experience includes, *inter alia*, the position as Head of Strategy at Modern Times Group MTG AB and various board assignments within, *inter alia*, the Bonnier Broadcasting group (current TV4 Media), Bisnode AB and Clio ApS.

Other current assignments: Head of Group Strategy & Corporate Development at Bonnier Group AB and board member of Sappa Holding AB.

Previous experience (last five years): Head of Strategy at Modern Times Group MTG AB. Chairman of the Board of Clio ApS and board positions in L&R Education AB (former Clio), Bisnode Business Information Group AB and Bisnode AB, TV4 Media Holding AB (previous Bonnier Broadcasting Holding AB) and subsidiaries within the group, C Real AB and Scandinavian Talents AB.

Holdings in the Company: -

Mikael Antonsson

Born in 1985. Board member since 2023.

Education and professional experience: MSc. in Engineering Physics from Chalmers University of Technology and a MSc. in Finance from University of Gothenburg. Mikael is CFO at Bonnier News since

2020, and his professional experience include, *inter alia*, positions as COO and acting CFO at Qliro AB, Engagement Manager at McKinsey and various board assignments.

Other current assignments: CFO at Bonnier News. Chairman of the board in, *inter alia*, Dooris AB, Dialog Kompetensutveckling AB and Nacka Värmdö Posten AB. Board member in Bonnier News AB and Bonnier News Corporate AB as well as board member in several companies within the Bonnier News group such as, *inter alia*, Marieberg Media AB, Hakon Media AB, Happy Green AB and Bonnier Faktureringsservice AB.

Previous experience (last five years): COO and acting CFO at Qliro AB. Board member of Dagens Media Sverige AB, Sydsvenska Dagbladets Försäljningsaktiebolag and Tidnings AB Marieberg (including several of its subsidiaries and affiliates).

Holdings in the Company: -

Carolina Brandtman

Born in 1974. Board member since 2023.

Education and professional experience: Business Administration and Management at Central Queensland University and Örebro University. Carolina is the CEO and a Senior Consultant at Brandtman Consulting AB since 2022, and her professional experience include positions as CEO of Qliro AB, CEO of Santander Consumer Bank Sweden and as General Manager and CRO at GE Money Bank.

Other current assignments: CEO and Senior Consultant at Brandtman Consulting AB and chairman of the board and board member of Right By Me.

Previous experience (last five years): CEO of Qliro AB.

Holdings in the Company: -

Laurent Kayser

Born in 1986. Board member since 2023.

Education and professional experience: MSc. in Investment and Finance from Strathclyde University and a Master's in Management at Audencia Business School. Laurent is deputy CEO of Cafeyn Group since 2018, and Laurent also has experience from Investment Banking and Private Equity at Commerzbank, DC Advisory, RW Baird London and Triton Financial.

Other current assignments: Laurent is deputy CEO and board member of Cafeyn Group.

Previous experience (last five years): -

Holdings in the Company: -

Veronica Selin

Born in 1989. Board member since 2023.

Education and professional experience: MSc. in Industrial Engineering and Management from Aalto University. Veronica is Head of Strategy, M&A and Business Control at Bonnier News AB, and she has held various positions within the Bonnier News group since 2018. Veronica also has professional experience as a Management Consultant at Reddal as well as experience from various board assignments.

Other current assignments: Head of Strategy, M&A and Business Control at Bonnier News AB. Board member of Chefsnätverket Close AB and Hufvudstadsbladet AB.

Previous experience (last five years): Board member of Hakon Media AB and Swiftr AB.

Holdings in the Company: -

Malin Stråhle

Born in 1971. Board member since 2020.

Education and professional experience: Master of Architecture, Faculty of Engineering at Lund University. Malin is Senior Vice President and Head of Digital Delivery at Volvo Group since 2021, and her professional experience include, *inter alia*, positions as Director of Strategy Operations at Spotify, Chief Technology Officer at Schibsted Publishing and Head of Products & Platform at Unibet Group Plc.

Other current assignments: Senior Vice President and Head of Digital Delivery at Volvo Group.

Previous experience (last five years): Director of Strategy Operations at Spotify AB and board member of Steni Group AS.

Holdings in the Company: -

Jesper Wikberg

Born in 1990. Board member since 2023.

Education and professional experience: MSc. in Industrial Engineering and Management from Chalmers University of Technology. Jesper is a Strategy and M&A Manager at Bonnier News since 2018 and Jesper has previous experience as a Management Consultant at Artur D. Little.

Other current assignments: Strategy and M&A Manager at Bonnier News and board member in Estate Media AS.

Previous experience (last five years): Board member in Dagens Samhälle AB.

Holdings in the Company: -

Senior executives

The table below lists the name, position, year of birth, year of current position held in the Company and year of the first position ever taken up in the Group of the members of Readly's executive management.

Name	Position	Year of birth	Held position since
Philip Lindqvist	Chief Executive Officer	1989	2023
Johan Adalberth	Chief Financial Officer	1979	2019
Ranj Begley	Chief Content Officer	1972	2014
Frida Svensson	Chief People Officer	1983	2020
Marie-Sophie von Bibra	Chief Marketing Officer	1991	2022
Matti Zemack	Chief Product and Technology Officer	1973	2023

Philip Lindqvist

Born in 1989. CEO since 2023.

Education and professional experience: BSc in Business & Economics, Stockholm School of Economics. Philip's professional experience includes positions as Managing Director of C More and Head of Pay TV at TV4 Media and Chief Strategy Officer and Head of Distribution at Bonnier Broadcasting (spanning C More, TV4 and MTV). Philip further has a background from The Boston Consulting Group.

Other current assignments: Board member of Fram Skandinavien AB, Yoik AB and KILOPOND Holding AB (including subsidiaries). He is also a member of the advisory board at 8 Media Ventures Oy.

Previous experience (last five years): Advisor at KILOPOND AB, Advisory Partner at 8 Media Ventures Oy, Managing Director of C More and Head of Pay TV at TV4 Media and Chief Strategy Officer and Head of Distribution at Bonnier Broadcasting (spanning C More, TV4 and MTV).

Holdings in the Company: -

Johan Adalberth

Born in 1979. CFO since 2019.

Education and professional experience: Master of Business administration from Uppsala University. Johan's professional experience includes the position as Head of Finance at Kry and Head of Financial Control at Attendo. Johan also has previous experience as an auditor.

Other current assignments: Board member of Ceqada AB.

Previous experience (last five years): -

Holdings in the Company: Owns 9,500 shares.

Ranj Begley

Born in 1972. Chief Content Officer since 2014.

Education and professional experience: Business Management at Heston College. Ranj's professional experience include several senior management positions in publishing and fulfilment companies such as Dovetail, Highbury House, CDS Global and United Business Media Plc.

Other current assignments: Advisory board member at Wiser Media.

Previous experience (last five years): -

Holdings in the Company: Owns 6,100 shares.

Frida Svensson

Born in 1983. Chief People Officer since 2020.

Education and professional experience: Bachelor's degree within Human Resource Management from Stockholm university. Frida's professional experience includes positions as HR Director and Senior HR Director at Goodbye Kansas AB and Head of HR at LeoVegas Ltd.

Other current assignments: Advisor to LucyTech.

Previous experience (last five years): HR Director and Senior HR Advisor at Goodbye Kansas AB.

Holdings in the Company: Owns 1,000 shares.

Marie-Sophie von Bibra

Born in 1991. Chief Marketing Officer since 2022.

Education and professional experience: Business Studies with focus on Marketing at Bayes Business School, City University, London. Before the position as Chief Marketing Officer, Marie-Sophie held various marketing roles within Readly. Her professional experience further includes, *inter alia*, the position as Ecommerce and Digital Marketing Manager at Avenue32.

Other current assignments: Member of the board of the Swedish Chamber of Commerce in Germany, member of the Advisory Board of Levy Health and Founder and Managing Director of MSVB Online Consulting.

