



Readly

INTERIM REPORT

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2021

Strong start to the year with continued solid growth



COMMENT FROM MARIA HEDENGREN, CEO

“We started the year with a strong quarter with continued solid growth. All markets contributed with double-digit subscriber growth and the number of full-paying subscribers grew by 36.8 per cent”

Q1

- Revenue for the period totalled SEK 101.9 million (77.2), an increase of 32.0 per cent.
- The number of full-paying subscribers (FPS) increased by 36.8 per cent to 397,071 (290,156) at the end of the quarter.
- Gross profit increased by 34.4 per cent to SEK 33.9 million (25.2), corresponding to a gross margin of 33.2 per cent (32.7).
- The gross contribution margin for the period was -16.1 per cent (5.0).
- Operating profit was SEK -56.9 million (-37.8), corresponding to an operating margin of -55.9 per cent (-49.0).
- Earnings per share were SEK -1.6 (-1.3) before and after dilution¹.

Key data

SEKt, unless otherwise stated	Jan-March 2021	Jan-March 2020	YoY change, %
FPS (Full paying subscribers), number	397,071	290,156	36.8
Total revenue	101,883	77,179	32.0
ARPU (Average revenue per user), SEK	91	92	-1.3
Gross profit	33,868	25,203	34.4
Gross profit margin, %	33.2	32.7	-
Gross contribution	-16,367	3,826	-
Gross contribution margin, %	-16.1	5.0	-
Operating profit	-56,908	-37,816	-50.5
Operating margin, %	-55.9	-49.0	-
Adjusted operating profit	-56,908	-31,973	-78.0
Adjusted operating margin, %	-55.9	-41.4	-
Net result for the period	-59,465	-36,044	-65.0
Basic and diluted earnings per share ¹ , SEK	-1.6	-1.3	-20.9

¹) Earnings per share for the comparison periods have been adjusted to the number of shares after listing. See Definitions of Key Performance Indicators and calculations, page 23.

ABOUT READLY

All in one app

Readly is a digital subscription service that gives users unlimited access to more than 5,000 national and international magazines – all in one app. Today the company is the European leader in “all-you-can-read” digital magazine subscriptions with users in 50 countries. In collaboration with approximately 900 publishers worldwide, Readly is digitalising the magazine industry.

Our mission is to bring the magic of magazines into the future so that quality content remains something that can be discovered and lives on. In 2020 Readly distributed approximately 140,000 editions of magazines and newspapers that have been read 99 million times. Since 2020 Readly’s shares are listed on Nasdaq Stockholm, Midcap.

USD 60 billion

The global consumer magazine market, measured by advertising revenue and circulation, is estimated to be worth approximately USD 60 billion by 2024, according to a report from PwC. The anticipated annual growth rate for digital magazines is approximately 4 per cent.

397,071 full-paying subscribers
+ 5,000 titles
~ 900 publishers
17 languages in the app



COMMENTS FROM MARIA HEDENGREN, CEO

Strong start to the year with continued solid growth

We started the year with a strong quarter where the number of full-paying subscribers grew by 36.8 per cent to 397,071 (290,156). All markets contributed with double-digit subscriber growth and growth in our core markets was good, with continued strong performance in the UK. Growth was mainly driven by successful partner collaborations and optimisation of our marketing channels.



Revenue increased by 32.0 per cent year-on-year to SEK 101.9 million (77.2), driven by subscriber growth by 37 per cent. Germany accounted for the largest share of net sales, while the UK is poised to overtake Sweden as the second-largest market. Excluding the effects of VAT reductions in 2020 and currency fluctuations, sales for the quarter increased 32.5 per cent. The positive effects on growth in revenue that arose in conjunction with VAT reductions in several of Readly's markets in 2020 will gradually subside during the first half of the year as the respective reductions pass the one-year mark.

Gross margin was stable at 33.2 per cent (32.7). The operating profit declined to SEK -56.9 million (-37.8), mainly due to higher marketing investments compared to the same period last year when they were relatively low. Since then, we have successfully expanded our marketing channels and entered new markets, thereby creating greater growth opportunities. The higher marketing investments during the quarter were in accordance with our plans, and we will continue to invest in campaigns to boost our conversion and long-term brand-building in order to drive growth.

“As the leader in Europe, we want to drive the digitalisation of the magazine industry – an enormous market with a low degree of penetration that is being driven by strong trends such as digitalisation, sustainability and the fact that consumers are increasingly looking for more reliable sources of information.”

COMMENTS FROM MARIA HEDENGREN, CEO

We continue to grow through partnerships

In 2020, we established more than 100 commercial partnerships, and we started this year off at high pace. We initiated 26 new partnerships during the quarter, including Vattenfall in Germany (our first reseller in the energy sector), McDonald's in Austria and Åhléns, Elgiganten, Apotea and Apotek Hjärtat in Sweden. The new tactical partnership with Diet Coke in the UK and Ireland, initiated in March, is particularly exciting. In a joint campaign, Diet Coke customers are being offered the opportunity to test Readly. The partnership is evidence of the growing attractiveness of our brand among major brands.

Daily newspapers increases reader engagement

On the publishing side we started the year by launching three news titles from the German publisher Axel Springer, including BILD, Germany's largest daily newspaper and one of the largest in Europe. During the quarter, the British publisher Reach plc, which we have been collaborating with since 2020, also added their Irish newspapers to Readly's platform. Regional newspapers have also been made available to subscribers with the addition of Scottish titles such as the Daily Record, Sunday Mail and Metro Scotland, together with the Welsh titles Western Mail and Wales on Sunday.

Our portfolio now consists of 34 daily newspapers in total. Our data shows that access to daily newspapers increases overall reader engagement. For example, we can see that reading activity is increasing as regards both total reading time and average reading time per user account, and we have noted a significant increase in subscribers who use Readly on a daily basis in countries such as the UK, where it can be noted that average reading time of daily newspapers per month increased more than 40 per cent over the latest

quarter. Even if it is too early to draw any major conclusions, we are nevertheless seeing signs that our offering of daily newspapers is also having a positive effect on magazine reading. These are valuable insights that support our strategic focus on increasing the number of daily newspapers.

