Readly

Annual Report 2022


Readly
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for the new,
healthier you
50
WAYS TO
EAT WELL
& SPEND
LESS...
Moussaka
ragu
Freezer-finds
fish pie
Beef burrito
rolls
Veggie
rice bowl
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European leader in digital subscriptions

Readly is a digital subscription service that offers access to 7,000 magazines and newspapers.

Number of editions
In 2022, Readly distributed around 290,000 magazine and newspaper editions.

150m
Number of editions read
In 2022, editions were read on Readly around 150 million times in total.

Readly's shares have been listed on Nasdaq Stockholm since September 2020.

17
Number of languages
Readly is available in more than 50 countries.

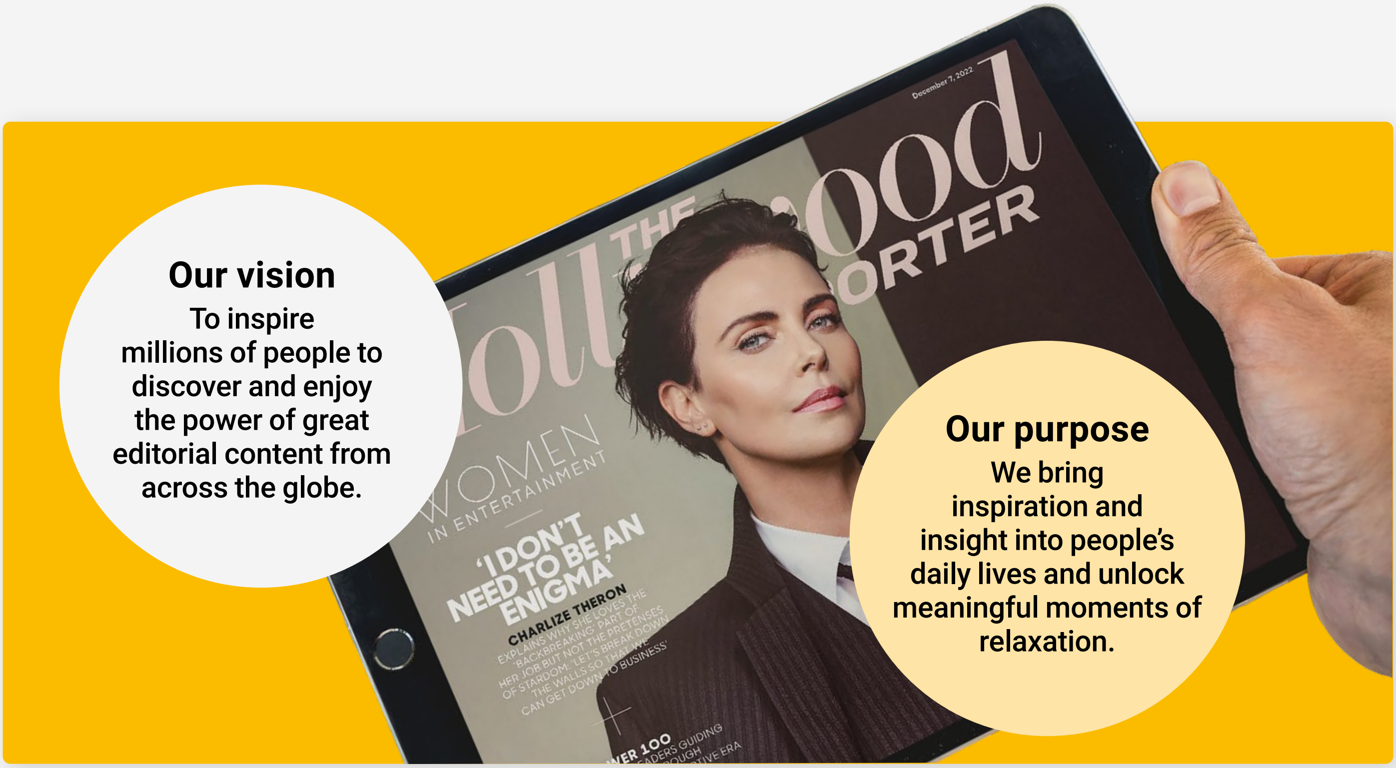
452,466
Number of full-paying subscribers
Readly's biggest markets are Germany, the UK, Sweden and France.

7,000
Number of titles
During the year, Readly added more than 1,260 new magazines and more than 220 newspapers, including regional and local editions.

1,200
Number of publishers
Readly is digitalising the industry, in collaboration with approximately 1,200 publishers worldwide. Readly set up partnerships with 160 new publishers during the year.

4.7
App rating
Highly rated by users.

>50
Readly is available in more than 50 countries
We are now the European leader in "all-you-can-read" subscriptions for digital magazines and newspapers, with subscriptions in more than 50 countries.



