



Press release

5 October 2021

Readly enters into agreement to acquire Toutabo, the owner of ePresse, establishing a leading position in France

Insider information: Readly International AB (publ) ("Readly"), the European category leader within digital magazine subscriptions, has entered into an agreement to acquire 97.3% of the issued shares in Toutabo SA ("Toutabo", "the Acquisition"), a leading subscription provider in France and owner of the digital subscription provider ePresse, from the founders and the institutional owners (the "Sellers"). The total purchase price amounts to up to approximately EUR 8.2 million on a cash and debt free basis (subject to any post signing adjustments), with an initial consideration of approximately EUR 3.9 million being paid in connection with closing of the Acquisition and an earn-out consideration of up to approximately EUR 4.3 million to be paid before the end of January 2024 subject to certain targets being met. The purchase price will be paid by way of a combination of cash and newly issued Readly shares.

Background and rationale

France is the largest magazine market in Europe and including newspapers it is estimated to be valued at around USD 7.2 billion in 2021, with a digital penetration of approximately 30 per cent¹. Through the Acquisition, Readly adds a best-in-class French content portfolio of more than 1,000 magazines and 300 newspapers from around 280 publishers. The Acquisition will strengthen Readly's European category leadership, with a total offering of over 6,000 magazines and newspapers from over 1,000 publishers. The journey in France will benefit from the combination of Toutabo's leading position, local expertise and strong relationship with publishers and commercial partners, and Readly's tech resources, product development, global reach, and capabilities to create growth. The Acquisition marks the next step in Readly's growth journey and will over time support Readly's financial targets.

*– Entering the French market has been a strategic priority for some time. Through the acquisition we establish a leading position in France overnight with a local team, strong relationships with publishers and great commercial partners. With leading positions in the major European markets we are well positioned for continued growth and expansion. We are thrilled to offer our subscribers an unparalleled European content portfolio now also including best-in-class French titles. The whole team is eager to provide publishers with global reach, increased revenue and a gold mine of insights, as well as partnering up with other companies to bring quality journalism closer to consumers digitally, says **Maria Hedengren, CEO at Readly.***

Toutabo's leading content portfolio includes global magazines such as Cosmopolitan, GQ and Vogue, as well as popular national brands such as Paris Match and Society. Furthermore, the portfolio includes highly regarded newspapers such as Les Echos, Le Journal du Dimanche, and Libération. The portfolio also includes international titles such as the international edition of The New York Times. The portfolio will enable Readly to attract French speaking consumers in existing markets across the world and empower French publishers to further monetise their content and increase their digital footprint.

¹ PwC Global Entertainment & Media outlook 2021-2025.

*– We are thrilled to join a pioneering European category leader like Readly. I am convinced that Readly's global portfolio of content, worldwide reach and product capabilities, will bring exciting growth opportunities and accelerate the digital transformation of the magazine industry. Our shared ambition to make quality journalism easily accessible for a digital audience will ultimately result in increased readership of French magazines and newspapers, both in France and in other French speaking markets. I look forward to joining forces with the Readly team, **says Jean-Frédéric Lambert, CEO at Toutabo.***

Toutabo is a leading French subscription provider with a strong B2C and B2B offering mainly focusing on digital subscriptions of magazines and newspapers through the digital subscription and all-you-can read app ePresse. In 2020, the company reported net sales of approximately EUR 6.6 million, a gross margin of 35 per cent and an EBITDA of EUR -173 thousand. Toutabo has 14 employees and is headquartered in Paris.

Purchase price and lock-up period

The total purchase price amounts to up to approximately EUR 8.2 million on a cash and debt free basis (subject to any post signing adjustments), with an initial consideration of approximately EUR 3.9 million being paid in connection with closing of the Acquisition and an earn-out consideration of up to approximately EUR 4.3 million to be paid before the end of January 2024 provided that certain targets are met. 65.5 per cent of the initial purchase will be paid in cash while 34.5 per cent will be paid in newly issued Readly shares at closing of the Acquisition. The price per share corresponds to SEK 31.47 based on the volume weighted average price (VWAP) for the 20 trading days preceding but not including the date of the announcement of the Acquisition. The shares issued to the Sellers will be subject to lock-up during a period of one year from the date of completion of the Acquisition.

Issue of shares as part of the purchase price

The board of directors of Readly will resolve to issue the shares to the Seller at completion of the Acquisition pursuant to an authorization granted by the annual general meeting 2021. The shares issued as part of the initial purchase price represent 1.8 per cent of the total number of shares and votes in Readly on a fully diluted basis. By issuing the shares, the number of shares and votes increase from 37,226,617 by 672,210 to 37,898,827. The share capital increases from SEK 1,116,799 by SEK 20,166 to SEK 1,136,965.

Completion of the Acquisition

Completion of the Acquisition is expected to occur on or around the end of October 2021.

Webcast

A conference call for analysts and investors will take place on October 6, at 10.00 CET. Maria Hedengren, CEO and Johan Adalberth, CFO, will present and answer questions.

To listen to the conference by phone, please call:

SE: +46 856642651 PIN: 21827592#
UK: +44 3333000804 PIN: 21827592#
FR: +33 170750711 PIN: 21827592#
DE: +49 6913803430 PIN: 21827592#
US: +1 6319131422 PIN: 21827592#

Follow the presentation live on:

[Link to audiocast](#)

Presentation will be available for download on:

<https://corporate.readly.com/investors/financial-reports-and-presentations/>

Advisor

Baker McKenzie is acting as legal advisor and BDO as financial advisor to Readly in relation to the Acquisition.

Responsible persons

This information is information that Readly is obliged to make public pursuant to the EU Market Abuse Regulation and the Financial Instruments Trading Act 596/2014. The information in this press release has been made public through the agency of the contact person set out below at the time specified by Readly's news agency Cision by publication of this press release. Contact person set out below can be contacted for further information.

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About Readly

Readly is the European category leader for digital magazines. The company offers a digital subscription service that lets customers have unlimited access to 5,000 national and international magazines - all in one app and at a fixed monthly fee. Readly has subscribers in 50 countries and content available in 17 different languages. In collaboration with around 900 publishers worldwide, Readly is digitizing the magazine industry. In 2020, revenues amounted to SEK 353 million. Since September 2020, the Readly share is listed on Nasdaq Stockholm Midcap. For more information, please visit <https://corporate.readly.com>.