Well positioned for the future

We continue to deliver on our strategy and in accordance with our financial targets and we strengthen our market positions, which in the long run will make us less dependent on individual markets. As the leader in Europe, we want to drive the digitalisation of the magazine industry – an enormous market with a low degree of penetration that is being driven by strong trends such as digitalisation, sustainability and the fact that consumers are increasingly looking for more reliable sources of information. Our long-term vision for our product is to further strengthen our position as a source of inspiration and create an even stronger relationship with our users. We will therefore focus consistently on developing functionality for even more curated and customised content and an inspiring customer experience. I look forward to an exciting year as we continue on Readly's growth journey.



Maria Hedengren,
CEO, Readly

Revenue and operating profit

TOTAL REVENUE AMOUNTED to SEK 101.9 million (77.2) during the quarter, an increase of 32.0 per cent compared with the same period last year. The increase was attributable to the growth in full-paying subscribers. The number of full-paying subscribers increased 36.8 per cent year-on-year to 397,071 (290,156) as per 31 March. Growth in the core markets are good with continued strong growth in the UK and our other markets continue to develop steadily and according to plan. Revenue growth adjusted for currency effects was 37.5 per cent compared with the year-earlier period.

Revenue growth adjusted for VAT and currency effects was 32.5 per cent. The Core markets in Germany, Sweden and the UK account for the majority of revenue growth. Revenue increased 19.0 per cent in Germany to SEK 38.4 million (32.2), 19.6 per cent in Sweden to SEK 23.5 million (19.6), and 65.7 per cent in the UK to SEK 22.8 million (13.8). Growth in the UK was driven primarily by a positive trend in the number of full-paying subscribers as well as by a reduced VAT rate for digital subscription services, and growth adjusted for VAT and currency effects totalled 49.1 per cent. Revenue in other markets grew 47.8 per cent to SEK 15.9 million (10.8).

Gross profit increased by 34.4 per cent during the quarter to SEK 33.9 million (25.2), corresponding to a gross margin of 33.2 per cent (32.7). The positive movement in the margin is partly attributable to an improved share of revenue distribution with publishers and lower transaction costs along with higher revenue from currency effects. The gross contribution for the period was SEK -16.4 million (3.8), corresponding to a gross contribution margin of -16.1 per cent (5.0). The development of the gross contribution margin in the period is due primarily to an increase in marketing spend over the year-earlier period, but was on the other hand impacted positively by an improved gross margin.

Total operating expenses increased by 38.1 per cent to SEK -158.8 million (-115.0). The increase is mainly related to higher costs for marketing activities as well as increased publisher costs associated with revenue growth. Total operating expenses excluding marketing costs increased by 16.0 per cent to SEK -108.6 million (-93.6). Total operating expenses excluding publisher and marketing costs decreased by 2.6 per cent to SEK -40.5 million (-41.6). Last year's quarter contained items affecting comparability operating expenses of SEK -5.8 million attributable to the IPO.

Operating profit for the first quarter was SEK -56.9 million (-37.8), corresponding to an operating margin of -55.9 per cent (-49.0).

Financial items

Net financial items, totalling SEK -2.5 million (1.8), were partly related to the share price movement that resulted in a revaluation effect of warrants that were allocated in connection with the credit facility

that was secured in 2020. The fair value of these was booked as a non-current liability. In the first quarter, Kreos Capital redeemed all warrants issued. The change in fair value on the redemption date was estimated at an increase of SEK 4.0 million. The change has been recognised as a financial expense in a corresponding amount. In addition, financial expenses has increased by interest expenses coupled to the same credit facility. The exchange rate had a positive effect on cash and cash equivalents and also the financial items.

Tax

Tax expenses for the period totalled SEK -43.6 thousand (-35.6). The Group has unutilised loss carryforwards of SEK 809.5 million (583.7) that are not carried in the balance sheet.

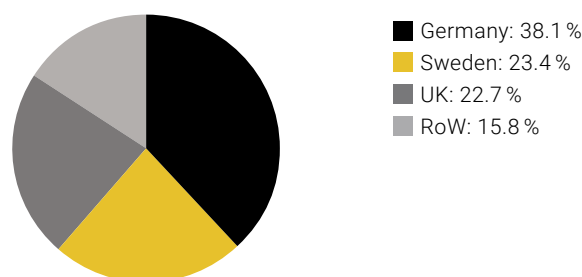
Profit for the period and earnings per share

The Group reported a loss for the period of SEK -59.5 million (-36.0), corresponding to earnings per share of SEK -1.6 (-1.3²) before and after dilution.

Number of employees

The average number of staff including consultants was 119 (94) during the first quarter, of which the average number of employees was 83 (66).

Percentage share of net sales broken down by geographic market for the period January–March 2021



2) The average number of shares and earnings per share have been adjusted in comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 23–25.

Cash flow

CASH FLOW FROM operating activities before changes in working capital was SEK -55.7 million (-35.3). The positive change in working capital of SEK 6.8 million (-11.2) compared with the year-earlier period was mainly attributable to a larger number of publishers and thus higher operating liabilities attributable to accrued marketing costs associated with ongoing growth initiatives.

Cash flow from investing activities was SEK -5.3 million (-3.5), of which SEK -4.2 million (-1.9) pertained to capitalised product development costs.

Cash flow from financing activities was SEK -3.7 million (-0.9). The decrease in cash flow was attributable primarily to a loan secured with Kreos Capital in the second quarter of the preceding year. Amortisation of principal totalled SEK -4.7 million (0) as per 31 March 2021, while interest paid (recognised as cash flow from operating activities) amounted to SEK -1.1 million (0).

15,000 employee stock options (0) were exercised for the subscription of shares, which resulted in an increased cash flow totalling SEK 2.3 million.

31 MARCH 2021 (31 DECEMBER 2020)

Financial position

CASH AND CASH EQUIVALENTS at 31 March amounted to SEK 467.5 million (521.6). The change year-on-year is attributable primarily to marketing costs, which is according to plan and in line with the growth strategy.