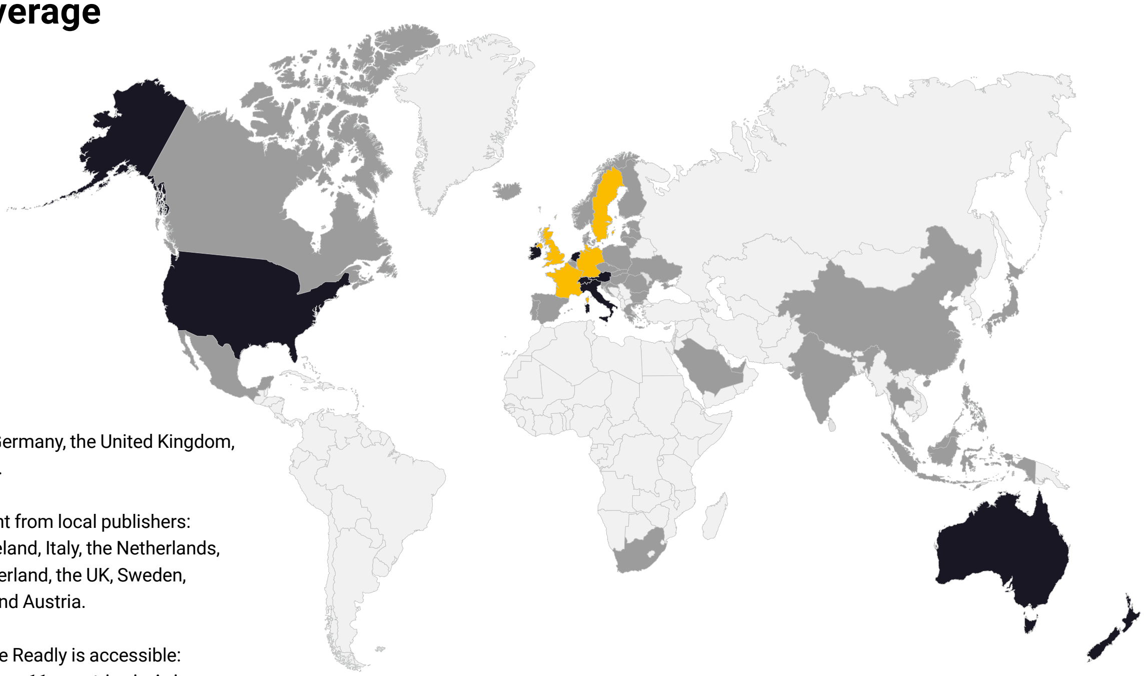
Our vision

To inspire millions of people to discover and enjoy the power of great editorial content from across the globe.

Our purpose

We bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation.

Readly's coverage



- Our Core markets: Germany, the United Kingdom, Sweden and France.
- Markets with content from local publishers: Australia, France, Ireland, Italy, the Netherlands, New Zealand, Switzerland, the UK, Sweden, Germany, the USA and Austria.
- Other markets where Readly is accessible: 25 countries in Europe, 11 countries in Asia, and in Canada, Mexico and South Africa.

2022 in brief

27%
growth in revenue compared with 2021.

34%
gross margin compared with 33.5% at the end of 2021.

453 k
number of subscribers at 31 December 2022.

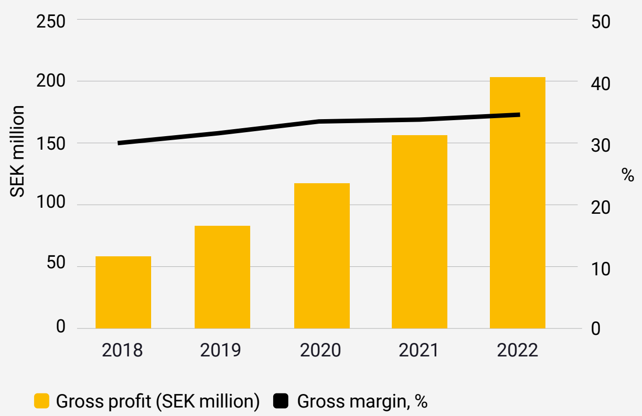
FINANCIAL TARGETS

25%
total revenue growth between 2021 and 2024 (CAGR).

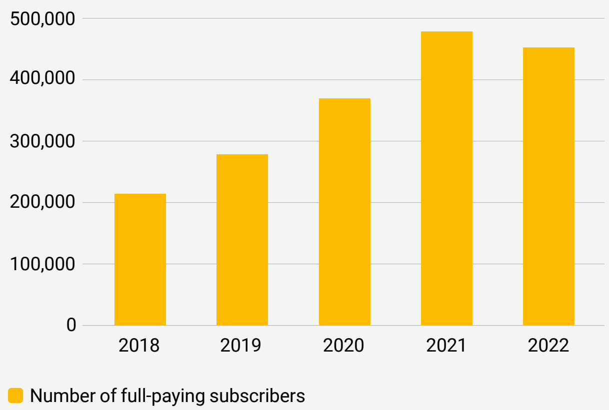
+35%
Over the long term, achieve a gross margin of at least 35%.