Previous experience (last five years): -

Holdings in the Company: Owns 16,750 shares and 12,000 warrants.

Matti Zemack

Born in 1973. Chief Product and Technology Officer since 2023.

Education and professional experience: Engineering Physics, Master of Science Media Technology, Royal Institute of Technology Stockholm. Matti's professional experience includes, *inter alia*, the position as Investment Director at Industrifonden and he has also worked for Bonnier Venture as investment Chief Technology Officer and has been the CTO for the Bonnier group. As part of his roles, he has held several board assignments.

Other current assignments: Owner, CEO and board member of Zebuc Trading AB. Board member of Adlede AB and Advisor at Alaska Film&TV AB.

Previous experience (last five years): Investing Chief Technology Officer at Bonnier Venture, CTO at Bonnier Group, Consultant CTO at Unordinal AB, consultant at Adlibris AB and Investment Director at Industrifonden. Board member of, *inter alia*, L&R Education Sverige AB (former Clio), Clio Aps, Puls Biznesu/Bonnier Polen, Barnebys Group AB, Tailsweep AB, Linkura AB, Hopswork AB, Zeropoint Technologies AB, Crosser Technologies AB, Dbvis Software AB, occtoo AB, ShimmerCat AB, We are Voice AB, Norsk Helseinformatikk AS, Abios Gaming AB and Future Ordering Sweden AB. Advisor at Dagbladet Børsen A/S, Shardsecure Inc. and Resolution Games AB.

Holdings in the Company: -

Auditor

Öhrlings PricewaterhouseCoopers AB, with office address Torsgatan 21, 113 97 Stockholm, Sweden is the auditor of the Company. The authorised public accountant Alexander Lyckow (born 1980), who is a member of FAR (professional institute for authorised public accountants) is the main responsible auditor. Alexander Lyckow has been the responsible auditor during the whole time that has been referenced in the historical financial information of the Company Description.

Further information on the members of the board of directors and executive management

There are no family ties between any of the members of the board of directors or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of the members of the board of directors and executive management of Readly towards the Company and their private interests and/or other undertakings.

No members of the board of directors or executive management described above have during the past five years (i) been convicted in relation to fraudulent offences, (ii) represented a company which has been declared bankrupt, put in receivership, filed for involuntary liquidation or put into administration, (iii) been the subject of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional board of directors) or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory board of directors of an issuer or from acting in the management or conduct of the affairs of any issuer.

The board members are not entitled to any benefits when they retire from the board.

All members of the board of directors and executive management are available at the Company's address at Kungsgatan 17, 111 43 Stockholm, Sweden.

Corporate governance

Readly is a Swedish public limited liability company whose shares have been listed on Nasdaq Stockholm Main Market since 17 September 2020. Corporate governance in the Company has mainly been based on the Swedish Companies Act, the Articles of Association, Nasdaq Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code (the "**Code**"), and other applicable laws and regulations. After the Company has been listed on Nasdaq First North Growth Market, the Company will apply the rules of Nasdaq First North Growth Market Rulebook for Issuers of Shares (the "**Rules**") instead of Nasdaq Nordic Main Market Rulebook for Issuers of Shares, and apply other Swedish and foreign laws and regulations, as applicable. The Company will not be required, and does not expect, to apply the Code.

General meetings of shareholders

Pursuant to the Swedish Companies Act, the general meeting of shareholders is the Company's highest decision-making body. At the annual general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's profit, discharge from liability of board members and the CEO, election of board members and auditors, and remuneration of the board of directors and auditors.

Annual general meetings shall be held within six months from the end of every financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. In accordance with the Company's articles of association, all general meetings shall be convened through announcements in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by making the notice of the meeting available on the Company's website. An announcement that notice has been given is to be published in Dagens Industri.

Right to attend general meetings

All shareholders who are directly registered in the share register kept by Euroclear Sweden AB ("**Euroclear**"), six banking days prior to the general meeting, and who have notified the Company of their intention to attend the general meeting at the latest by the date specified in the notice convening the meeting, shall be entitled to attend the general meeting and vote according to the number of shares they hold. Shareholders can normally register for general meetings in several different ways, as stated in the notice convening the meeting.

Shareholder initiatives

Shareholders who wish a matter to be discussed at the general meeting must submit a written request in that regard to the board of directors. Requests must normally be received by the board of directors at least seven weeks prior to the general meeting.

The nomination committee

Pursuant to the Code, the Company is to have a nomination committee, the purpose of which is to submit proposals in respect of the chairman of general meetings, board member candidates (including the chairman), fees and other remuneration to each board member as well as remuneration for committee work, election of and remuneration to the external auditors and a proposal regarding the nomination committee for the following annual general meeting. The nomination committee's proposals are presented in the official notice of the annual general meeting.

At the annual general meeting on 13 June 2023 resolved to adopt the following principles and instructions for the nomination committee.

Appointment of members etc.

The chairman of the board shall - at the latest at the end of the third quarter of each year - ensure that the company's two largest shareholders, in terms of votes, are offered to nominate their representatives to be included in the nomination committee. The reconciliation is based on Euroclear Sweden AB's shareholder list as of the last banking day in August. If one or more shareholders refrain from appointing a member of the nomination committee, the next shareholders in terms of ownership will be contacted with instructions to appoint a member of the nomination committee.

The chairman of the board is a member of the nomination committee and convenes the first meeting of the nomination committee.

The composition of the nomination committee shall be published as soon as they have been appointed.

The chairman of the nomination committee shall, unless the members agree otherwise, be the member who represents the largest shareholder in terms of votes. However, the chairman of the board shall not be the chairman of the nomination committee.

The nomination committee shall hold its mandate until a new nomination committee is appointed. No fees shall be paid to the members of the nomination committee.

If a shareholder who has appointed a member is no longer one of the two largest shareholders, the shareholder which in terms of ownership is one of the two largest shareholders will be offered to appoint a member. If such shareholder wishes to appoint a member, the member that has been appointed by the shareholder no longer one of the two largest shareholders shall leave the nomination committee. If there are no special reasons, however, no changes shall be made to the composition of the nomination committee if only minor changes in the number of votes have taken place, or the change occurs later than three months before the annual general meeting. Shareholders who have appointed a representative as a member of the nomination committee have the right to, dismiss such member and appoint a new representative as a member of the nomination committee.

The tasks of the nomination committee

The nomination committee shall prepare and submit the following proposals to the annual general meeting:

- election of chairman of the meeting;
- the election of members of the company's board of directors and, where appropriate, any other special committee or committee that the annual general meeting may decide to appoint;
- the election of an auditor and, where appropriate, alternate auditors;
- remuneration to the members of the board of directors, auditors and, where applicable, to members of any other special committee or committee that the annual general meeting decided to appoint; and
- any changes in the procedure for the appointment of the nomination committee.

The chairman of the board shall, as appropriate, provide the nomination committee with information on the board's competence profile and working method.

The company shall, at the request of the nomination committee, provide personal resources such as secretarial assistance to facilitate the work of the nomination committee. If necessary, the company shall also be responsible for reasonable costs for external consultants who are deemed necessary by the nomination committee for the nomination committee to fulfil its mandate.

The board of directors

The board of directors is the highest decision-making body after the general meeting. Pursuant to the Swedish Companies Act, the board of directors is responsible for the management and organisation of the Company, which means that the board of directors is responsible for, *inter alia*, establishing procedures and strategies, to ensure the evaluation of set targets, continuously evaluating Readly's financial position and performance, and evaluating the executive management. The board of directors is also responsible for ensuring that the annual accounts, consolidated financial statements and interim reports are prepared on time. In addition, the board of directors also appoints the CEO.

The board of directors follows written rules of procedure, which are revised annually and adopted by the statutory board meeting every year, or in another manner if so required. The rules of procedure govern, *inter alia*, the board of directors' practices, duties and the work between the members of the board of directors and committees, the CEO and the established committees. At the statutory board meeting, the board of directors also adopts instructions for the CEO, including instructions for financial reporting.

