

Stable quarter with increased growth

Interim report presentation

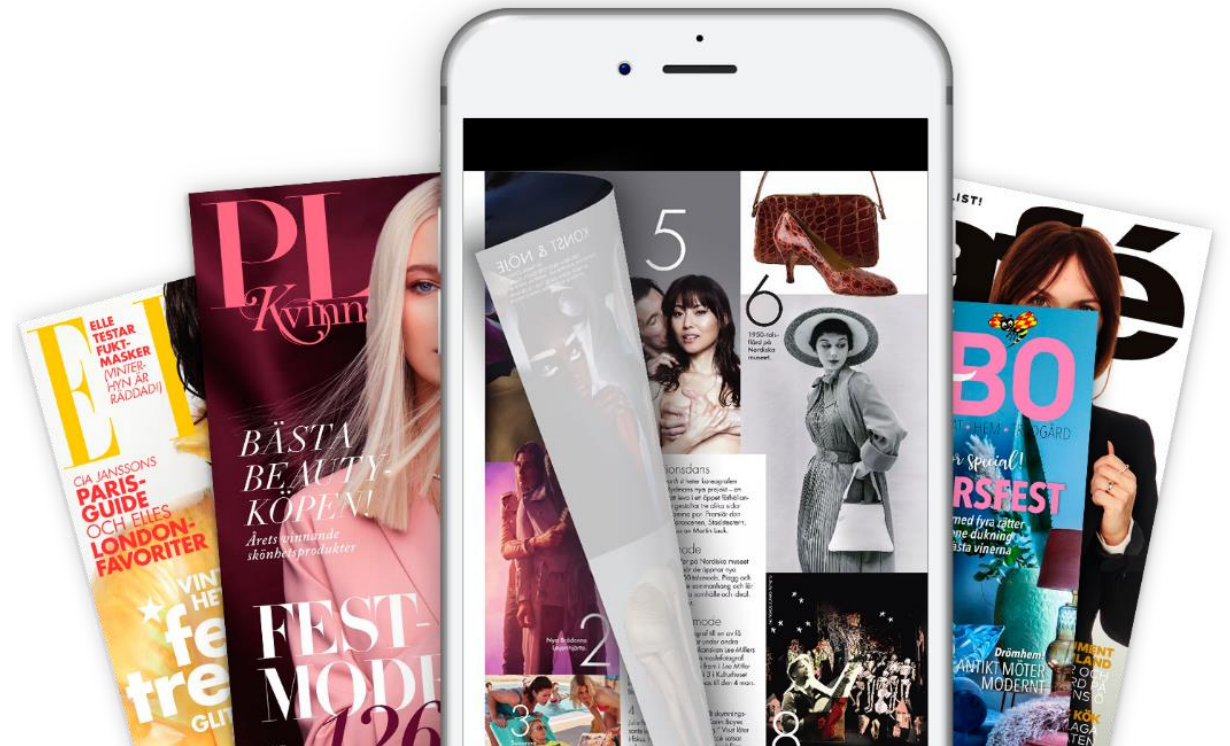
January - September 2020



Maria Hedengren
CEO



Johan Adalberth
CFO



Agenda

This is Readly

Quarterly Highlights

Financial performance Q3

Business highlights

In summary and Q&A



Readly has pioneered the digital magazine industry and is the European category leader

+800

Publishers

~5k

Titles

+140k

Issues

11

Markets

50

Countries

4.7

App Store rating

17

Languages

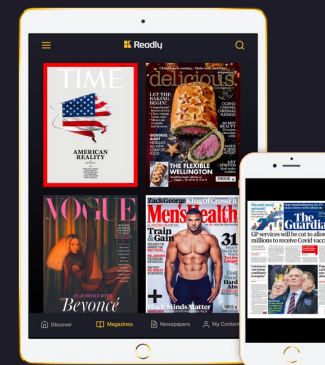
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Offices