The Group's shareholders' equity as per 31 March 2021 amounted to SEK 334.8 million (381.9), which represented equity per share of SEK 9.0 (12.5³). The decrease in equity was related mainly to higher costs for marketing activities as well as publisher costs associated with revenue growth.

Warrants allocated to the creditor upon signing a loan agreement with Kreos Capital were recognised as per 31 December as a non-current liability measured at fair value totalling SEK 5.5 million. Early in the first quarter, Kreos Capital redeemed all warrants issued. The estimated fair value at the redemption date totalled SEK 9.4 million, which was entered as equity in conjunction with the elimination of the liability. The change in fair value was thus estimated as an increase of SEK 4.0 million compared with 31 December 2020, which was recognised as a financial expense in a corresponding amount.

15,000 employee stock options (0) were exercised for the subscription of 1:5 shares, which resulted in a further increase in equity totalling SEK 2.3 million.

The outstanding principal for the loan taken out with Kreos Capital during the second quarter of 2020 amounted to SEK 29.2 million as per 31 March 2021 after transaction costs of SEK 1.9 million, amortisation totalling SEK 18.3 million and interest expenses totalling SEK 8.1 million.

Total current liabilities amounted to SEK 181.1 million (169.3) as per 31 March 2021. The change from the preceding year is attributable primarily to higher publisher payables associated with revenue growth.

Readly's primary strategic priority, both historically and going forward, is revenue growth. As a result of this, Readly reports negative earnings and cash flows for earlier periods and will likely continue to do so in future periods, but this is in line with the company's strategy as decided by the Board of Directors. For further information, see the section Risks and uncertainties on page 10.

3) The average number of shares and earnings per share have been adjusted in comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 23–25.

Market overview

The possibilities for the publishing industry to recoup lost revenue from print and advertising sales had a prominent place among the headlines around the world during the first quarter of the year. As did the debate around publishers' compensation from tech giants use of journalistic content.

A great deal has been said about Australia's demands for Google and Facebook to pay fees to media companies for the use of their journalism. At the end of February, Australia passed a law requiring Big Tech to negotiate remuneration agreements with the publishers, but where the government can determine the amount of remuneration if the negotiations between the parties fail⁴. Several countries, such as Canada⁵ and the UK, may follow Australia's example since there is a large contingent advocating for the regulation of tech companies, which would make it possible for the publishing industry to recover from the economic losses resulting from the internet giants having captured a growing share of the advertising market. In Sweden, several publishers have pointed toward another solution by shifting focus from the advertising business to subscription sales, plus services and paid content. Several of the large media houses earned record profits in 2020⁶. Readly's subscription model, in which the reader pays a fixed fee per month for unlimited access to 5,000 magazines and daily newspapers, has always shared more than 50 per cent of the subscription revenue with the publishers. Overall, we believe that the existence of various initiatives in the industry to secure the financial situation of the media is a positive development.

Consumers' positive response to the subscription model is confirmed by both historical data and recent measurements of consumer attitudes. According to the software company Zuora, the market for subscriptions has increased by more than 435 per cent over the last nine years⁷, as demonstrated by their growth study among companies for subscription-based products and services. The measurement is supported by a customer survey with respondents from 12 different countries that reveals that preferences for subscription services are outpacing outright ownership. This has been accelerated by the restrictions linked to the pandemic.

As regards news subscriptions, interest grew from 12 per cent to 16 per cent among adults in the US between 2018 and 2020. The corresponding figures are 13 per cent (11 per cent in 2018) for the UK and 17 per cent (13 per cent in 2018) for Australia⁸. At the same time, Readly's statistics



show that interest in daily news has a positive impact on reading magazines, and vice versa. One clear example from the UK shows that since Readly added several daily newspapers, nearly one third of our users read both magazines and daily newspapers on our platform.

Readly's global survey from February of last year asked about views on paying for journalism when in many cases it has been freely available for years on the Internet. Among nearly 18,000 respondents in the UK, Germany and Sweden, 40 per cent answered that it was a way of supporting the journalism industry. Nearly as many, 38 per cent, saw it as a way of gaining access to quality journalism.

Altogether, the year started off with several exciting discussions and events that could have a positive impact on the financial future of the publishing industry, with Readly contributing new readers, additional revenue, scope and advanced data insights to support its continued growth – and the growth of the entire media industry – and meet reader demand for inspiration, information and relaxation from reliable, high-quality sources.

4) <https://www.reuters.com/article/idUSKBN2A02ZL>

5) <https://www.reuters.com/article/idUSKBN2A02WD>

6) <https://www.breakit.se/artikel/27933/pandemin-skulle-doda-tidningarna-fortare-an-kvickt-men-det-blev-tvartom>

7) https://www.zuora.com/resource/subscription-economy-index/#mktoForm_2180

8) <https://whatsnewinpublishing.com/the-subscription-economy-has-grown-over-435-in-9-years-and-the-uptick-is-expected-to-continue/>

Significant events

January–March 2021

No significant events occurred in the quarter.

Events after the end of the reporting period

No significant events occurred after the end of the reporting period.

Related-party transactions

Ready International AB (publ) conducts transactions with related parties (subsidiaries) on a continuous basis, consisting of internal Group services. All transactions are conducted on market terms.

Ready has not had any material related-party transactions other than what is stated in Note 7 on pages 88–91 and Note 26 on page 102 of the 2020 Annual Report.

Forecast

Ready does not issue any forecasts regarding future performance.

Risks and uncertainties

Readly has a global service offering and is exposed to a number of risks and uncertainties. Readly categorises its risks and uncertainties into financial risks, business risks, legal and compliance risks, and strategic risks.

Financial risks are related to factors including internal and external reporting, access to capital, currencies, interest rates and liquidity. Business risks refer to risks associated with the effectiveness of Readly's activities, such as outcomes and profitability. Legal and compliance risks comprise risks related to compliance with laws and regulations. Strategic risks are associated with the overarching goals, which are coordinated with and provide support to Readly's mission and vision. The main risks and uncertainties are the business and financial risks, which are described in more detail below. A more detailed analysis of Readly's risks and uncertainties, and how Readly manages these, is provided in Readly's most recent annual report. See also the paragraph on continued operations under the section Significant estimations and assessments on page 20.

