NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE.

Press release
14 September 2020

Readly; Publisher Update

Readly International AB (publ) (”Readly” or the “Company”), the European category leader within digital subscription services for magazines, has been notified that two out of its approximately 800 third party publishers have given, or intend to give, notice to terminate their respective publisher agreements with the Company. More specifically, Aller Media ("Aller") has given notice to terminate their current publishing agreement with Readly, and Bonnier News (including Expressen) ("Bonnier") has informed Readly of an intention to terminate their publishing agreements with Readly.

All eight cornerstone investors (existing shareholders Swedbank Robur, Tredje AP-fonden (AP3), and Consensus Småbolagsfond, together with new investors TIN Fonder, Handelsbanken Fonder, C WorldWide Asset Management, Skandia Fonder and Skandia Liv) in Readly's initial public offering on Nasdaq Stockholm, announced 7 September 2020 (the "IPO" or the "Offering"), have communicated to Readly that this has no impact on their commitment to participate in the Offering for an amount equal to SEK 390 million. Readly’s financial targets and strategy remain unchanged. For regulatory reasons, Readly has prepared a prospectus supplement and filed it to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “SFSA”). The prospectus supplement will be published immediately following approval from the SFSA.

Maria Hedengren, CEO of Readly

“Readly is on a mission to bring the magic of magazines into the future. That journey includes continuous negotiations with our publishers – it is a natural part of our day-to-day business as a content provider. We are of course disappointed as our readers appreciate these magazines but this demonstrates the strength of having 800 publisher partners, which is an important strategic pillar for us. We are committed to continuing the dialogue with Aller and Bonnier. We hope to find a solution to ensure our customers can continue to enjoy these magazines on their preferred platform without interruption. Our financial targets and strategy remain unchanged. We feel as confident as ever that Readly’s value proposition appeals to the vast majority of European magazine publishers, offering them a new revenue stream at no cost, a wide audience with unique access to new readers and valuable data to further support their business.”

Background

Readly is a European category leader, with approximately 5,000 titles from approx. 800 publishers. In total, titles from Aller and Bonnier (including Expressen) contribute 3.8 percent of Readly's total number of titles (30.1 percent of Swedish titles), with 0.9 percent of Readly's global user base reading content from these publishers exclusively (5.4 percent of the Swedish user base).

The agreement with Aller expires in March 2021. The agreements with Bonnier are expected to expire at various dates up to and including the second half of 2021 and content from Bonnier would gradually be removed over this period of time.

Following careful consideration of the potential impact of a removal of the content from Aller and Bonnier, senior management and the Board of Directors of Readly believe that there would be no material impact on the long-term financial goals of the Company if this content were removed. Notably, it is not expected that mid-term compound annual growth rate (CAGR) will be impacted below the mid-term *annual* growth rate target of 30-35 percent, however, growth may be lower than previously estimated in the year 2021. In addition, the Company expects no impact on the long-term financial goals relating to achieving a gross margin of 35 percent, or reaching a positive EBITDA within 4-5 years.

Readly's approximately 800 publisher relationships globally have built up steadily since the Company was founded. Historically, only one significant publisher has ever fully removed its titles from Readly, and in that case the titles were reinstated after a 12-month hiatus, during which period the financial performance of the Company was not impacted.

Nathan Medlock, Partner in the Technology Growth Team at Zouk Capital

"As the largest shareholder in Readly for the past 7 years, Zouk remains committed to continuing to support Readly and its management team in its goal to bring the magic of magazines into the future. We remain incredibly impressed by and honored to work with Maria and her team in delivering fantastic and broad-ranging content from the best publishers in the world to readers, no matter where they live. We very much look forward to the next phase of Readly's growth as a publicly listed company."

The IPO

On 7 September 2020, the Company announced its intention to launch an IPO of new and existing shares in the Company, and a listing of the Company's shares on Nasdaq Stockholm.

A prospectus has been approved by the SFSA and published by the Company. Due to regulatory reasons, following the new information regarding Aller and Bonnier, the Company has prepared a prospectus supplement which has been filed with the SFSA. The Company will publish the prospectus supplement immediately following the SFSA’s approval. All eight cornerstone investors have communicated to Readly that this has no impact on their commitment to participate in the Offering for an amount equal to SEK 390 million.

For more information, please contact:

Contact for investors and analysts:

Maria Hedengren, CEO Readly
maria.hedengren@readly.com

Annika Billberg, Head of Investor Relations Readly
+46 70 267 97 91, annika.billberg@readly.com

Contact for media:

Linnéa Aguero, Head of PR & Communications Readly
+46 72 503 32 31, linnea.aguero@readly.com

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Readly in any jurisdiction, neither from Readly nor from someone else.

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 Unites 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 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 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.