The board of directors meets according to a schedule that is determined annually. In addition to these meetings, additional board meetings can be convened to address issues that cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the board of directors and the CEO discusses the management of the Company and the Group on an ongoing basis.

The board members are elected every year at the annual general meeting for the period until the end of the next annual general meeting. Under the Company's articles of association, the board of directors shall consist of at least three and no more than ten members. As of the date of the Company Description, the board of directors consists of seven members elected by the annual general meeting who are presented in greater detail in the section "*Board of directors, senior executives and auditors*". The chairman of the board of directors is elected by the annual general meeting and has special responsibility for managing the board of directors' work and ensuring that it is well organised and effectively implemented.

Remuneration committee

The board of directors has established a remuneration committee. The remuneration committee consists of Jan Lund and Malin Stråhle, with Jan Lund as chairman of the committee. The work of the remuneration committee is conducted in accordance with the most recently adopted rules of procedure, adopted by the board of directors on 27 April 2023. The primary tasks of the remuneration committee are to prepare decisions by the board of directors on issues concerning remuneration policies, remuneration and other terms of employment for company management; to monitor and evaluate ongoing programmes for variable remuneration to company management and programmes that were adopted during the year; and to monitor and evaluate application of the guidelines for remuneration to senior executives decided on by the annual general meeting as well as existing remuneration structures and levels in the Company.

Audit committee

The board of directors has established an audit committee. The audit committee consists of Mikael Antonsson, Carolina Brandtman and Jan Lund, with Mikael Antonsson as chairman of the committee. The audit committee is primarily a preparatory body that prepares proposals for the board of directors. The work of the audit committee is conducted in accordance with the rules of procedure adopted by the board of directors. Its primary tasks, without prejudice to the general duties and responsibilities of the board of directors, are to:

- monitor the Company's financial statements;
- monitor the efficiency of the Company's internal control and risk management with regard to the financial statements;
- remain informed about the audit of the annual report and consolidated accounts;
- inform the board of directors of the results of the audit and of the manner in which the audit contributed to the reliability of the financial statements as well as the functions the committee has had;
- quality-assure the year-end reports and interim reports prior to decisions by the board of directors;
- audit and monitor the auditor's impartiality and independence and thereby noting in particular, whether the auditor provides the Company with services other than audit services. Approve the auditor's advisory services;
- assist in the preparation of proposals regarding auditors for resolution at general meetings; and
- evaluate and approve the auditor's audit plan regarding scope and areas of priority.

CEO and executive management

The CEO is subordinated to the board of directors and is responsible for the everyday management and operations of the Company. The division of work between the board of directors and the CEO is set forth in the rules of procedure for the board of directors and the instructions to the CEO. The CEO is also responsible for preparing reports and compiling information from Company management for the board meetings and for presenting such materials at the board meetings. Under the guidelines for financial reporting, the CEO is responsible for the Company's financial statements and must thus ensure that the board of directors receives sufficient information to assess the Company's financial position on a continual basis. The CEO and other senior executives are presented in the section "*Board of directors, senior executives and auditors*".

Internal control

Readly has not introduced a separate internal audit function. This duty is performed by the board of directors. The board of directors' responsibility for internal control and governance are regulated in the Swedish Companies Act and the Swedish Annual Accounts Act as well as other applicable laws and regulations. The Company has applied the Code since its shares were admitted to trading on Nasdaq Stockholm. Following the listing on Nasdaq First North Grow Market, the Company does not expect to apply the Code. The board of directors establishes the reports that are to be prepared in order for the board of directors to follow the Company's performance. The Board of directors is to annually assess the need for a separate internal audit function and justify its decision. Based on the Company's size, processes and structure and the minimum complexity of these, the board of directors is of the opinion that there is no need for an internal audit function.

The Board of directors' work, policies and the structure of internal control, risk assessments and control activities refer to all companies in the Group.

The Company's internal control is based on the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). This framework encompasses five components: *control environment, risk assessment, control activities, information and communication, and monitoring activities*.

Control environment

The Board of directors' responsibilities include ensuring that the Company has a high level of internal control and formal procedures that ensure compliance with established internal control principles and that an appropriate system is in place for the monitoring and control of the Company's operations and the risks related to the Company and its operations. An important part of the control environment involves ensuring that decision-making channels, authorities and responsibilities are clearly defined and communicated between the different levels of the organisation and that governing documents in the form of policies and guidelines encompass all significant areas and that they provide guidance to various senior executives of the Company.

An important part of the board of directors' work is to prepare and approve a number of fundamental policies, guidelines and frameworks. These include, *inter alia*, the board of directors' rules of procedure (that includes instructions for each committee) and the instructions for the CEO, which are adopted each year. According to the Company's policy for internal control, a number of governance documents shall be accessible for the employees. These include, *inter alia*, the IR & Communications Policy, the Insider Policy, a crisis plan and the Code of Conduct. The purpose of these instructions and policies is to create a foundation for a high level of internal control. Furthermore, the board of directors works to ensure that the organisational structure provides clear roles, responsibilities and processes that enhance the efficiency of risk management in the operations and support the achievement of objectives. Based on the instructions for the CEO, the ongoing responsibility for internal control and risk management has been delegated to the Company's CEO who is to ensure that internal-control systems are effective and that the Company complies with applicable and generally accepted practices regarding the Company operations and management. The Company's CEO is to regularly report back to the board of directors in accordance with established instructions.

The board of directors has established an audit committee which, according to established instructions, is primarily responsible for monitoring and quality-assuring the Company's financial reporting, ensuring continuous contact with the Company's auditor, monitoring the effectiveness of the Company's internal control over financial reporting, and reviewing and monitoring the objectivity and independence of the auditor.

Risk assessment

Readly performs annual risk assessments to identify risks that impact its internal control over the financial reporting and other risks for the Group's operations. The board of directors has adopted a risk policy that includes procedures for identifying, assessing, and managing risks based on the Group's vision and objectives. Under the framework of the risk policy Readly's senior executives conduct an annual risk evaluation in respect to strategic, operational, legal and compliance and financial risks. This involves all Readly's senior executives. The senior executives of each operating function identify the risks of that specific operating function. All of the senior executives then attend a workshop together to discuss and prepare a joint risk matrix that encompasses the entire business of the Group. The risk matrix is based on an analysis of the likelihood of the risk occurring and the impact it could have on the Group's operations. A responsible person shall be appointed for mitigation of each risk, which includes actions to reduce, eliminate or export unwanted risks. The responsible person shall also present a plan of action for each risk. The CEO is responsible to approve all mitigation action that is reported. The results of the management's risk assessment including mitigation actions, as well as the other steps of the risk management process, shall be documented and reported to the board of directors on an annual basis. Additional reports will be presented to the board of directors when necessary. The board of directors is subsequently responsible for taking action and tailoring the Group's processes, strategies and procedures to base on the risk assessment.

Control activities

The board of directors is responsible for the internal control and monitoring of senior executives. Control activities include the guidelines and procedures that help ensure that the directives of senior executives are implemented. In this respect, Readly has prepared a financial handbook and an employee handbook to manage risks and ensure that the Group's targets are met. The control activities encompassed by these handbooks include approval, authorisation, verification, reconciliation, reviewing the results of the operations, securing assets, results analysis and budget follow-ups etc.

Under the framework of internal control, risks are discussed and identified based on operating and financial aspects. During board meetings, key matters from the minutes from the audit committee are presented to the board of directors and the board of directors has the opportunity to ask the audit committee questions regarding internal control, after which the board of directors makes a decision on the matter.

Information and communication

The purpose of Readly's information and communication channels is to keep internal and external stakeholders continuously informed, either through proactively seeking information or reactively receiving information. There are guidelines for all internal and external communication in Readly. They clarify how the responsibility is shared in order to contribute to uniform communication, both within and outside the Company. Readly aspires to maintain a transparent and open dialogue with all interest groups, always in a correct manner and according to applicable laws. It is critical that all communication from the Company is in time, reliable, correct and up to date.