Business risks

Readly is dependent on and exposed to risks related to its ability to attract and retain subscribers to use and pay for the company's services, the ability to attract and retain publishers that publish their magazines on the company's service, the ability to continuously innovate and ensure that the service product is appealing to users, the ability to remain competitive with other companies that provide the market with similar services, and risks associated with expansion into new markets. Readly works continuously to develop the offering to subscribers and magazine publishers and to optimise marketing costs, among other things.

Financial risks

Readly reports sizeable losses and negative cash flows as a consequence of the company's continued substantial investments in marketing activities and other activities aimed at achieving growth. Meticulous planning and control of Readly's capital requirement is required. Following the listing of Readly's shares on 17 September 2020, which raised issue proceeds of SEK 450 million before transaction costs, the company has sufficient financial resources to support its growth strategy in the coming years.

If the company does not succeed with its growth strategy or achieve its financial targets, a capital requirement may arise. If this were to occur, a shareholder base is required with available financial resources to be able to support further growth through additional capital contributions. Should new share capital or external borrowing not be available for Readly in connection with a possible future requirement, this could affect growth and the company's ability to meet its obligations. Cash flow forecasts are prepared by the company's finance function, which closely monitors rolling forecasts of Readly's cash position to ensure that the company has sufficient liquidity to meet its operational needs. Readly has large shareholders who are financially strong and conduct long-term planning for their investments.

Uncertainty about the impact of Covid-19

In a business such as Readly's, the spread of COVID-19 could result in a negative financial impact and other consequences. This could affect future availability of continued funding, but could also impact other areas. It is still uncertain what long-term consequences the pandemic will have on the world at large and how this may impact Readly and its continued growth.

As per 31 March 2021, the impact of Covid-19 has not given rise to a need to recognise impairment or make provisions for future obligations. Nor has Readly identified any negative effect on demand or adverse effect on sales growth. Cash flow forecasts and other follow-ups are being performed to a greater extent, where the preconditions are updated as soon as new conditions arise that could affect the company's financial statements and/or continued operation.

Parent company

Readly International AB (publ) is the parent company of the group. The parent company's function is to provide services to other companies in the group and manage shares in subsidiaries. The parent company's expenses pertain mainly to payroll costs for parts of the senior management team and costs for external consultants related to central group functions.

Financial performance in the first quarter of 2021

Revenue for the year totalled SEK 8.6 million (10.4) and pertains entirely to services provided to subsidiaries as well as to brands. The parent company reported a loss for the period of SEK -0.7 million (pos: 0.3), of which net financial items totalled SEK -3.9 million (pos: 0.1). The year-on-year trend in net financial items during the period was attributable primarily to the change in the fair value of the warrants allocated to the creditor upon signing a loan agreement with Kreos Capital in the previous year. In the first quarter of 2021, Kreos Capital redeemed all warrants issued. The estimated fair value at the redemption date totalled SEK 9.4 million. The change in fair value was thus estimated as an increase of SEK 4.0 million compared with 31 December 2020, which was recognised as a financial expense in a corresponding amount.

Financial position as of 31 March 2021 (31 December 2020)

Cash and cash equivalents at 31 March 2021 amounted to SEK 318.6 (390.5) million, a decrease attributable primarily to shareholder contributions rendered in the first quarter.

15,000 employee stock options (0) were exercised for the subscription of 1:5 shares, which resulted in an increase in equity totalling SEK 2.3 million.

Warrants allocated to the creditor upon signing a loan agreement with Kreos Capital were recognised as per 31 December as a non-current liability measured at fair value totalling SEK 5.5 million. The estimated fair value of SEK 9.4 million for the liability at the redemption date was entered as equity in conjunction with the elimination of the liability. The quota value was recognised as share capital, while the remaining amount was recognised against the share premium reserve in unrestricted equity.

Shares in subsidiaries amounted to SEK 660.8 million (600.3⁹⁾ as per 31 March 2021, an increase attributable to capital contributions rendered.

Readly International AB (publ) shares for the period January–March 2021 (31 December 2020)

As per 31 March 2021 the parent company's share capital amounted to SEK 1,116,798, apportioned among 37,226,617 shares. Outstanding employee stock options as per 31 March 2021 totalled 113,750 (128,750) with subscription rights to 1:5 shares. Outstanding warrants as per 31 March 2021 totalled 627,434 (670,273) with subscription rights to 1:5 shares.

Related-party transactions

Readly International AB (publ) conducts transactions with related parties (subsidiaries) on a continuous basis, consisting of internal Group services. All transactions are conducted on market terms. Readly has not had any material related-party transactions other than what is stated in Note 7 on pages 88–91 and Note 26 on page 102 of the 2020 Annual Report.

⁹⁾ The number of shares has been adjusted in comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 23–25.

FINANCIAL STATEMENTS

Condensed Consolidated Income Statement

SEKt	Note	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	2	100,601	76,429	349,828
Other operating income		1,282	750	2,776
Total revenue		101,883	77,179	352,604
OPERATING EXPENSES				
Publisher cost		-68,015	-51,975	-235,545
Other external costs		-64,026	-40,680	-220,224 ¹
Personnel costs		-21,879	-17,586	-76,022
Depreciation and amortisation		-2,751	-2,555	-9,905
Other operating expenses		-2,120	-2,199	-682
Operating result		-56,908	-37,816	-189,775
Net financial items		-2,513	1,807	-7,347
Net result before tax		-59,421	-36,009	-197,122
Income tax		-44	-36	-303
Net result for the period		-59,465	-36,044	-197,424
Net result for the period attributable to the parent company shareholders		-59,465	-36,044	-197,424
Basic and diluted earnings per share, SEK ²		-1.6	-1.3	-6.5
Basic and diluted weighted average number of shares		37,184,903	27,246,160	30,466,591

1) Items affecting comparability associated with the listing of Readly amount to SEK 19,464 thousand).

