



Letter to our Shareholders

Q1
2020



Dear Shareholders,

Everywhere you turn the Corona crisis is present. The news is filled with alarming COVID-19 statistics, people are confined to their homes, many businesses are on their knees and publishers are under a lot of financial pressure. I hope all of you, our shareholders, are staying safe and successfully coping with this world-shattering outbreak.

As a tech platform with digital content we are among the fortunate to be able to maintain operating our business as usual although we have adopted a work-from-home policy. We continue to focus on acquiring new subscribers, retaining our existing subscribers as well as investing in product development.

In this shareholder letter you will find that we are keeping a high pace and that we are adjusting to this new reality and the ground shifting beneath our feet.

Maria Hedengren,
CEO Readly

Latest news during first quarter

» Shareholders' Meetings

You have been invited to attend our Extraordinary Shareholders' Meeting on the 30th of April as previously announced on the 16th of April. Please find the notice on our website. We have also issued a notice to our Annual General Meeting to be held on 25th of May. The notice and our 2019 Annual Report are found on our website. Last date for registering attendance at the AGM is on the 18th of May.

» Corona crisis

We are following the guidelines and restrictions from local authorities in order to protect the health of our staff and their next of kin. We also want to minimize the spread of infection. At this point that means we have implemented temporary company policies for travel, Work-from-home, events and quarantine. We have set up a crisis management team and specific channels for internal communications, and we are closely monitoring recommendations given by health authorities.

We aim to increase the readership of any content from our 800 publishers that can empower people to protect their health, act with compassion and stay positive when we overcome this massive challenge. We are seeing an increase in Readly app downloads in many countries due to a growing interest for reading magazines as the developments of the Corona outbreak are rapid. March downloads over all markets increased by approximately 62 percent compared to March 2019 and 21 percent compared to February 2020. The increased number of downloads can indicate a growing need for distraction as the Corona crisis is unfolding. Many of our 5,000 titles bring a sought-after break from what we're witnessing around the globe at present. In order to meet the needs of the readers, communication and marketing in different channels has been adapted to promote a mix of both Corona-related and entertaining content.

» Got Time? Make It Count.

On March 30, we launched a new branding campaign, planned and produced before the Corona crisis. Consumers in Sweden, Germany, the United Kingdom, the Netherlands, Italy, Austria, Switzerland, Ireland and the United States will for a number of weeks be met by the message Got Time? Make it Count. The campaign, visible in digital channels such as Youtube and Facebook, as well as in TV and other channels, highlights the fact that the time we spend in social media can be used for more meaningful activities - such as reading qualitative content on our platform. With the new branding campaign, we aim to increase awareness of Readly and capture the increased interest in digital magazine reading.

» Several new partnerships during first quarter

We have started off the year welcoming new partners across all markets such as Tallink Silja (passenger cruises), Golfhäftet (golf deals) and H&M (clothing-retail). They all offer Readly to their customers through different marketing channels. In Germany the social networking site Xing is partnering up with Readly to offer their users discounted subscriptions starting in April. The partnership with Swiss supermarket chain Migros started on the 1st of January and consumers can now convert loyalty points to a Readly subscription.

» Product development Q1 2020

Featured articles continue to garner the attention of users. Readership takes place within all categories, ranging from celebrity interviews to in-depth scientific articles. We also note that long-form reading is typical, as articles frequently average over 10 minutes of reading time.

During Q2 2020 we will, amongst other things, release a search feature with improved relevance and usability. This will further open up the long-tail value of Readly's back issues and evergreen content. There will also be a big push for indexing magazine articles on search engines, meaning Readly content will be included as search results on Google.

» Saving paper - one of the motives for trying Readly

We have conducted a survey about Readly among 40,000 of our many subscribers across all our markets. The results show some rewarding and interesting facts about why people try Readly and the high level of usage frequency.

In Sweden, UK and Germany, unlimited reading and the broad amount of magazines are the two most stated reasons why our subscribers tried Readly initially (40%-50%). It is a testament of how our users enjoy reading a variety of magazines and discovering new titles.

As many as one fourth of respondents in Sweden, UK, Germany, the Netherlands and Italy, reported that saving paper was a motive for trying Readly. This is showing a substantial degree of climate consciousness and indicates an interest for the positive effect of digital reading.

Between 82-90% of our subscribers use Readly every week and close to a third use our service every day. We quickly become a part of the daily or weekly routine. It also says something about how we succeed in offering content for any occasion. As more and more consumer products are converting into a subscription service model, it is important to prove the customer value. User frequency is one of our success metrics.

» Readly ranked as one of Europe's fastest growing companies, for the second year in a row

We are delighted to be featured on the FTs top 1000 fastest growing companies in Europe for the second year in a row. Readly is featured in the top ten fastest growing companies in Sweden. [Read more.](#)

» New Publishers and titles

Although digital media consumption has increased explosively over the past month, the Corona crisis is causing major economical damage to publishers. Much of the revenue from print sales and advertising space is now lost. To support our publishing partners, we have begun work to identify measures that can help publishers save time, money and work smarter - for example, by sharing data and insights. We are also looking at various content initiatives that can generate extra revenue through distribution on Readly's platform.

The Stylist Group, Prime Impact Events & Media, Lifestyle Media House and FLM Media AB are all new publishers to join Readly during the first quarter. Our content portfolio is strengthened with numerous new titles from both new and existing publishers such as D.I.Y.mag (DE), Stylist (UK), BBC Scienze (IT) and Quest International (NL).

» Australia and New Zealand - new Readly markets

In the next shareholder letter we will report how our April launch in Australia and New Zealand has rolled out. Their 17 million magazine readers annually is a great potential for us to welcome new subscribers and to digitize the industry.



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