Part of Readly's internal communication activities involves the financial handbook, which comprises a list of instructions regarding corporate governance, accounting policies and authorisation. The financial handbook has been made available and communicated internally within Readly and serves as a governing document that encompasses the Group's entire operations. Furthermore, information within the Group is spread through informal communication channels to and from the board of directors and senior executives, which is done through information meetings, the intranet and other information systems.

The board of directors has also adopted an information and communications policy and an insider policy that regulates the Company's provision of information, such as external financial information in the form of interim reports, annual accounts, annual reports and press releases in connection with significant events that could affect the share price.

Monitoring activities

Monitoring internal control and its effectiveness is an integrated part of the ongoing operations. According to the Company's instructions for the CEO, the CEO is to ensure that the board of directors regularly receives reports on the performance of the Group's operations, the size of the turnover, any price developments, the Group's earnings and financial position, the liquidity and credit situation, the development of the subscribers, gained and lost material publishers, whether taxes and statutory fees have been paid and more important business events, such as substantial budget deviations concerning important indicators for the result and liquidity and any current disputes of significance and the termination agreements important for the Group. The board of directors is responsible for delegating and deciding on possible actions required under the framework of the Group's operations.

Readly has established a policy for policies which is a framework for all of the policies and guidelines that the Group has established.

The policy for policies is used to monitor the appropriate level, scope and frequency of oversight of the Group's policies and to guide Readly in its decision making and to ensure consistency and quality in the documentation of established principles. The policies, guidelines and processes are reviewed at least once a year or in connection with or ahead of changes to regulations and standards that would impact the internal control. The board of directors is responsible for adopting, evaluating and reviewing the policy for policies and shall be adopted annually, or more frequently if any amendments are required. The CEO is responsible for communicating the content and ensuring Readly's adherence to the policy for policies.

Remuneration to board members and senior executives

For information regarding reported expenses regarding remuneration paid to the board members and senior executives during the period encompassed by the historical financial information in the Company Description, please refer to each note respectively, in the Company's financial reports as below.

- Regarding the financial year 2022, note 7 in the audited annual report for the financial year 2022; and
- Regarding the financial year 2021, note 7 in the audited annual report for the financial year 2021.

The financial reports referred to above, have been incorporated by reference to the Company Description, please see the section "*Legal inquiries and other information – Documents incorporated by reference*".

Remuneration to the board of directors

Fees and other remuneration for members of the board of directors, including the chairman of the board, are resolved upon by the annual general meeting. At the annual general meeting on 13 June 2023, it was resolved that remuneration to the chairman of the board shall amount to SEK 520,000 and the remuneration to the other board members shall amount to SEK 260,000. In addition, each member of the remuneration committee will receive fees amounting to SEK 15,000 and chairman of the remuneration committee will receive fees amounting to SEK 30,000, and each member of the audit committee will receive fees amounting to SEK 40,000 and the chairman of the audit committee will receive fees amounting to SEK 100,000. No remuneration, including for committee work, shall be paid to directors who have a dependency in relation to Tidnings AB Marieberg and Bonnier News Group AB.

Members of the Company's board of directors are not entitled to any benefits when they retire as members of the board of directors.

Guidelines for remuneration to the senior executives

The following guidelines for remuneration to senior executives in the Group was adopted at the AGM held on 10 May 2022.

General

The guidelines shall apply to remuneration that may be agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to any remunerations that have specifically been resolved by the general meeting or any remuneration in the form of shares, warrants, convertibles or other share-related instruments such as synthetic options or employee stock options, which require specific approval by the general meeting.

These guidelines apply to the CEO and other senior executives in the group as well as to any remuneration to members of the board other than approved director fees. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines shall contribute to establish conditions for the Company to recruit and maintain qualified senior executives in order to successfully implement the Company's business strategy and achieve the Company's long-term interests, including sustainability. The guidelines shall also stimulate an increased interest in the business and the result as a whole as well as increase the motivation of the senior executives and increase belonging within the Company. The guidelines' purpose is further to create alignment between the Company's shareholders and the senior executives. The guidelines shall also contribute to a good ethics and culture within the Company.

In order to achieve the Company's business strategy, total annual remuneration must be market-based and competitive in the employment market where the senior executive is located, as well as take into account the individual's qualifications and experience; furthermore, exceptional performance should be reflected in the total remuneration.

Variable cash remuneration covered by these guidelines is intended to promote the Company's business strategy and long-term interests, including sustainability.

The forms of remuneration etc.

The remuneration to the senior executives in the Company shall comprise fixed cash salary, possible variable cash salary, other customary benefits and pension payments. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labour market where the senior executive is based and take into account the individual responsibilities, competences, qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority. The fixed cash salary shall be revised on a yearly basis.

The senior executives may receive variable cash remuneration in addition to fixed cash salaries. The variable remuneration shall be based on the outcome of actual predetermined targets based on the Company's business strategy and the long-term business plan approved by the board of directors. The targets may include share based or financial targets, on group level, operational goals and goals for sustainability and social responsibility, employee engagement or customer satisfaction. These targets are to be established and documented annually. The Company has established financial targets and KPIs in relation to strategic and business critical initiatives and projects which ensures alignment with the business plan and business strategy for a continued sustainable business. The variable cash remuneration shall also be designed with the aim of achieving alignment between the participating senior executive and the Company's shareholders in order to contribute to the Company's long-term interest.

Cash based variable remuneration shall be earned and paid out pro rata based on the number of working months and days since first employment date assuming the employee starts with the Company no later than September 30. If the employee starts with the Company after September 30, any entitlement to cash based variable remuneration will commence from the following fiscal year. Any variable cash remuneration shall not exceed a maximum of 75 percent of the fixed salary (calculated at the date for completed vesting) the conditions of any variable cash remuneration should be designed so that the board of directors may reduce or withhold payment of variable remuneration in the event of exceptional economic circumstances, or if the board of directors finds the payments unreasonable and incompatible with the Company's responsibility to its shareholders. With respect to yearly bonuses, it should be possible to reduce or withhold payments, if the board of directors deems it reasonable because of any other reasons. The Company has no right according to agreements to reclaim variable remuneration paid in cash.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are limited in time and made only on an individual basis. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 25 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of directors upon proposal from the remuneration committee.

The Company may provide other benefits to senior executives in accordance with local practice. Such other benefits may include company healthcare and education.

Pension payments shall be contributions based. A maximum of 25 percent of the pension-based salary may be pension premium. Employees have the right to salary exchange (i.e., instead of salary choose to receive salary as pension payments. Salary exchange shall be cost neutral for the employer). Right to pension occurs normally at 65 years of age. Variable cash remuneration does not qualify for any pension entitlements/contributions, unless local law provides otherwise.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may not exceed 15 percent of the fixed annual cash salary.

If a director performs services on behalf of the Company, which do not constitute board work additional consultancy fees or other additional remuneration may be paid to directors upon decision by the board of directors following recommendation by the remuneration committee. Any such remuneration shall be designed in accordance with these guidelines.

When the measurable period for fulfilment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors is, after considering the recommendations by the remuneration committee, responsible for the assessment of variable cash remuneration to the CEO. The CEO is responsible for the assessment of variable cash remuneration to the other executives. Financial criteria should be based on the Company's latest publicly available financial information.

Notice of severance pay

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of two years' fixed salary. The maximum notice period in any senior executive's contract may be no more than twelve months during which time salary payment will continue. The Company does not allow any additional contractual severance payments.

Deviations from the guidelines

The board of directors shall be entitled to deviate from the guidelines with regards to the recruitment of senior executives on the global labour market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the Company's long-term interests and sustainability or to ensure the Company's economic viability. Such deviation shall also be approved by the remuneration committee. An arrangement deviating from the guidelines can be renewed but each such arrangement shall be limited in time and shall not exceed a period of 24 months or an amount that is twice the remuneration that the individual would have received had no additional arrangement been made.