PURPOSE

Bringing the magic of magazines into the future

- enabling the discovery and survival of quality content -



✓ EUR 9.99 / month | Unlimited reading

✓ New and back issues available

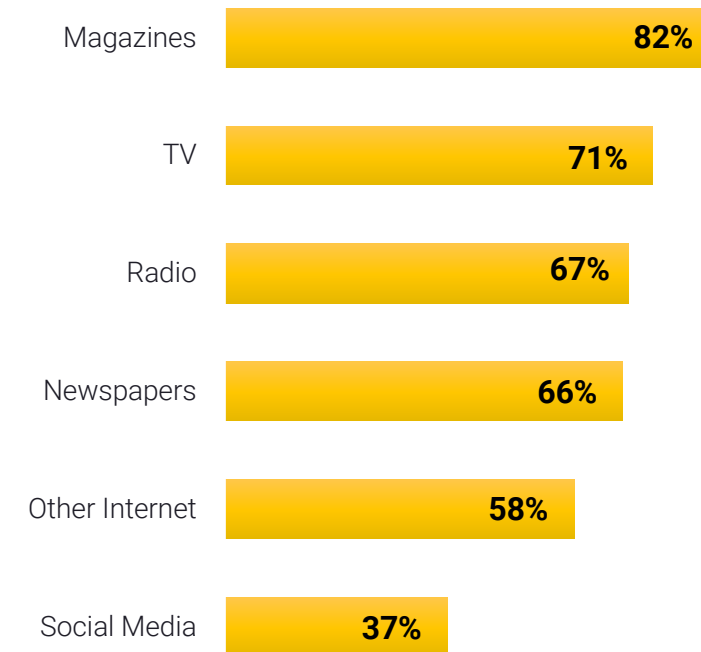
✓ Family sharing | Up to 5 profiles

✓ Offline reading | Downloadable content

Market opportunity

- Global market for Magazine circulation expected to 60bn USD in 2024**
- Digital magazine consumption expected to reach 13% of total revenue from magazine readers in 2024**
- Negative impact on sales of print magazines following Covid-19 pandemic.**
- Increased interest in digital solutions
- Demand for trustworthy and reliable sources of news remains high, 50% names trustworthiness main reason for reading magazines.

Magazines are seen as the most trustworthy media platform*



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Q3 highlights

Increased subscriber and revenue growth rate compared to Q1 and Q2, especially in the UK

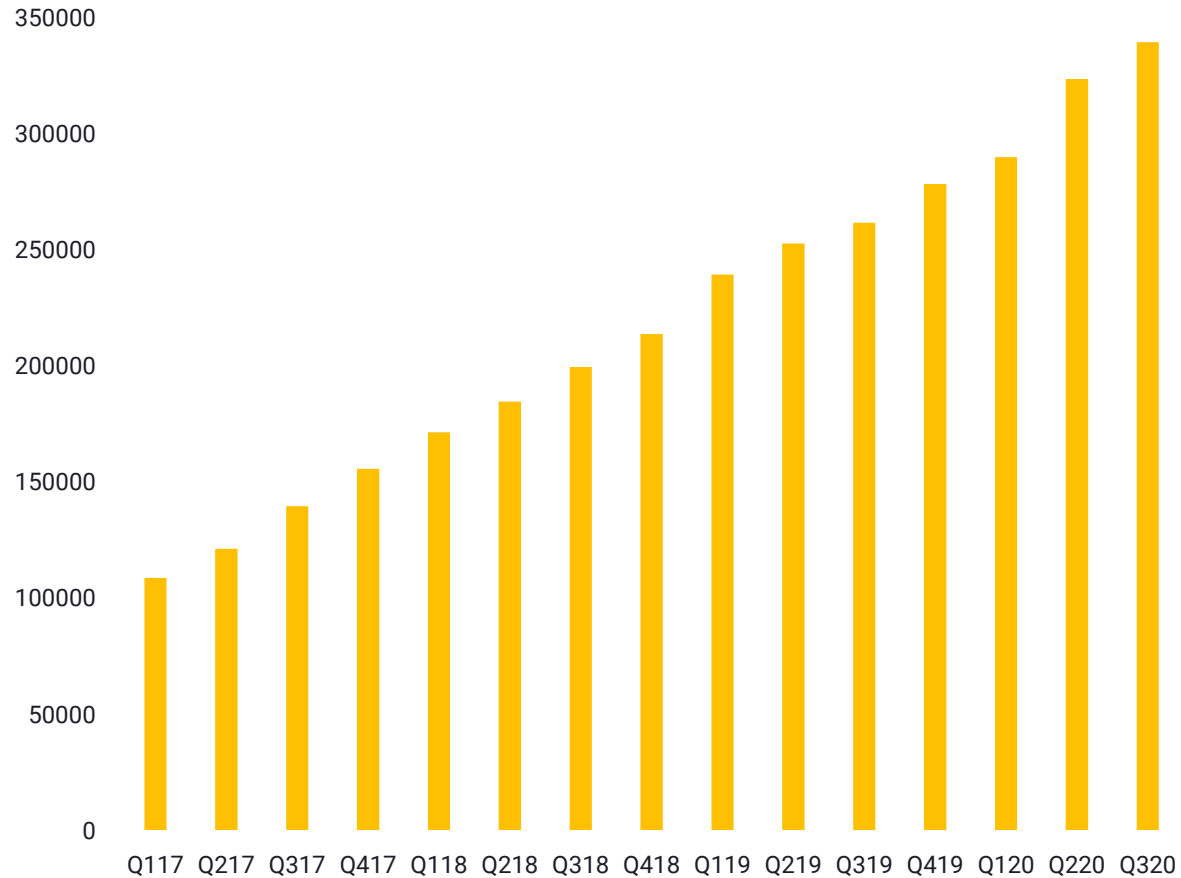
Several improvements to drive engagement among new and existing subscribers, e.g. improved search and more daily news

