



Press release

31 March, 2022

Readly initiates actions to increase revenues and reduce costs to further support the path towards profitability

Readly International AB (publ) is today announcing plans to restructure its workforce and take measures to further improve the company's competitive position. The restructuring includes a reduction of approximately 30 positions including consultants. Product development and innovation will see further investments and the recent price increase in the UK will be followed by additional markets during 2022. By taking these steps, Readly will be better positioned to drive cost-efficient growth and to reach its financial targets.

Readly will take the following actions:

Workforce restructuring: Readly will reduce its workforce, impacting approximately 30 positions. Cost savings will come into effect from the third quarter and amount to around 18 million SEK for 2022.

Price increases: Readly successfully increased the subscription price in the UK from 7.99 to 9.99 GBP in December 2021. Price increases are planned for additional markets in 2022.

Increased investments in product development and innovation: Readly will increase these investments, both in relative and absolute terms, to further improve the user experience, drive innovation and product lead growth.

Further focus on established markets: Readly's geographic footprint will remain unchanged, but marketing investments will be allocated to markets with the best return on investment. Lifetime value in relation to acquisition cost per subscriber will remain an important KPI.

Reallocated and reduced marketing spend: Focusing on established markets, where there are greater returns on marketing investments, Readly aims to reduce its marketing spend while still maintaining the revenue growth target of 25% per year.

The combined measures will make Readly better positioned to drive cost-efficient growth in line with the company's 25% annual revenue target and to reach its financial targets of profitability at EBITDA level by 2025 and a long-term gross margin of 35%.

*– While several of the initiatives we announce today include making tough decisions, they are necessary to ensure we gain further momentum in our efforts to grow more profitably. By investing more in product development, we will also increase the value we deliver to our subscribers, publishers and partners, and our competitiveness in the longer term. Our commitment to our financial targets remains intact, says **Mats Brandt, interim CEO at Readly.***

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 7,500 magazines and newspapers. Readly has subscribers in more than 50 countries and content available in 17 different languages. In

collaboration with 1200 publishers worldwide, Readly is digitising the magazine industry. In 2021, revenues amounted to SEK 466 million. Since September 2020, the Readly share is listed on Nasdaq Stockholm Midcap. For more information, please visit <https://corporate.readly.com>.

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