Preparations, decision processes etc.

Decisions regarding salary and other remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the board of directors and, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company.

The Company believes remuneration is one of several key components in attracting and retaining the right employees. The Company shall offer a total rewards package that is:

- Fair and equitable. No employee should be discriminated against in relation to gender, ethnicity, age, disability or any other factor unrelated to performance or experience. Rewards should be understood in relation to the level of responsibility and impact on the business that a certain role has.
- In line with the market. The Company strives to remunerate in accordance with market practice. Base and variable pay, as well as benefits and pensions should be in line with what each local market offers for similar positions.
- Performance based. The Company recognizes people who are committed to sustainable long-term performance that drives the business and develops the company in line with its values and principles. High performance is the main differentiator for employee's rewards packages.

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

Audit

The Company's auditor is appointed by the general meeting. The auditor shall audit the Company's annual reports and financial statements, as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report on the consolidated financial statements to the annual general meeting. According to the Company's articles of association, the Company shall appoint one or two ordinary auditors or audit firms, with or without deputy auditors. The Company's auditor is Öhrlings PricewaterhouseCoopers AB with Alexander Lyckow as the main responsible auditor. The Company's auditor is presented in greater detail in the section "*Board of directors, senior executives and auditors – Auditors*".

Share capital and ownership

The Company's share capital, as of the day of the Company Description, amounts to SEK 1,137,142 divided into 37,904,738 shares. All shares are of the same class. The shares are denominated in SEK and each share has a quotient value of SEK 0.03. The shares in the Company have been issued in accordance with Swedish law.

The ISIN-code for the Company's shares is ISIN code SE0014855292. The Company's shares are registered with Euroclear, which is the central securities depository and clearing organisation for the shares in accordance with the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

Certain rights associated with the shares

The rights associated with the Company's shares, including those pursuant to the articles of association, may only be amended in accordance with the procedures set out in the Swedish Companies Act. Below is a description of certain rights associated with the Company's shares.

Voting rights

Each share in the Company entitles the holder to one (1) vote at the general meeting of shareholders, and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential right to new shares

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, as a general rule, shareholders have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Rights to dividends and surplus in the event of liquidation

All shares carry equal rights to dividends and to the Company's assets and any potential surplus in the event of liquidation. Decisions regarding dividends in limited liability companies are made by the general meeting of shareholders. Entitlement to receive dividends accrues to those who, on the record date adopted by the general meeting of shareholders, are registered in the share register maintained by Euroclear as shareholders. Dividends are normally distributed to the shareholders as a cash amount per share through Euroclear but may also be distributed in forms other than cash (distribution in kind). Should a shareholder be unable to be reached through Euroclear, the shareholder will continue to have a claim against the Company with regard to the dividend limited in time pursuant to a ten-year statute of limitation. Should the claim become barred by the statute of limitations, the dividend amount accrues to the Company.

No restrictions on the right to receive dividends apply to shareholders resident outside of Sweden. With reservation for any limitations imposed by the banks and clearing systems in the jurisdictions concerned, disbursements to such shareholders are conducted in the same manner as those to shareholders in Sweden. Shareholders who are not subject to taxation in Sweden are usually subject to Swedish withholding tax.

Dividends and dividend policy

Readly's board of directors does not intend to propose a dividend in the short- or medium term, but instead intends to use the cash flow that is generated for continued investments in growth. Each year the Board of Directors will evaluate the possibility of proposing a dividend after taking into consideration development of the business as well as its operating profit/loss and financial position.

The Company has not made any dividends during the period covered by the historical financial information in the Company Description.

Share capital development

The table below sets forth the changes in the share capital for the period encompassed by the historical financial information in the Company Description, including any known changes after that date.

Reg. date with the SCRO[39]	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)	Subscription price (SEK)
2021-01-11	New issue (exercise of warrants)[40]	75,000	37,106,448	2,250	1,113,193	31.00
2021-01-26	New issue (exercise of warrants)[41]	120,169	37,226,617	3,605	1,116,799	33.60
2021-11-22	New issue[42]	678,121	37,904,738	20,344	1,137,142	31.48

Ownership structure

The table below sets forth the shareholders holding at least five percent of the shares and votes in the Company as of 1 November 2023. As far as the Company is aware, there is no other shareholder who, alone or together with a related party, holds at least five percent of the shares in the Company.

Shareholder	Number of shares	Number of votes	Percentage of shares	Percentage of votes
Tidnings AB Marieberg	29,423,865	29,423,865	77.63	77.63
Summary others	**8,480,873**	**8,480,873**	**22.37**	**22.37**
Total	**37,904,738**	**37,904,738**	**100**	**100**

Authorisation

At the annual general meeting held on 10 May 2023, a resolution was made to authorise the board of directors to, during the period until the next annual general meeting, on one or more occasions, resolve on a new issue of shares, convertibles and/or warrants, with or without preferential rights, in the amount not exceeding five percent of the total number of shares in the Company at the time when the authorisation is used the first time, to be paid in cash, in kind and/or by way of set-off. The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is primarily for the purpose to raise new capital to increase flexibility of the Company or in connection with acquisitions. As of the date of the Company Description the authorisation has not been exercised.

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[39] Swedish Companies Registration Office (Sw. *Bolagsverket*).

[40] The Company's share capital was increased through the exercising of warrants. A total of 15,000 warrants were exercised for 75,000 new ordinary shares in the Company.

[41] The Company's share capital was increased through the exercising of warrants. A total of 69,552 warrants were exercised for 120,169 new ordinary shares in the Company.

[42] The Company's share capital was increased through share issues connected with acquisitions. This resulted in 678,121 new ordinary shares in the Company.

Convertibles, warrants, etc.

The Company has a number of outstanding share-based incentive programs described below. Other than the warrants and employee stock options as described below, the Company has, as of the date of the Company Description, no other warrants, convertibles or other financial instruments outstanding that, if exercised, could lead to dilution for the existing shareholders.

The Company has issued a total of 1,360,300 warrants under its outstanding incentive programs. As of the date of the Company Description, there are a total of 179,800 warrants and 87,675 employee stock options held by participants in outstanding incentive programs. If all such warrants and employee stock options are exercised and new shares are subscribed for, the maximum dilution amounts to approximately 1.08 percent.

The warrants issued under outstanding warrant programs that are currently not held by warrant holders are held by the Company's subsidiary Readly Financial Instruments AB, together with warrants issued to secure the delivery of shares under the outstanding employee stock option programs. The Company and Readly Financial Instruments AB holds a total of 1,092,825. During 2023, the Company repurchased 558,000 warrants and 314,000 employee stock options issued under outstanding incentive programs. All such warrants and employee stock options have been repurchased at market terms.

Incentive programs

Employee stock options program 2022/2025

At the extraordinary general meeting on 21 June 2022, it was resolved to establish an employee stock option program for senior executives, other employees and key individuals in the Group in the United Kingdom, Germany and France consisting of a maximum of 333,000 stock options.[43]

Employee stock options allotted within the program are vested during a three-year period, where:

(a) 1/3 of the allotted stock options has been vested on 20 July 2023; and

(b) 2/3 of the allotted stock options will be vesting in linear quarterly investments from 20 July 2023 up to and including 20 July 2025.

Vesting requires that the participant is still active within the group and that the employment has not been terminated as of the date when the respective vesting occurs.

Each employee stock option entitles the holder to subscribe for one new share in the Company against cash payment at a subscription price of SEK 12.74, which corresponds to 200 percent of the average volume weighted price for the Company's share as quoted on Nasdaq Stockholm during the period from and including 22 June 2022 up to and including 6 July 2022. Allotted and vested stock options within the program may be exercised during the period 21 July 2025 up to and including 31 December 2025.

There are currently 15,000 employee stock options held by participants under the program.