2) The average number of shares and earnings per share have been adjusted in comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 21–25.

Condensed Consolidated Statement of Comprehensive Income

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net result for the period	-59,465	-36,044	-197,424
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations	502	52	73
Other comprehensive income for the period	502	52	73
Total comprehensive income for the period	-58,963	-35,992	-197,352
Total comprehensive income attributable to the Parent company shareholders	-58,963	-35,992	-197,352

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Changes in Financial Position

SEKt	Note	March 31 2021	March 31 2020	Dec 31 2020
ASSETS				
Non-current assets				
Intangible assets		24,795	18,833	21,925
Property & Equipment		1,299	1,657	1,364
Right of use assets		3,277	7,110	4,542
Other non-current assets	3	8,813	6,886	7,677
Total non-current assets		38,184	34,485	35,508
Current assets				
Trade receivables	3	6,644	5,592	3,242
Other current assets		18,448	29,770	15,803
Cash and cash equivalents	3	467,522	81,227	521,574
Total current assets		492,614	116,589	540,619
TOTAL ASSETS		530,797	151,074	576,127
EQUITY AND LIABILITIES				
Equity	4	334,771	18,799	381,905
Non-current liabilities				
Lease liabilities	3	285	1,974	424
Long-term borrowings	5	14,625	–	19,001
Derivatives	5	–	–	5,477
Total non-current liabilities		14,910	1,974	24,903
Current liabilities				
Trade payables	3	24,448	29,722	24,780
Lease liabilities	3	2,201	4,427	3,359
Short-term borrowings	5	17,553	–	16,248
Other current liabilities		136,914	96,151	124,933
Total current liabilities		181,116	130,301	169,320
TOTAL EQUITY AND LIABILITIES		530,797	151,074	576,127

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

SEKt	Share capital	Other contributed capital	Reserves	Retained earnings (including net loss for the year)	Total equity
Opening balance 1 January 2021	1,111	1,147,373	141	-766,701	381,904
Net result	–	–	–	-59,465	-59,465
Other comprehensive income	–	-17	502	–	485
Total comprehensive income	–	-17	502	-59,465	-58,980
Transactions with owners					
Redemption of warrants	6	11,765	–	–	11,765
Share based remuneration	–	75	–	–	75
Total transactions with owners	6	11,841	–	–	11,841
Closing balance 31 Mar 2021	1,117	1,159,197	643	-826,166	334,771

There are no non-controlling interests in the Group. All shareholders' equity is thus attributable to owners of the parent company.

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Cash Flows

SEkt	Note	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating profit (EBIT)		-56,908	-37,816	-189,775
Depreciation		2,751	2,211	9,548
Other items not affecting liquidity		75	344	1,872
Interest paid		-1,072	-93	-4,406
Paid tax		-581	34	536
Cash flow from operating activities before changes in working capital		-55,735	-35,320	-182,225
Change in working capital		6,797	-11,206	28,181
Cash flow from operating activities		-48,938	-46,526	-154,044
Investments in intangible and tangible assets		-4,287	-2,904	-9,461
Investments in financial assets		-1,047	-621	-1,416
Cash flow from investing activities		-5,335	-3,525	-10,877
Share issues (net of transaction costs)	4	-17	-	508,960
Warrants in connection with new share issue		-	18	6,762
Redemption of warrants		2,328	-	13,990
Loans raised (net of transaction costs)	5	-	-	43,963
Warrants in connection with loans raised	5	-	-	3,489
Repayment of lease liabilities		-1,297	-919	-3,547
Repayment of loans		-4,690	-	-9,605
Cash flow from financing activities		-3,675	-901	564,012
Cash flow for the period		-57,948	-50,953	399,090
Cash and cash equivalents at the beginning of the period		521,574	130,132	130,132
Exchange rate differences related to cash and cash equivalents		3,896	2,047	-7,648
Cash and cash equivalents at the end of the period		467,522	81,227	521,574

FINANCIAL STATEMENTS

Condensed Parent Company Income Statement and Statement of Comprehensive Income

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
OPERATING REVENUES			
Total revenue	8,615	10,422	48,053
OPERATING EXPENSES			
Other external costs	-2,144	-2,675	-23,896
Personnel costs	-3,159	-7,497	-13,376
Depreciation and amortization	-82	–	-246
Other operating expenses	–	–	-530
Operating profit	3,265	250	10,005
Net financial items	-3,932	61	4,811
Net result before tax	-667	311	14,817
Income tax	–	–	–
Net result for the period	-667	311	14,817

Profit for the period corresponds to the parent company's comprehensive income for the period.

FINANCIAL STATEMENTS

Condensed Parent Company Balance Sheet

SEkt	Note	March 31 2021	March 31 2020	Dec 31 2020
ASSETS				
Non-current assets				
Intangible assets		1,310	1,573	1,392
Participations in Group companies		660,757	406,840	600,357
Receivables from group companies		1,200	1,738	1,161
Total non-current assets		663,267	410,152	602,910
Current assets				
Receivables from group companies		26,281	13,688	16,395
Tax receivables		324	–	248
Other receivables		352	3,845	238
Cash and cash equivalents		318,593	21,551	390,500
Total current assets		345,550	39,084	407,381
TOTAL ASSETS		1,008,818	449,236	1,010,291
EQUITY AND LIABILITIES				
Restricted equity		1,117	836	1,111
Unrestricted equity		979,088	429,257	967,952
Equity		980,205	430,091	969,062
Non-current liabilities				
Liabilities to group companies		95	95	95
Derivatives	5	–	–	5,477
Total non-current liabilities		95	95	5,572
Current liabilities				
Account payables		865	2,578	1,072
Liabilities to group companies		18,010	5,621	25,373
Other short-term liabilities	4	9,641	10,849	9,210
Total current liabilities		28,517	19,048	35,655
TOTAL EQUITY AND LIABILITIES		1,008,818	449,236	1,010,291

Notes

Note 1 Accounting policies

Readly applies the Swedish Annual Accounts Act, Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU.