First day of trading at Nasdaq Stockholm Mid Cap on September 17th 2020. Broadened owner base and capital injection of SEK 450 million

Aller Media and Bonnier notice of termination, however renewed agreement with Aller Media communicated after the end of the period

Development of subscriber base

Number of Full Paying Subscribers (FPS)



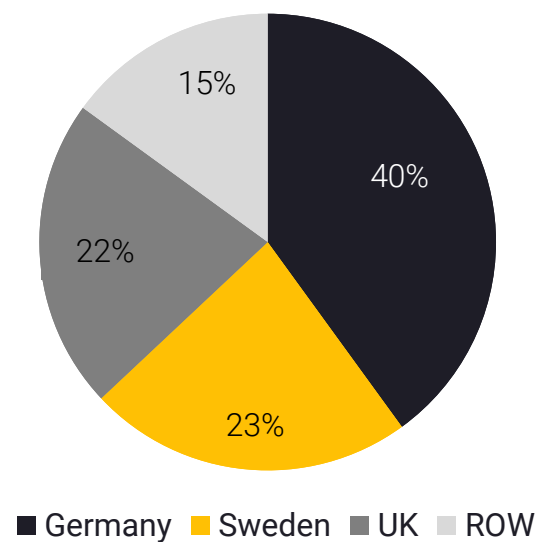
339,557
FPS

+30%
YoY growth

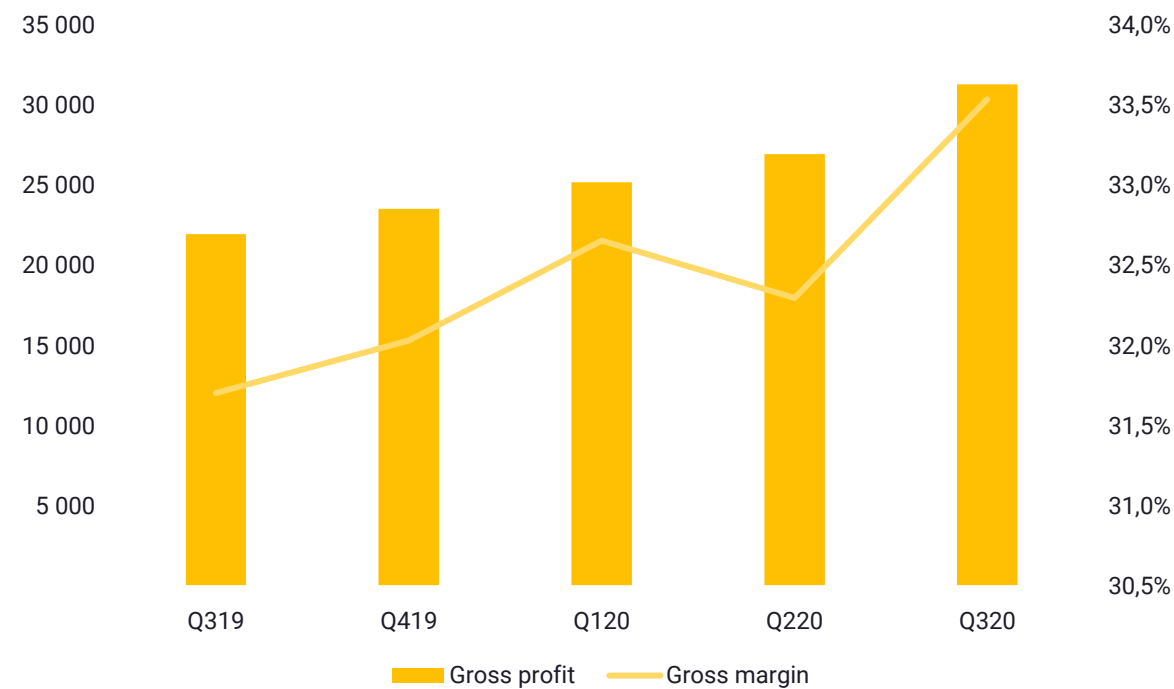
- FPS growing with 30% in the quarter, an increase in growth pace compared to Q1 and Q2
- Double digit growth in all markets, especially in the UK due to e.g. improved conversion and increased intake through partners
- New search function with high relevance, supporting engagement and highlighting our +140k issues
- Klarna payment solution introduced in Sweden