Warrant program 2022/2025

At the annual general meeting on 10 May 2022, it was resolved to establish an incentive program to senior executives and other employees in the Company and the Group in Sweden through the issue and transfer of a maximum of 407,000 warrants.

[43] The extraordinary general meeting also resolved to issue and transfer a maximum of 333,000 warrants in order to hedge the Company's obligations under the program.

A total of 370,500 warrants were acquired by senior executives and other employees. Each warrant entitles the holder to subscribe for one new share in the Company during the period from and including 1 July 2025 up to and including 15 December 2025. The subscription price is SEK 14.95, which corresponds to 200 percent of the average volume weighted price for the Company's share as quoted on Nasdaq Stockholm from and including 11 May 2022 up to and including 23 May 2022.

There are currently 9,000 warrants held by participants under the program.

Employee stock option program 2021/2024

At the annual general meeting on 11 May 2021, it was resolved to establish an employee stock option program for senior executives, other employees and key individuals in the Company and the Group in the United Kingdom and Germany consisting of a maximum of 232,700 stock options.[44]

Employee stock options allotted within the program are vested under a three-year period, where:

(a) 1/3 of the allotted stock options has been vested on 1 July 2022; and

(b) 2/3 of the allotted stock options are vested in linear quarterly investments from 1 July 2022 up to and including 1 July 2024.

Vesting requires that the participant is still active within the Group and that the employment has not been terminated as of the date when the respective vesting occurs.

Each employee stock option entitles the holder to subscribe for one new share in the Company against cash payment at a subscription price of SEK 53.49, which corresponds to 130 percent of the average volume weighted price for the Company's share as quoted on Nasdaq Stockholm during the period from and including 12 May 2021 up to and including 24 May 2021. Allotted and vested stock options within the program may be exercised during the period 1 July 2024 up to and including 15 December 2024.

As of the date of the Company Description, there are 36,425 employee stock options held by participants in the program.

Warrant program 2021/2024

At the annual general meeting on 11 May 2021, it was resolved to establish an incentive program to senior executives and other employees in the Company and the Group in Sweden through the issue and transfer of a maximum of 387,300 warrants. A total of 367,300 warrants were acquired by senior executives and other employees.

Each warrant entitles the holder to subscribe for one new share in the Company during the period from and including 1 July 2024 up to and including 15 December 2024. The subscription price is SEK 53.49, which corresponds to 130 percent of the average volume weighted price for the Company's share as quoted on Nasdaq Stockholm from and including 12 May 2021 up to and including 24 May 2021.

As of the date of the Company Description, there are 170,800 warrants held by participants in the program.

Employee stock option program 2020/2023

There are currently 8,125 employee stock options held by incentive program participants under series 2020/2023. After recalculations due to a share split in September 2020, each such employee stock

[44] The extraordinary general meeting also resolved to issue and transfer a maximum of 232,700 warrants in order to hedge the Company's obligations under the program.

option entitles the holder to subscribe for five new shares in the Company. The subscription price is SEK 32.80, and the employee stock options may be exercised up to and including 30 December 2023.

Employee stock option program 2019/2023

There are currently 28,125 employee stock options held by incentive program participants under series 2019/2023A2. After recalculations due to a share split in September 2020, each such employee stock option entitles the holder to subscribe for five new shares in the Company. The subscription price is SEK 32.80, and the employee stock options may be exercised up to and including 30 December 2023.

Shareholders' agreements etc.

Except as what has been described below, as at the date of the Company Description, the board of directors is not aware of any shareholders' agreements, other agreements nor similar that may lead to a change of control over the Company.

Announcements by the major shareholder

In connection with the announcement of the current major shareholder of the Company, Tidnings AB Marieberg's ("**Bonnier**") public takeover offer regarding all shares in the Company, published on 5 December 2022, Bonnier announced that it had entered into an agreement with Cafeyn Group with the intention that Cafeyn Group should become the owner of the non-Nordic businesses of Readly, conditional upon the completion of the public takeover offer. On 27 March 2023, Bonnier announced the final outcome of its offer and informed that it will continue to work towards implementing the transfer of the non-Nordic businesses to Cafeyn Group, and that the transfer of the non-Nordic businesses will take place when and as Bonnier deems appropriate in light of the future ownership structure in Readly and the information available to Bonnier following its completed offer. The common ambition and objective of Bonnier and Cafeyn Group communicated was that the transfer is to be completed as soon as possible and depending on the circumstances, the parties may seek to achieve the intended separation of the non-Nordic businesses by other means, which could mean that, for example, Cafeyn Group may acquire up to 100 percent of Bonnier's shareholding in Readly, and if applicable, that the separation of the non-Nordic businesses instead takes place through a reversed transfer.

On 1 February 2023, Bonnier published a press release announcing that the Swedish Competition Authority (Sw. *Konkurrensverket*) had approved Bonnier's proposed acquisition of Readly by means of the public takeover offer, and that certain voluntary commitments had been made to the Swedish Competition Authority regarding Readly's Swedish operations to ensure competition-neutral treatment of publishers on the Company's platform. In summary and as described in the Swedish Competition Authority's decision (the Swedish Competition Authority's reference number 786/2022), the commitment made means that Albert Bonnier AB and Bonnier has guaranteed, for a period of seven years after the completion of Bonnier's public takeover offer, a continued competitively neutral treatment of publishers on the platform, that publishers will have the same access to data as before the completion of the offer regarding reading behaviour related to their own titles. As part of the commitments, Albert Bonnier AB and Tidnings AB Marieberg have appointed an independent supervising trustee to monitor the compliance with the commitments during the above-mentioned period and to report the compliance to the Swedish Competition Authority. The decision is accompanied by a penalty payment of SEK 150 million that can be imposed if Albert Bonnier AB and Tidnings AB Marieberg do not comply with their commitment.

Listing

The Company's share has been listed on Nasdaq Stockholm, Small Cap, under the ticker "READ" and ISIN code SE0014855292.

The board of directors of the Company has applied for admission to trading of the Company's shares on Nasdaq First North Growth Market and intends to delist the Company's shares from Nasdaq Stockholm in connection with the admission to trading on Nasdaq First North Growth Market. The last day of trading on Nasdaq Stockholm is expected to be on 17 November 2023 and the first day of trading on Nasdaq First North Growth Market is expected to be on 20 November 2023. The Company's share will continue to be traded under the ticker "READ" on Nasdaq First North Growth Market.

Articles of Association

Articles of association Readly International AB (publ)

Reg. no. 556912-9553

Adopted at the extra general meeting on 11 May 2021

§ 1 Company name
The name of the company is Readly International AB (publ).

§ 2 Registered office
The board of directors shall have its registered office in the municipality of Stockholm, county of Stockholm.

§ 3 Business activities
The company shall, by itself or via subsidiaries, conduct consulting business within the areas internet (production and maintenance of websites and databases), advertising, media and communication (production and distribution and sales of digital printed matters such as newspapers and magazines), hold and administrate financial instruments and other assets, as well as conduct other business activities related thereto.

§ 4 Share capital
The share capital shall be no less than SEK 873,000 and no more than SEK 3,492,000.

§ 5 Number of shares
The number of shares shall be no less than 29,100,000 and not more than 116,400,000.

§ 6 Board and auditors
The board of directors shall consist of 3-10 ordinary members.

One or two ordinary auditors or audit firms shall be appointed, with or without a deputy auditor.

§ 7 Notice
Notice of shareholders' meetings must be given by advertising in the Swedish Official Gazette (*Post och Inrikes Tidningar*) and made available at the company's website. That the notice has been given must be advertised in Dagens Industri.

§ 8 Advance notification of participation in general meeting of shareholders
Shareholders who wish to participate in a general meeting of shareholders must be included in a transcript or other representation of the entire shareholders' register on the record date for the general meeting, as determined in accordance with the Swedish Companies Act, and have to give notice to the company of their participation on such day that is stipulated in the notice convening the general meeting of shareholders. Such day must not be a Sunday or other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Years Eve and must not fall prior to the day falling five weekdays prior to the general meeting. Shareholders may be accompanied by one or two assistants provided that the shareholder has so notified the company in accordance with the previous paragraph.