This report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable stipulations of the Swedish Annual Accounts Act and should be read in the same context as the 2020 Annual Report. The most significant accounting policies used in preparing this report are described in Note 1 on pages 80–84 of the 2020 Annual Report.

Changes in IFRS and amendments and interpretations of existing standards that took effect on 1 January 2021 have not given rise to any changes in the reporting of the Group's financial performance or position. In addition, the same accounting policies and bases of calculation used in the 2020 Annual Report have been applied in preparing the financial statements in this report, except as stated below.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2 Accounting for legal entities.

Credit facility and warrants

The exercised amount is apportioned between warrants and borrowing based on fair value. The warrants are reported as a derivative (liability measured at fair value) in the balance sheet. All changes in the fair value of derivative instruments are recognised directly in the income statement on the line Financial income or Financial expense. Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is thereafter recognised at amortised cost, and the difference between the amount received, allocated to the loan, and the repayment amount is recognised in the income statement apportioned over the term of the loan using the effective interest method. In the parent company, the derivative is reported in accordance with RFR 2, whereby derivative instruments with a negative fair value are measured at this value. Please refer to Note 5 for further information.

Note 2 Revenue from contracts with customers

Net sales by geographic region

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Germany	38,354	32,237	140,251
Sweden	23,449	19,644	84,110
UK	22,843	13,789	72,231
RoW	15,905	10,759	53,236
Net sales	100,601	76,429	349,828

Note 3 Classification of financial assets and liabilities

The fair value of current receivables and liabilities recognised at amortised cost corresponds to their carrying amounts, since the discounting effect is not considered to be significant. The fair value of non-current receivables and liabilities recognised at amortised cost is deemed in all essential respects to correspond to their carrying amount. As per 31 March 2021, non-current liabilities attributable to derivatives are measured according to Level 2 in the fair value hierarchy.

NOTES
Note 4 Shareholders' equity

As per 31 March 2021, the Group's share capital amounted to SEK 1,116,798 apportioned among 37,226,617 shares.

15,000 employee stock options (0) were exercised for the subscription of 1:5 shares, which resulted in an increase in equity totalling SEK 2.3 million.

Outstanding employee stock options as per 31 March 2021 totalled 113,750 (128,750) with subscription rights to 1:5 shares. Outstanding

warrants as per 31 March 2021 totalled 627,434 (670,273) with subscription rights to 1:5 shares.

Changes in share capital

The following table illustrates the changes in share capital of Readly International AB (publ) for the 2019 and 2020 financial years. For the sake of comparison, all key performance indicators for earlier periods in the report have been recalculated for the 1:5 share split.

Date	Transaction	Change in no. Shares	Total no. Shares	Change in share capital, SEK	Total share capital, SEK
02/07/2019	New issue	934,518	5,399,238	140,178	809,886
08/08/2019	New issue	8,908	5,408,146	1,336	811,222
25/09/2019	Set-off issue	41,086	5,449,232	6,163	817,385
03/04/2020	New issue (exercise of warrants)	22,100	5,471,332	3,315	820,700
03/04/2020	New issue (exercise of warrants)	1,000	5,472,332	150	820,850
03/04/2020	New issue (exercise of warrants)	350	5,472,682	53	820,902
26/06/2020	New issue	350,184	5,822,866	52,528	873,430
11/09/2020	Share split	23,291,464	29,114,330	–	873,430
21/09/2020	New issue	7,627,118	36,741,448	228,814	1,102,243
19/10/2020	New issue (exercise of warrants)	50,000	36,791,448	1,500	1,103,743
14/12/2020	New issue (exercise of warrants)	190,000	36,981,448	5,700	1,109,443
29/12/2020	New issue (exercise of warrants)	50,000	37,031,448	1,500	1,110,943
11/01/2021	New issue (exercise of warrants)	75,000	37,106,448	2,250	1,113,193
26/01/2021	New issue (exercise of warrants Kreos)	120,169	37,226,617	3,605	1,116,799

NOTES

Note 5 Credit facility and warrants

The credit facility in Readly AB expires on 1 January 2023 and carries annual interest of 10.75 per cent. The total utilised loan amount was EUR 5 million (49.5), while transaction costs for the loan amounted to SEK 1.9 million.

Interest expenses attributable to the loan totalled SEK 8.1 million (0) as per 31 March 2021. Interest paid in the first quarter of 2021 amounted to SEK 1.1 million (0), while amortisation of principal amounted to SEK 4.7 million (0).

One condition for the loan was that the creditor was also granted warrants in Readly International AB (publ). In connection with the signing of the loan agreement, 42,839 warrants were allocated at a subscription price of SEK 168 per share, which was recalculated to SEK 33.6 per share after completion of the 1:5 share split. Since only EUR 5 million of the total EUR 10 million granted was utilised in the credit facility, the creditor has only had the opportunity to utilise 24 034 warrants under the agreement, with a total increase of 120,169 in the number of shares after the 1:5 share split. The warrants were reported as a non-current liability and were measured according to Level 2 in the fair value hierarchy. As per 31 December 2020, the fair value of allocated warrants was SEK 5.5 million. In the first quarter, Kreos Capital chose to redeem all warrants issued. The estimated fair value at the redemption date totalled SEK 9.4 million, which was entered as equity in conjunction with the elimination of the liability. The quota value was recognised as share capital, while the remaining amount was recognised as other capital contributed. The change in fair value was thus estimated as an increase of SEK 4.0 million compared with 31 December 2020, which was recognised as a financial expense in a corresponding amount.

Additional terms for the loan were pledged collateral in Readly International AB in the form of 100 per cent ownership of Readly GmbH (25,000 shares), Readly UK (100 shares) and Readly AB (50,000 shares). In addition, pledged collateral also includes 100 per cent of the registered trademark Readly. Readly International AB (publ) has pledged security for the loan as well as for its own debt.