Q3 highlights

34.8% revenue growth to
SEK 93.4 million



Positive gross margin development



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Financial goals

30-35%

Mid-term:
**Uphold an annual organic
revenue growth**

35%

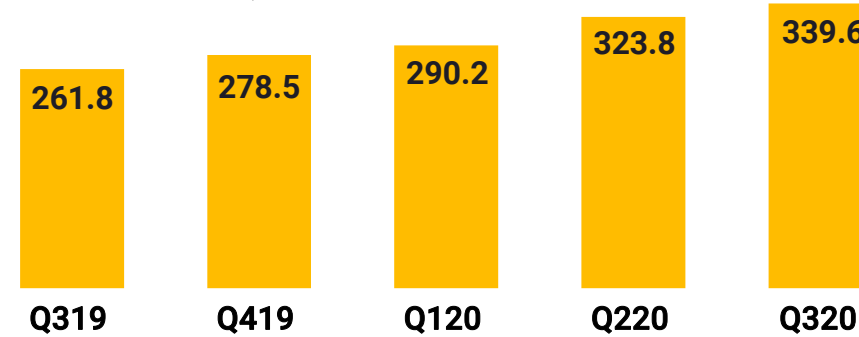
Long-term:
Reach a gross margin of

4-5 years

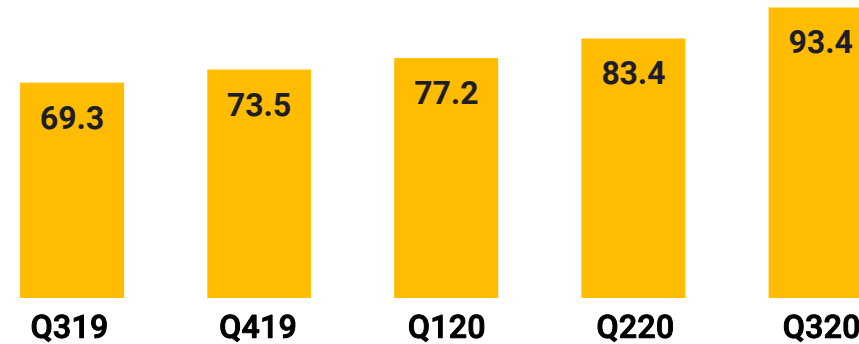
Reach a positive EBITDA

FPS* and revenue development

Number of FPS, thousand



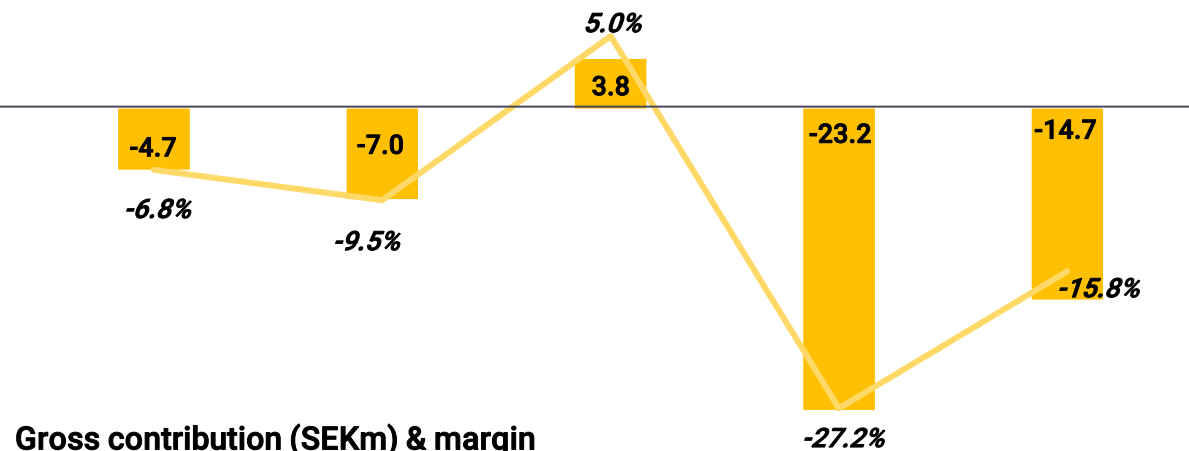
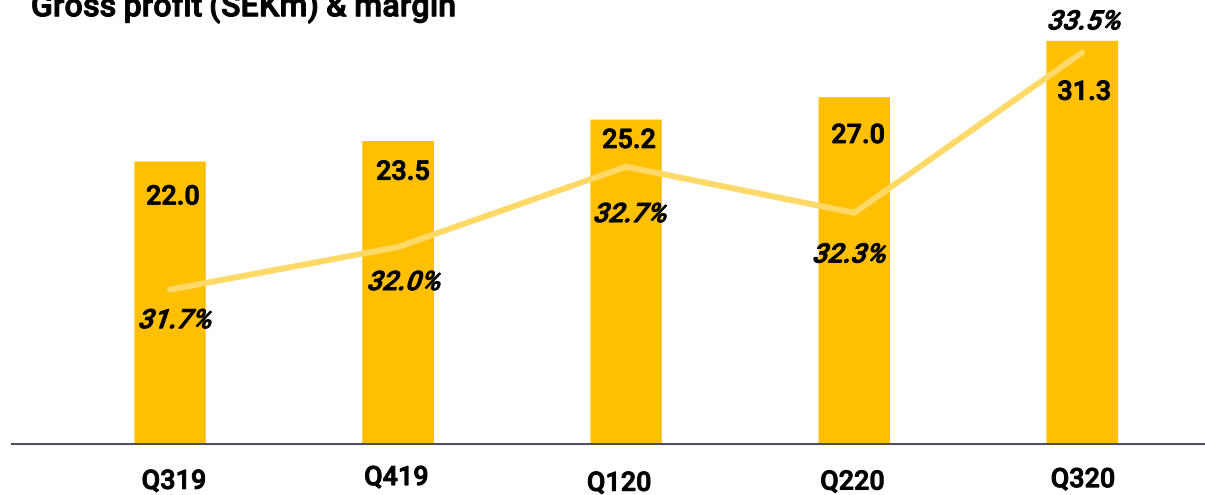
Total revenue, SEKm