§ 9 Collection of proxies and postal voting
The board of directors may collect proxies at the company's expense in compliance with the procedure set out in chapter 7 section 4 paragraph 2 of the Swedish Companies Act (2005:551).

The board of directors may resolve, ahead of a general meeting of the shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the meeting.

§ 10 Matters of the annual general meeting
At the annual general meeting, the following matters shall be considered:

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Election of one person to certify the minutes.
5. Examination of whether the meeting has been properly convened.
6. Approval of the agenda.
7. Presentation of the annual report and the auditors' report and the group annual report and the group auditors' report.
8. Resolutions regarding
    a. adoption of income statement and balance sheet and the group income statement and the group balance sheet,
    b. decision regarding the profit or loss of the company in accordance with the adopted balance sheet,
    c. discharge from liability of the board of directors and the managing director.
9. Determination of the number of directors and auditors.
10. Determination of fees to the board of directors and to the auditors.
11. Election of the board of directors and auditors.
12. Any other matter to be dealt with by the meeting according to the Swedish Companies Act (SFS 2005:551) or the articles of association.

§ 11 Financial year
The fiscal year of the company shall be 1 January – 31 December.

§ 12 Central securities depository registration
A shareholder or nominee that is registered in the share register and a CSD register on the record date, in accordance with Ch.4 the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), or registered in a CSD account pursuant to Ch. 4 Sec. 18 first § item 6-8 of the aforementioned act, is deemed to have the right to exercise the rights stipulated in Ch. 4 Sec. 39 the Swedish Companies Act (SFS 2005:551).

The English text is for convenience only and in case of any discrepancy, the Swedish text shall control.

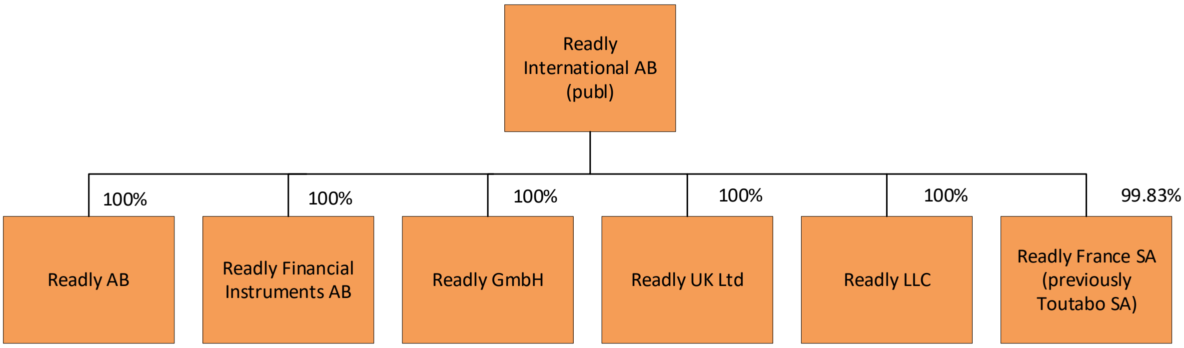
Legal inquiries and other information

General

Readly International AB is a Swedish public limited liability company that was formed in Sweden and registered with the Swedish Companies Registration Office on 4 December 2012. The Company's company name was registered on 21 September 2018. Readly's corporate registration number is 556912-9553 and the registered seat is located in Stockholm municipality, Stockholm County. The Company's operations are governed by the Swedish Companies Act (2005:551). The Company's Legal Entity Identifier (LEI) code is 549300TT4PAJYUCR4952. The address of the Company's head office is Kungsgatan 17, SE-111 43 Stockholm and the Company can be reached by telephone at +46 (0)8 25 67 70. The Company's website is https://corporate.readly.com/.

Legal group structure

Readly is the parent company of the Group and has six subsidiaries, whereof five are wholly-owned. The group structure of the Company is presented below.



Material agreements

Publisher agreements

As of the date of this Company Description, Readly offers content from approximately 1,200 publishers. The publishers Readly has agreements with include publishing houses such as Bauer Media, Condé Nast, Future Publishing, and Hearst Magazines who have global corporations and extend across the UK, USA, Australia, France, Germany, Italy and the Netherlands. Aller Media, Bonnier News, and Egmont Publishing, are key publishers in the Swedish market and Axel Springer, Burda Media, and Funke Mediengruppe in the German market. In France, Readly has cooperations with leading publishers such as CMI and Reworld Media from the magazine sector, and newspapers as Libération and L'Express.

Readly has entered into agreements with these publisher companies which hold the rights to magazine titles for a specific market or an international market. The agreements enable Readly to provide these publishing companies' content in Readly's service in certain geographical markets and to provide a variety of content to Readly's subscribers. Each publisher agreement is not material in itself, instead it is the aggregated amount of publisher agreements that enables Readly to offer a wide range of magazines. Some of the agreements are particularly important as these publishers provide either separate titles or a number of titles, which makes Readly competitive in Readly's core markets, Germany, United Kingdom, Sweden and France.

In the agreements with the publishers, Readly receives a non-exclusive right to distribute, market and promote the content provided by these publishers. The publishers are entitled to a certain percentage of revenue that is generated through the monthly subscription fees from subscribers, so called revenue sharing. This is divided between all publishers according to a detailed points system. Each publisher's remuneration depends on several factors, such as, whether the customer downloads the magazine or only reads specific pages.

As part of the agreements, Readly shall provide user reading statistics to the publishers, consisting of anonymised and aggregated data, for example, the age, gender of the users, country of origin, when and what the user reads and on what type of device the magazine usually is read on.

Historically, the agreements with publishers have in general been entered into for an initial period of 6 months with automatic prolongation by one year at a time unless terminated with 3 months' notice.

Partnership agreements

Readly has entered into several agreements to offer Readly's service through partnerships for the purpose of providing value added services to the partners' customers and to increase Readly's brand awareness and customer base. Readly has a diversified portfolio of partners across many sectors, including telecom providers, energy providers, airlines, retailers and many other brands.

Readly tailors its offering of the service for each partnership to make it available for the partners' customers. Readly grants each partner a non-exclusive right to market, promote and distribute Readly's service in their marketing and sales channels. The pricing or remuneration structure is also tailored for each partnership, for example, (i) the offering of the service is made for a reduced fee or for free to the partners' customers and without any remuneration for any of the parties, (ii) the partner receives the subscriptions fees from the offering of Readly's service and Readly receives a remuneration for each active subscriber and (iii) Readly receives the subscription fees and pays a remuneration for each active subscriber to the partner.

Some agreements restrict Readly from entering into agreements with competing companies within a certain sector. As an example, Readly undertakes in one of the agreements to not provide any services which form the subject matter of the agreement to any other food retail or coffee roasting company, and the partner undertakes to not provide services of the agreement to any other digital distributor of magazines and newspapers. In an agreement with a partner in the airlines industry, Readly undertakes to not enter into a partnership with another Nordic airline company.

A majority of the agreements are valid until further notice with a notice of termination period of three or six months. One agreement is valid for one-year periods with three months' notice of termination before each period and another agreement is valid for one year and is automatically extended by one more year unless either party terminates the agreement by giving three months' notice prior to expiry.

Acquisition of Readly France SA

On 2 November 2021, Readly acquired 98.4 percent[45] of Readly France SA (former Toutabo SA), one of the leading subscription providers in France and owner of the digital subscription provider ePresse. The acquisition strengthened Readly's presence in Europe and gave access to one of the leading French content portfolios.