Note 6 Significant estimations and assessments

In preparation of the financial statements, management must make estimations and assessments, and must therefore make certain estimations and assumptions about the future. Management's estimations and assessments are evaluated on a regular basis based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the prevailing conditions.

The estimations for accounting purposes that result from these, by definition, seldom correspond to the actual outcome. The estimations and assumptions that entail a significant risk for material adjustments of the carrying amounts of assets and liabilities during the financial year are addressed in general below.

Going concern

Readly's financial statements have been prepared in accordance with the accounting policies that apply for a going concern assumption, that is, that Readly will have the ability to continue conducting its business during the foreseeable future. The foreseeable future extends for at least, but is not limited to, 12 months after the end of the reporting period. It is the Board of Directors and CEO who are responsible for assessing the company's ability to continue operating. To be able to make this assessment in a correct manner, consideration must be given to all available information and assumptions about the future. Further, the Board of Directors and CEO continuously monitor circumstances that may affect the assessment of the validity of the going concern assumption, where the most critical risk is access to funding. Since Readly is in a phase of growth, the Group continues to report significant losses. This may lead to strained liquidity and a need to secure long-term funding for the Group.

On 17 September 2020, Readly International AB (publ)'s ordinary shares were listed on Nasdaq Stockholm. The offering was fully subscribed, generating issue proceeds of SEK 450 million before transaction costs. During the second quarter, a new share issue was also conducted with existing shareholders, and the Group entered into a loan agreement with Kreos Capital. The Board of Directors and CEO believe that, after implemented measures, the company's existing working capital with available funding opportunities is sufficient in order for the going rate assumption to be considered to have been met.

Tax loss carryforwards

Unutilised tax loss carryforwards for which no deferred tax asset has been recognised amounted to SEK 809.5 million (582.2) as per 31 March 2020. Since Readly in the coming years will prioritise growth over profitability, the Board has determined that the Group will likely continue to report tax loss carryforwards in the coming years, and thus in accordance with IAS 12, no deferred tax asset is reported for these deficits.

For further information on estimations and assessments, please refer to Readly's 2020 Annual Report, Note 3 on page 86.

Key Performance Indicators

The company presents certain financial measures in the interim report that are not defined by IFRS. The company believes that these Alternative Performance Measures (APMs) provide valuable supplementary information to investors and company management, as they allow evaluation of the company's financial performance and financial position. Since not all companies calculate financial measures in the same way, these are

not always comparable with measures used by other companies. These financial measures shall therefore not be regarded as a replacement for the measures defined in accordance with IFRS. The tables below present certain measures that are not defined in IFRS, and they are therefore defined on page 23 of this report.

SEKt, if other not stated	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
FPS (Full paying subscribers), number	397,071	290,156	369,764
Total revenue	101,883	77,179	352,604
Total revenue growth, %	32.0	30.3	33.2
ARPU ¹ (Average revenue per user), SEK	91	92	93
Gross profit ¹	33,868	25,203	117,059
Gross profit margin ¹ , %	33.2	32.7	33.2
Gross contribution ¹	-16,367	3,826	-38,155
Gross contribution margin ¹ , %	-16.1	5.0	-10.8
EBITDA ¹	-54,157	-35,261	-179,869
EBITDA margin ¹ , %	-53.2	-45.7	-51.0
Operating profit	-56,908	-37,816	-189,775
Operating margin, %	-55.9	-49.0	-53.8
Adjusted operating profit (excl IAC) ¹	-56,908	-31,973	-170,311
Adjusted operating margin (excl IAC) ¹ , %	-55.9	-41.4	-48.3
Total operating expenses	-158,791	-114,995	-542,378
Net result for the period	-59,465	-36,044	-197,424
Items affecting comparability	–	-5,843	-19,464
Net margin, %	-58.4	-46.7	-56.0
Cash flow from operating activities	-48,938	-46,526	-154,044
Average number of employees	83	66	71
Key data per share			
Basic and diluted earnings per share ² , SEK	-1.6	-1.3	-6.5
Basic and diluted equity per share ² , SEK	9.0	0.7	12.5
Weighted number of outstanding shares, basic and diluted ²	37,184,903	27,246,160	30,466,591
Number of outstanding shares at end of the period ²	37,226,617	27,246,160	37,031,448

1) For reconciliation of APMs, see pages 24–25.

2) The number of shares has been adjusted in comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 23.

Key Performance Indicators development

SEKt, unless otherwise stated	2021	2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
FPS (Full paying subscribers)	397,071	369,764	339,557	323,811	290,156	278,555	261,828	252,937	239,633
Total revenue	101,883	98,623	93,350	83,446	77,179	73,498	69,272	62,721	59,248
Total revenue growth, %	32.0	34.2	34.8	33.0	30.3	34.7	35.4	31.6	39.3
ARPU, SEK	91	94	94	93	92	89	90	83	84
Gross profit	33,868	33,595	31,308	26,952	25,203	23,544	21,963	19,763	17,503
Gross profit margin, %	33.2	34.1	33.5	32.3	32.7	32.0	31.7	31.5	29.5
Gross contribution	-16,367	-4,024	-14,722	-23,235	3,826	-6,979	-4,724	-1,049	-3,551
Gross contribution margin, %	-16.1	-4.1	-15.8	-27.8	5.0	-9.5	-6.8	-1.7	-6.0
Operating profit, SEK	-56,908	-41,373	-51,152	-59,434	-37,816	-44,603	-33,421	-33,218	-31,297
Operating margin, %	-55.9	-41.9	-54.8	-71.2	-49.0	-60.7	-48.2	-53.0	-52.8
Adjusted operating profit (excl IAC)	-56,908	-40,302	-41,969	-56,068	-31,973	-41,182	-32,426	-33,218	-31,297
Adjusted operating margin (excl IAC)	-55.9	-40.9	-45.0	-67.2	-41.4	-56.0	-46.8	-53.0	-52.8
Net result for the period	-59,465	-48,048	-47,189	-66,143	-36,044	-46,363	-33,977	-34,216	-32,010