*FPS: Full Paying Subscribers

Gross profit & gross contribution

Gross profit (SEKm) & margin



Gross contribution (SEKm) & margin

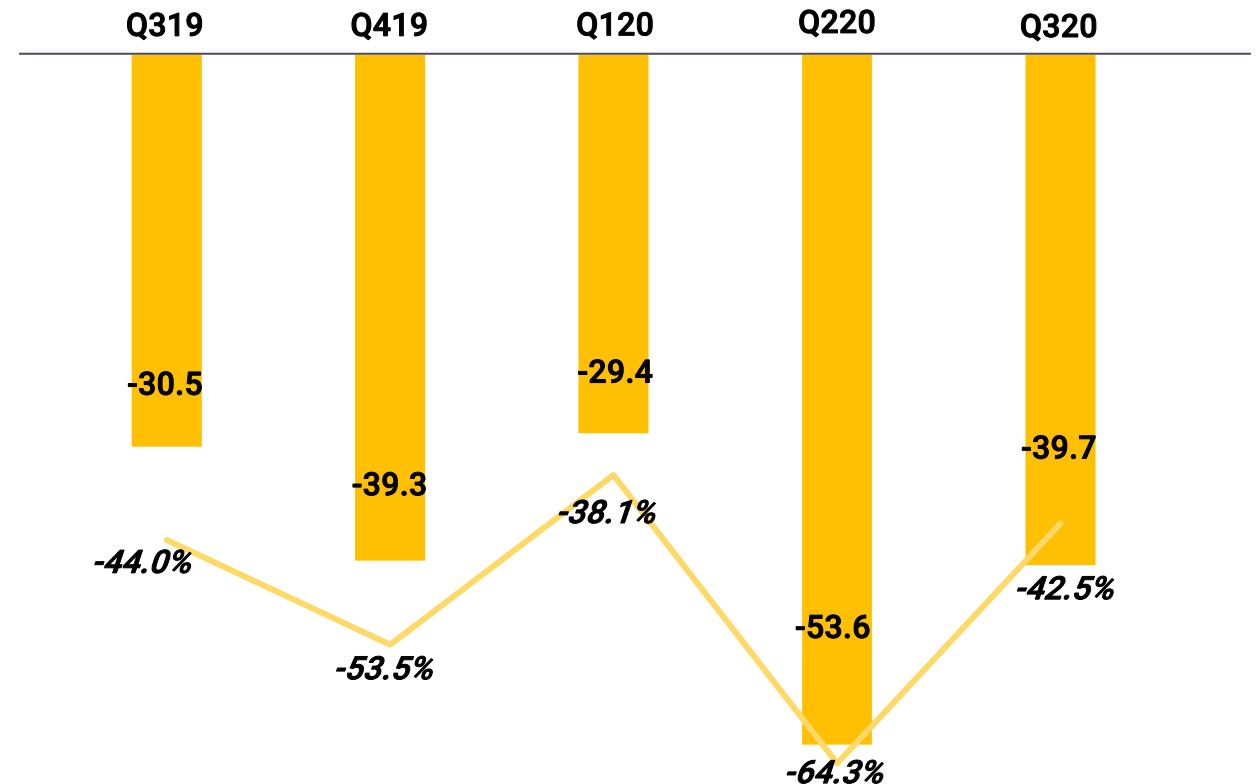
Strong development of gross margin and desired effects from investments in marketing

- Continued gross margin improvements in line with the path to reach our long-term financial goals
- Continued investments in brand awareness
- Channel and market spend optimization

