



Press release

7 September 2020

Readly announces offering of shares and a listing at Nasdaq Stockholm and publishes prospectus

Readly International AB (publ) ("Readly" or the "Company"), the European category leader within digital subscription services for magazines, today announces, in accordance with what was communicated 1 September 2020, an initial public offering of new and existing ordinary shares in the Company and a listing of the shares on Nasdaq Stockholm (the "Offering"). The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden. The Company has in connection with the Offering prepared a prospectus which today has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) and published on the Company's web page. The first day of trading in the Company's ordinary shares is expected to commence on 17 September 2020.

The Offering in brief:

- The Offering will be conducted at a fixed price of SEK 59 per share, corresponding to an equity value of all of Readly's shares of approximately SEK 2,168 million, including the new shares to be issued in connection with the Offering.
- The Offering comprises a maximum of 7,627,118 newly issued ordinary shares, and a maximum of 4,576,271 existing ordinary shares offered by the Selling Shareholders¹.
- If all new shares in the Offering are acquired, the Company will receive approximately SEK 450 million in gross proceeds before deduction of costs relating to the Offering. The number of shares sold by the Selling Shareholders in the Offering corresponds to a maximum of approximately SEK 270 million.
- In order to cover any potential over-allotment in connection with the Offering, the Main Shareholder² has committed, upon request of ABG Sundal Collier (the "**Sole Global Coordinator**"), to offer up to an additional 1,830,508 existing shares corresponding to up to SEK 108 million or 15 per cent of the total number of shares in the Offering (the "**Over-allotment Option**").
- Provided that the Over-allotment Option is exercised in full, and the Offering is subscribed in full, the Offering amounts to a maximum of 14,033,897 shares, equal to approximately SEK 828 million, corresponding to approximately 38.2 percent of the share capital and the votes in the Company after the Offering.

¹ Cleantech Europe II Luxembourg Sarl, Joel Wikell, Växjö Cityfastigheter AB, Readly Co-Investment LP, Channel 4 Ventures Limited, Henrik Widov, Fredrik Petrini, Millium AB, State 5 Software AB and Glintsoft AB.

² Cleantech Europe II Luxembourg Sarl.

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- Provided that the Offering is fully subscribed, the number of shares in the Company will increase by 7,627,118 shares from 29,114,330 shares to 36,741,448 shares, corresponding to a dilution of 20.8 percent of the total number of shares in the Company after completion of the Offering.
- Prior to the Offering, eight investors have undertaken to acquire shares in the Offering under certain conditions, and at the same price as other investors, corresponding to a total value of SEK 390 million or approximately 47.1 percent of the Offering, including the Over-allotment Option. The eight investors' commitments are distributed as follows:

Existing shareholders:

- Swedbank Robur Fonder: SEK 70 million
- Tredje AP-fonden (AP3): SEK 30 million
- Consensus Småbolagsfond: SEK 30 million

New shareholders:

- TIN Fonder: SEK 70 million
 - Handelsbanken Fonder: SEK 70 million
 - C WorldWide Asset Management: SEK 70 million
 - Skandia Fonder: SEK 33 million
 - Skandia Liv: SEK 17 million
- The application period is expected to run between 8 September to 15 September 2020 for the general public and between 8 September and 16 September 2020 for institutional investors.
 - The first day of trading for Readly's shares on Nasdaq Stockholm is expected to be 17 September 2020 and expected settlement day is 21 September 2020.
 - The Offering is conditional upon the Company receiving a minimum amount of SEK 300 million in proceeds, before deduction of transaction costs.
 - The shares will be traded under the symbol (ticker) "READ".

About Readly

Founded in 2012, Readly is the European category leader for digital magazines³. Readly offers a digital subscription service for magazines with content from third party publishers. The product can be accessed online or via apps available on all main operating systems. Readly's subscribers have unlimited access to quality content from approximately 800 publishers and editors for a fixed monthly fee. Since the service was launched, Readly has seen a large increase in the number of fully paying subscribers. Readly's core markets Germany, the United Kingdom and Sweden together represented approximately 85 percent of the Company's net sales in the first half of 2020. Readly has subscribers in more than 50 countries and has agreements with publishers to offer local content in 11 countries. Moreover, Readly offers magazines in 17 languages.

The Company has shown significant growth in total revenue over the past years, reaching SEK 265 million in 2019. Total revenue has grown by a CAGR of 44 percent between 2017 and 2019 and all of Readly's core markets had positive organic growth during these years.

³ Among identified "all-you-can-read" competitors in Europe, Readly is defined as the European category leader on the basis of: highest number of magazine titles, relationships with most major publishers in core markets, highest average monthly website visits between October and December 2019 (worldwide) and highest iOS-store rating, PwC Strategy& market study.