The purchase price totalled EUR 8.2 million on a cash and debt free basis, corresponding to SEK 102.5 million. Of the total purchase price, EUR 4.3 million (SEK 41.2 million) was expected as future additional purchase consideration to be paid out in the years 2023–2024. This additional purchase consideration

[45] As of the date of the Company Description, Readly owns 99.83 percent of Readly France SA.

is conditional on the achievement of specific targets in terms of user numbers, publisher contracts and commercial partnership contracts and can amount to a maximum of EUR 4.3 million. The valuation of the additional purchase consideration has been based on the discounted value of expected future cash flows. The remaining base consideration of the total purchase price, equal to EUR 3.9 million, was paid upon closing and consisted of cash consideration and, in part, newly issued shares. The fair value of the 678,121 shares issued as part of the base consideration amounted to SEK 21.3 million and was based on the share price of SEK 31.48 per share, corresponding to the volume weighted average price on Nasdaq Stockholm during the 20 trading days preceding 5 October 2021. In July 2023, a lawsuit was filed towards the Company by a collective from the group of sellers, please refer to "*Legal inquiries and other information – Litigations and governmental proceedings*".

Transactions and agreements with related parties

For information regarding related party transactions performed during the period encompassed by the historical financial information in the Company Description, please refer to each note respectively, in the Company's financial reports as below.

- Regarding the financial year 2022, note 27 in the audited annual report for the financial year 2022; and
- Regarding the financial year 2021, note 27 in the audited annual report for the financial year 2021.

The financial reports referred to above, have been incorporated by reference to the Company Description, please see the below section "*Legal inquiries and other information - Documents incorporated by reference*".

Apart from the related party transactions described below, no related party transactions have occurred in the Company as of 31 December 2022 until the date of the Company Description.

Agreements with Bonnier News AB and Bonnier Publications International AS

During the third quarter 2023, the Company entered into two publisher agreements with Bonnier News AB and Bonnier Publications International AS and an advertising agreement with Bonnier News AB. Bonnier News AB and Bonnier Publications AB are in the same group of companies as Readly's major shareholder, Tidnings AB Marieberg. The agreements entered into force upon approval of the extraordinary general meeting held on 10 August 2023 in accordance with the resolution procedure on related party transactions as prescribed in Chapter 16 a of the Swedish Companies Act (2005:551).

The publisher agreement with Bonnier News AB concerns certain magazines and newspapers in Sweden. The annual value of the agreement is estimated to approximately SEK 14 million. Bonnier News AB's revenue share according to the agreement is on average lower than what is applied for closest comparable publishers. The terms of the agreement are materially in line with the Company's established standard distribution agreement with its publishers.

The publisher agreement with Bonnier Publications International AS concerns local editions of certain magazines in Sweden, Finland, Denmark, and Norway. The annual value of the agreement in Sweden is estimated to approximately SEK 2 million. Bonnier Publications International AS' revenue share according to the agreement is on average lower than what is applied for closest comparable publishers. The terms of the agreement are materially in line with the Company's established standard distribution agreement with its publishers.

The advertising agreement with Bonnier News AB concerns an offer regarding discounts on advertising in Bonnier News AB's media channels. The agreement does not include any obligations for the Company. The value of the agreement is dependent on how Readly chooses to use the advertising offers, but payments to Bonnier News AB under the agreement may reach an estimated value of approximately SEK 2-5 million annually, depending on focus markets, channel optimisations, and potential expansions. The discounts are estimated to be on average higher (i.e. lower price level) than for comparable media spendings.

Litigations and governmental proceedings

In November 2021, the Company acquired 98.4 percent[46] of Readly France SA (former Toutabo SA) (for further information on the agreement, refer to section "*Legal inquiries and other information – Material agreements – Acquisition of Readly France SA*"). On 25 July 2023, the certain sellers of Readly France SA filed a lawsuit towards the Company. The lawsuit essentially concerns the earn-out considerations which were agreed upon during the acquisition of the company in 2021. In October 2023, one of the other sellers joined the lawsuit as plaintiff. The total claim in the lawsuit is approximately SEK 18.8 million. If all sellers of Readly France SA would make corresponding claims, the total claim would amount to approximately SEK 21 million. The Company's assessment is that the recognised earn-out considerations in the year-end report 2022 was correct, why no further provision has been accounted for in the Group's financial statements.

Apart from the above, the Company is not, nor has it been during the past 12 months a party to any government agency proceedings, legal proceedings, arbitration proceedings or settlement proceedings (including not yet determined matters or such matters that Readly is aware may arise) that have recently had or could have a material impact on the Group's financial position or profitability.

Intellectual Property Rights

Trademarks

Readly holds various trademark protections, such as for the word READLY in, *inter alia*, classes 09, 35, 41 and 42 in relevant markets such as the EU, Australia, Switzerland, Norway, New Zealand, Singapore and the US. In addition, Readly holds trademark protection for a device mark consisting of four squares in, *inter alia*, the EU and the US for goods and services in class 09, 35 and 41.

Domain names

Readly holds ownership to top domains, such as .se and .com that contains the name READLY in combination with other elements.

Regulatory environment

The Company's shares are intended to be delisted from the regulated market Nasdaq Stockholm and admitted to trading on Nasdaq First North Growth Market, which is a registered SME growth market in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in Swedish law. A listing on Nasdaq First North Growth Market means that the Company will start applying the Rulebook (as defined above) instead of Nasdaq Main Market Rulebook for Issuers of Shares and will therefore be subject to lower regulatory requirements. For example, this entails that the Company, after the admission to trading on Nasdaq First North Growth Market, will only be obliged to disclose half-yearly reports instead of quarterly reports and that the Company may choose to disclose information in English only.

Furthermore, as the Company's shares will be admitted to trading on Nasdaq First North Growth Market, the Company will no longer be subject to certain laws and regulation in Sweden which is only applicable

[46] As of the date of the Company Description, Readly owns 99.83 percent of Readly France SA.

to companies whose shares are admitted to trading on a regulated market, nor will the Company be required, and does not expect, to apply the Code. The Company will following the change of listing venue as described above still be obliged to comply with generally accepted behaviour in the Swedish Securities Market which gain expression in, *inter alia*, the Swedish Securities Councils rulings.

Advisors

Roschier Advokatbyrå AB is the Company's legal advisor in connection with the admission to trading of the Company's shares on Nasdaq First North Growth Market and will receive customary compensation for the advice given. The legal advisor may in the future provide the Company with legal advice within the scope of the daily operations in connection with other transactions.

Certified adviser

FNCA Sweden AB has been appointed Certified Adviser. FNCA Sweden AB does not own any shares or other financial instruments in the Company.

Information from third parties

Information obtained from third parties has been accurately reproduced in the Company Description and, as far as the Company is aware and can ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Important information on taxation

Investors should note that the tax legislation in Sweden or in another state to which the investor has a connection or in which the investor domiciled for tax purposes may impact the proceeds from the securities. Each shareholder should, individually, obtain tax advice to ensure the tax consequences which may arise based on the shareholder's specific situation, including the applicability of foreign legislation, agreements and tax treaties.

Webpage

The Company's webpage is https://corporate.readly.com/. The information on the website is not part of the Company Description unless that information has been incorporated by reference in the Company Description.

Documents incorporated by reference

The following documents are incorporated into the Company Description by reference and thus form part of the Company Description. The parts of the documents below that are not incorporated are either not relevant to an investor or are reproduced elsewhere in the Company Description.

- The audited annual reports for the financial years 2022 and 2021.
- The interim report for the period 1 January 2023 – 30 September 2023

The Company Description and the documents incorporated by reference in accordance with the above will be available in electronic form on the Company's website during the Company Description's period of validity, https://corporate.readly.com/. The articles of association are also available on the website.

Addresses

The Company

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SE-111 43 Stockholm

Sweden

https://corporate.readly.com/

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SE-102 48 Stockholm

Sweden

Legal advisor to the Company

Roschier Advokatbyrå AB

Brunkebergstorg 2

SE-111 51 Stockholm

Sweden

Auditor

Öhrlings PricewaterhouseCoopers AB

Torsgatan 21

SE-113 97 Stockholm

Sweden