Definitions of Key Performance Indicators and calculations

KPI	DEFINITION	PURPOSE
Average revenue per user (ARPU)	Total revenue divided by the number of FPSs.	This measure is used to identify the share of total revenue that is attributable to each full-paying subscriber.
Earnings per share	Profit/loss for the period after tax in relation to the average number of shares outstanding during the period.	A measure used by investors, analysts and company management to evaluate the value of the company's shares outstanding.
EBITDA	Operating profit excluding financial items, tax, depreciation/amortisation and impairment losses of tangible and intangible assets.	Used as an alternative measure of operating profit that is not affected by historical investments and their accounting treatment, nor by items affecting comparability.
EBITDA margin	EBITDA divided by total revenue.	Used as an alternative measure of the business's profitability.
Equity per share	Shareholders' equity in relation to the number of shares outstanding at the end of the period.	A measure used by investors, analysts and company management to evaluate the company's financial position.
Full-paying subscriber (FPS)	A subscriber who pays 51 per cent 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.
Gross contribution	Gross profit excluding marketing costs.	A measure of the company's gross profit after marketing costs used by investors, analysts and company management to evaluate the company's profitability.
Gross contribution margin	Gross contribution divided by operating revenue.	A profitability measure used by investors, analysts and company management to evaluate the company's profitability.
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	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 periods, and financing and company tax.
Growth in total revenue	Increase in total revenue compared with the preceding period.	Used as a measure of growth in the company's total revenue.
Items affecting comparability	Non-recurring significant items and events attributable to the group's strategy or structure. These are relevant for understanding the group's performance and year-on-year comparisons.	Used to inform about items that affect comparability between different periods.
Marketing costs	External marketing costs related to customer acquisition, campaigns and similar marketing activities.	Used as a measure of marketing costs, regardless of the effect of other operations, items affecting comparability between period, and financing and company tax.
Net margin	Profit/loss for the period divided by total revenue for the period.	Used as an alternative measure of the business's profitability.
Number of shares	Number of shares after 1:5 share split.	To improve comparisons, all key ratios pertaining to the number of shares for earlier periods are calculated based on the number of shares after the 1:5 share split.
Operating margin	Operating profit in relation to operating expenses.	A profitability measure that is used by investors, analysts and company management to evaluate the company's profitability.
Operating profit (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 company management to evaluate the company's profitability.
Total operating expenses	Total expenses excluding interest expenses and tax costs.	Used as a measure of the group's total expenses regardless of the effect of other operations, items affecting comparability between periods, and financing and company tax.

Reconciliation of KPIs

EBITDA & EBITDA margin

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
EBITDA	-54,157	-35,261	-179,869
Total revenue	101,883	77,179	352,604
EBITDA margin, %	-53,2	-45,7	-51,0

Equity per share

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Weighted number of outstanding shares ¹	37,184,903	27,246,160	30,466,591
Total equity	334,771	18,799	381,905
Equity per share	9.0	0.7	12.5

Gross contribution & Gross contribution margin

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Total revenue	101,883	77,179	352,604
Publisher cost	-68,015	-51,975	-235,545
Marketing cost	-50,235	-21,378	-155,213
Gross contribution	-16,367	3,826	-38,155
Gross contribution margin, %	-16.1	5.0	-10.8

Gross profit & Gross profit margin

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Total revenues	101,883	77,179	352,604
Publisher cost	-68,015	-51,975	-235,545
Gross profit	33,868	25,203	117,059
Gross profit margin, %	33.2	32.7	33.2

Net margin

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net result for the period	-59,465	-36,044	-197,424
Total revenue	101,883	77,179	352,604
Net margin, %	-58.4	-46.7	-56.0

1) Earnings per share have been adjusted in the comparison periods for the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 23.

RECONCILIATION OF KPIs
Operating profit and operating margin

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Total revenues	101,883	77,179	352,604
Operating expenses	-158,791	-114,995	-542,378
Operating profit	-56,908	-37,816	-189,775
Operating margin, %	-55.9	-49.0	-53.8

Adjusted operating profit (excl IAC)

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating profit (EBIT)	-56,908	-37,816	-189,775
Items affecting comparability			
Items affecting comparability	–	5,843	19,464
Adjusted operating profit (excl IAC)	-56,908	-31,973	-170,311
Total revenue	101,883	77,179	352,604
Adjusted operating margin (excl IAC), %	-55.9	-41.4	-48.3

Operating expenses

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Publisher cost	-68,015	-51,975	-235,545
Marketing cost	-50,235	-21,378	-155,213
Other external costs	-13,790	-19,302	-65,010
Personnel costs	-21,879	-17,586	-76,022
Depreciation and amortization	-2,751	-2,555	-9,905
Other operating expenses	-2,120	-2,199	-682
Operating expenses	-158,791	-114,995	-542,378

Total revenue growth

SEKt	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Total revenue	101,883	77,179	352,604
Total revenue growth, %	32.0	30.3	33.2

Supplementary information

Stockholm, 6 May, 2021

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Financial calendar

Annual general meeting	11 May 2021
Interim report January-June 2021	12 August 2021
Interim report January-September 2021	11 November 2021
Year-end report and fourth quarter interim report 2021	3 February 2022

Financial reports, press releases and other information are available from the date of publication on Readly's website: www.readly.com.

This information is information that Readly International AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons above at 7:30 a.m. CET on 6 May 2021.

Auditor's review

This interim report has not been audited or reviewed by the company's auditors.

Publication

The interim information provided on pages 2–16 constitutes an integral part of this financial report.

Legal disclaimer

Due to the nature of its business, Readly is exposed to certain risks that may affect its earnings or financial position to a lesser or greater extent. These risks can be categorised as financial risks, business risks, legal and compliance risks, and strategic risks. Management's general view of the risks that the business may be affected by has not changed compared with the description provided in the most recently published annual report, except for what is stated on page 12 related to Covid-19. For a detailed description of the company's risks, please refer to Readly's 2020 Annual Report, page 51 and pages 84–85.

This interim report has been prepared in both Swedish and English. In case of discrepancy between the English and the Swedish version, the Swedish version shall prevail.



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