Q3 development according to plan

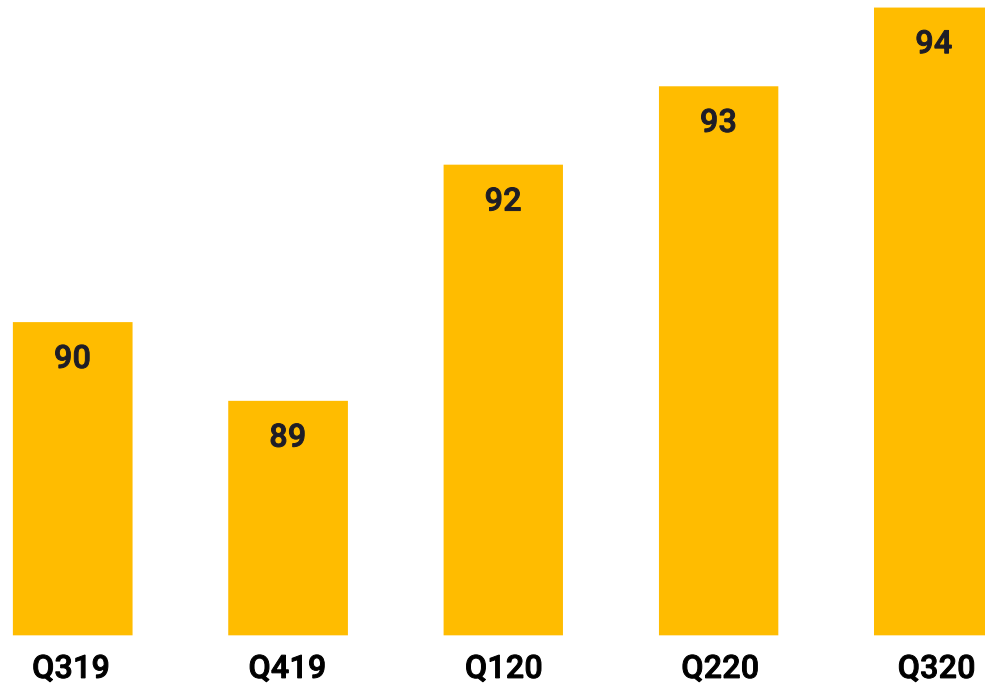
- Significant marketing investments in Q3 although at lower level than Q2
- Personnel costs of SEK -16.5 (-15.2) million expected to increase as investments in product development grow
- Adjusted for items affecting comparability of SEK 9.2 (1.0) million relating to the IPO
- EBITDA expected to positive in 4-5 years in line with our financial goals

Adjusted EBITDA



Other KPIs

ARPU development (SEK)



88%

Monthly Active Users/
Total Paying Users

41%

Daily active users/
Monthly Active Users

- Average revenue per user (ARPU) SEK 94 (90) in Q3
- Positive development is driven by changes in VAT rates
- Continued strong user engagement
- Daily active users/Monthly Active Users (DAU/MAU) development, 41% LTM
- Monthly Active Users/Total Paying Users (MAU) at 88% LTM at the end of Q3 – stable level despite high intake of new readers

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Growing base of trusted top tier publishers

- More than 60 new publisher agreements and around 600 new magazine titles in the first 9 months of 2020
- 32 billion data points deliver insights to publishers about reader behaviour
- Termination from Aller Media and Bonnier News in September, Aller Media renewed after end of period
- Strengthened newspaper offer through new partnerships with Aftonbladet, Reach Plc and The Guardian signed after end of period