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Background and reasons for the Offering

The Main Shareholder and the board of directors of the Company believe that it is an appropriate time to broaden the Company's shareholder base and apply for listing on Nasdaq Stockholm. The Offering and listing will support the Company's continued growth and provide Readly with access to the capital markets and a diversified base of Swedish and international shareholders. Readly also believes that a listing on Nasdaq Stockholm will increase awareness of Readly among subscribers, publishers and the general public.

Assuming that the offering is fully subscribed, the Company's proceeds will amount up to SEK 450 million and approximately SEK 428 million after deduction of transaction costs. The Company intends to use such net proceeds in accordance with the following order of priority:

- Marketing for increased brand awareness, geographical expansion and conversion marketing, 50-60 percent.
- Research and development in relation to Readly's technical product and new services, 15-20 percent.
- General corporate purposes for conducting operating activities, 25-30 percent.

The Offering is conditional upon the Company receiving a minimum amount of SEK 300 million in proceeds, before deduction of transaction costs.

Maria Hedengren, CEO of Readly

"We have received significant interest from institutional investors confirming Readly's European category leadership and attractive investment proposition. Today we are proud to publish the prospectus. The IPO will enable us to continue to develop Readly's offering and the listing provides us with improved access to capital to facilitate our continued growth journey. We look forward to embarking on the next stage of our journey together with existing and new shareholders of Readly."

Patrick Svensk, Chairman of the Board of Directors of Readly

"The IPO marks a new and exciting phase of Readly's growth journey. We believe that broadening the shareholder base, providing additional financial flexibility and enhancing the company's public profile will be an important platform for Readly's future development. We welcome new shareholders to take part in this exciting new chapter."

Prospectus and applications

A prospectus (in Swedish and English), containing complete terms and conditions of the Offering has today been published on Readly's website (<http://corporate.readly.com>), the ABG Sundal Collier's website (www.abgsc.com) under the section "Ongoing transactions", and the Swedish language prospectus will in a few days be available on the Swedish Financial Supervisory Authority's web page (<https://fi.se/sv/vara-register/prospektregistret/>). Applications from the general public should be made through Avanza's (www.avanza.se) and Nordnet's (www.nordnet.se) internet services.

The prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). The Swedish language prospectus has been approved by the Swedish Financial Supervisory Authority in accordance with the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves the prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval should not be considered as an endorsement of Readly or as an endorsement of the quality of the securities that are the subject of the prospectus and does not indicate that the Swedish Financial Supervisory

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Authority guarantees that the facts in the prospectus are correct or complete. Investors should make their own assessment as to the suitability of investing in the Offering.

Preliminary timetable

Application period for the general public	8 September – 15 September 2020
Application period for institutional investors	8 September – 16 September 2020
Announcement of outcome of the Offering	16 September 2020
First day of trading on Nasdaq Stockholm	17 September 2020
Settlement day	21 September 2020

Stabilisation measures

The Sole Global Coordinator may, in connection with the Offering, conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilisation transactions may be carried out on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. However, the Sole Global Coordinator has no obligation to undertake any stabilisation measures and there is no assurance that stabilisation measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering.

The Sole Global Coordinator may use the Over-allotment Option to over-allot shares in order to facilitate any stabilisation transaction. The stabilisation transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The Sole Global Coordinator must, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilisation measures have been undertaken. Within one week of the end of the stabilisation period, the Sole Global Coordinator will disclose whether or not stabilisation measures were undertaken, the date on which stabilisation started, the date on which stabilisation was last carried out as well as the price range within which stabilisation was carried out for each of the dates when stabilisation measures were conducted.

Advisors

ABG Sundal Collier is acting as Sole Global Coordinator and Sole Bookrunner, and Handelsbanken Capital Markets is acting as Lead Manager. STJ Advisors is acting as financial advisor to the Company. Baker McKenzie is acting as legal advisor to the Company, and White & Case is acting as legal advisor to the Sole Global Coordinator and Lead Manager. In relation to the general public, Avanza is acting as Retail Manager and Nordnet is acting as Selling Agent.

For more information, please contact:

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. ABG Sundal Collier is acting for Readly in connection with the Offering and no one else and will not be responsible to anyone other than Readly for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction. A prospectus in connection with the Offering has been prepared and published by the Company on the Company's website.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial

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Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Readly have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Readly may decline and investors could lose all or part of their investment; the shares in Readly offer no guaranteed income and no capital protection; and an investment in the shares in Readly is compatible only with investors who do not need a guaranteed income or capital

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protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Readly.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Readly and determining appropriate distribution channels.