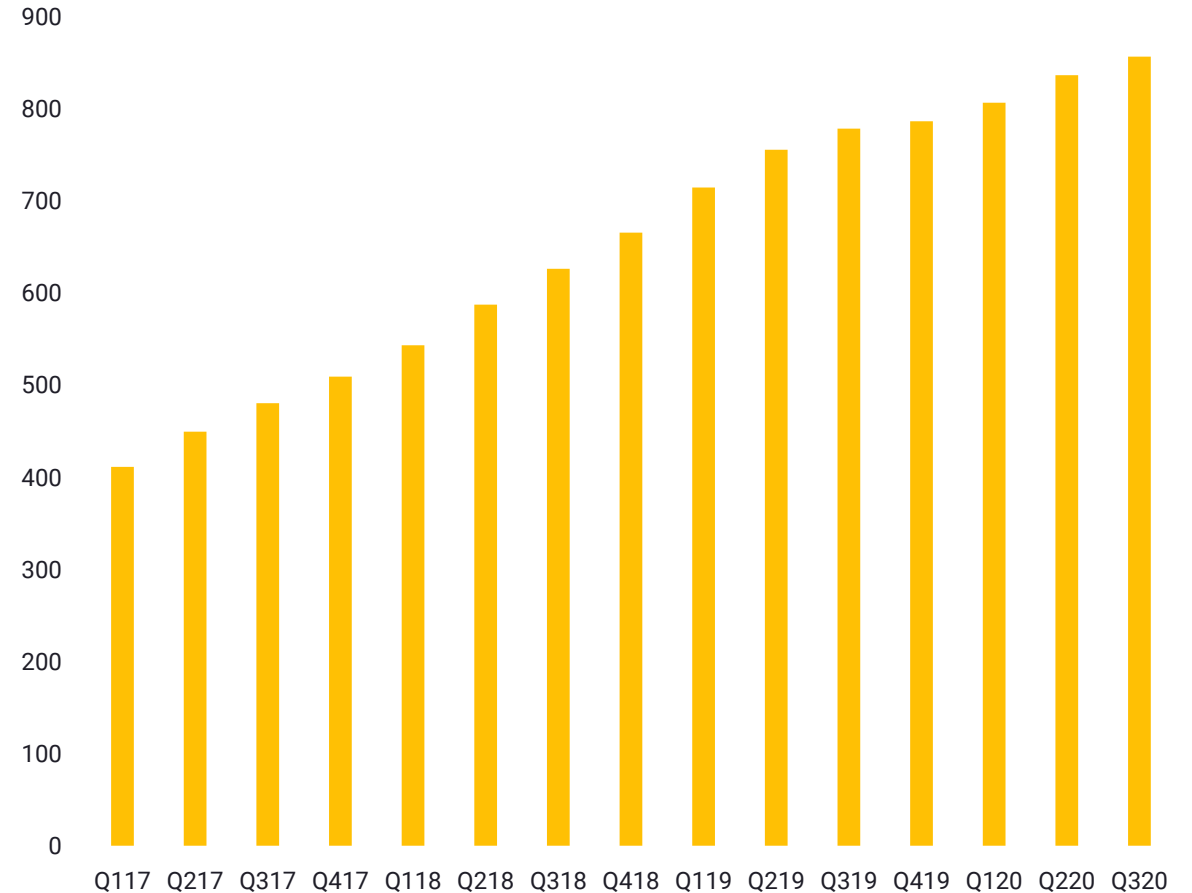
AFTONBLADET

Aller media

DAILY Mirror

The Guardian

Number of publishers



Enhanced growth through strategic partnerships

- Launch of several new partnerships across our markets, e.g Jumbo (NL), Tchibo (DE), Swagbucks (US), Coles (AU)
- Several existing partnerships rolled out internationally – Lidl, H&M, Klarna
- Strategically important channel to increase reach further and strengthen brand awareness
- Good FPS intake in the quarter





2021 and onwards | Focus on partners and product development

Market leader

Readly is well positioned to lead the transformation of digital magazine reading

Product

Development focus on Discovery and Mobile experience on our mission to Bringing the Magic of Magazines into the Future

Data

Readly Insight as enabler for both Readly and Publishers success alike

Subscriber growth

Brand awareness building activities and continued focus on expanding partnerships

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In summary

Strong third quarter with increased growth pace
in line with financial targets

Proven publisher value proposition generating
large interest from publishers, 60+ new agreements
and about 600 new titles YTD

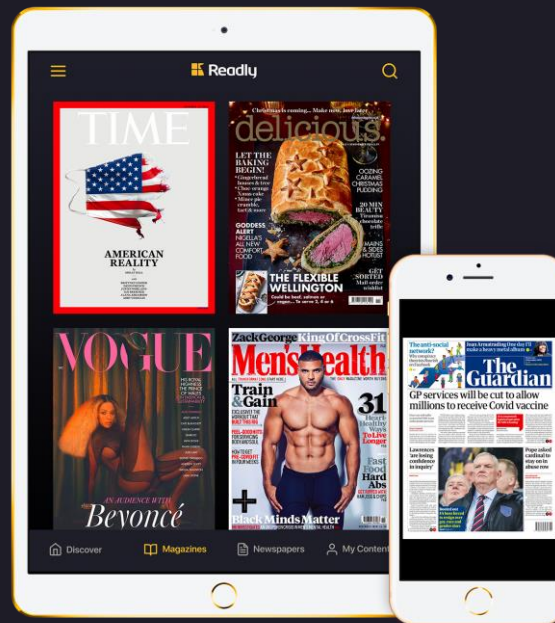
Strengthened offer of newspapers through
a number of new titles

First day of trading at Nasdaq Stockholm Mid Cap
on September 17th 2020. A milestone

Questions?



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