2025
Make Readly profitable at EBITDA level by 2025.

DEVELOPMENT OF GROSS PROFIT AND GROSS MARGIN



DEVELOPMENT OF FULL-PAYING SUBSCRIBERS



THE YEAR 2022 saw a range of initiatives to increase revenue, reduce costs and increase the pace towards profitability. Readly has boosted its investments in product development to further improve the user experience and product-driven growth. Investments in marketing decreased compared with 2021 and are now mainly directed towards markets and channels that show a high return relative to each subscriber's lifetime value. Price increases of 20–25 per cent have been introduced on every market except Sweden and France with a good level of acceptance. As a result, greatly improved profit and strong revenue growth have been reported during the year, and Readly is well positioned to deliver cost-efficient growth and achieve the Company's financial targets.

WITH THE LAUNCH of Readly in France, through the acquisition of Toutabo SA, Readly now has a leading position in its core markets Germany, the UK, Sweden and France. Agreements with Disney (UK), Dotdash Meredith (US), Hearst Magazines (US) and Svenska Dagbladet (SE) were signed during the year, creating new opportunities for growth. In 2022, Readly launched partnerships with 160 new publishers. 1,260 magazines and 222 newspapers were added to the "all-you-can-read" offer, which now includes 7,000 titles in 17 languages. Readly also began investing in audio-based services through the launching of podcasts, with an initial phase that includes 50 podcasts from British and Swedish publishers. The podcast offer aims to increase the use of Readly and to reach new audiences.

READLY'S PRODUCT DEVELOPMENT has been focused on improving the user experience and the key performance indicators for conversion, engagement and customer retention. This has included a number of launches designed to make the discovery of mobile-friendly content easier, and a new system for browsing the growing range of local and regional newspapers has been released. This has had a positive effect on reading figures has consequently been noted, with 15 per cent more issues of newspapers opened in 2022 compared with 2021.

AT THE END OF THE YEAR, an updated strategy was developed, with a clear agenda for continued product-led growth and a even stronger position as the European "all-you-can-read" leader. There is a still a long way to go in the digitalisation of the magazine and newspaper industry, and Readly is well-positioned for increased growth and to achieve profitability by 2025.

Dividend policy

Readly's Board of Directors does not intend to propose a dividend in the short or medium term, but instead intends to use any cash flow that is generated for continued investments in growth. Each year the Board of Directors will evaluate the possibility of proposing a dividend after taking into consideration the development of the business as well as its operating profit/loss and financial position.

KPIs, MULTI-YEAR OVERVIEW

Group (SEK thousand)	2022	2021	2020	2019	2018
FPSs (full-paying subscribers), number	452,466	478,362	369,764	278,555	213,910
Total revenues	591,613	466,308	352,604	264,739	195,950
ARPU (average revenue per user), SEK	102	92	93	87	86
Gross profit	203,191	156,127	117,059	82,773	58,319
Gross profit margin, %	34.3	33.5	33.2	31.3	29.8
Gross contribution	106,417	-33,780	-38,155	-16,303	-15,439
Gross contribution margin, %	18,0	-7.2	-10.8	-6.2	-7.9
Operating profit/loss	-142,471	-209,528	-189,775	-142,539	-106,976
Operating margin, %	-24.1	-44.9	-53.8	-53.8	-54.6
Adjusted operating profit/loss	-104,823	-204,943	-170,311	-138,123	-106,976
Adjusted operating margin, %	-17.7	-44.0	-48.3	-52.2	-54.6
Profit for the year	-119, 960	-219,601	-197,424	-146,565	-107,980
Earnings per share before and after dilution [1]	-3.2	-5.9	-6.5	-5.9	-5.5

1) Earnings per share for the comparison periods have been adjusted for the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on pages 105–108.

Highlights of the year

Increase in newspaper reading

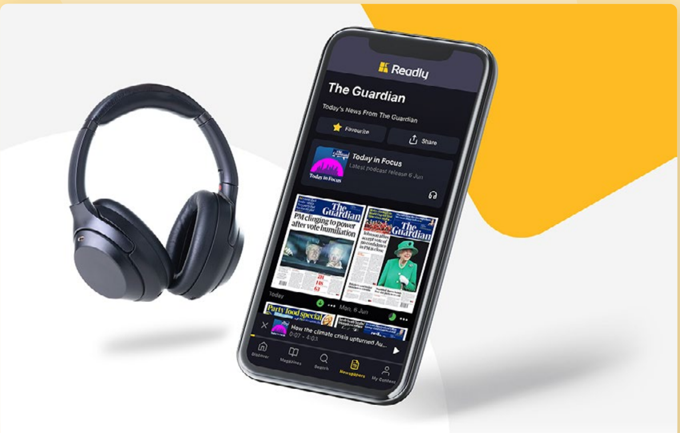
Newspaper reading is becoming increasingly popular on Readly. One in five issues read on our apps is a newspaper, and the average monthly number of newspaper readers using Readly daily increased by 23 per cent over the year compared with 2021. We are therefore very pleased to have added several newspapers, including Svenska Dagbladet, which is one of Sweden's largest newspapers. In Germany, our largest market, we have added 40 regional and local newspapers, and the total offering now consists of 7 national German newspapers and 52 regional titles. In the UK, we have added 160 regional newspapers, providing a total of 12 national and 166 regional newspapers.

Maximum reach through partnerships

In 2022, we focused on achieving maximum reach through existing and new partners. We signed agreements with more than 50 new partners, including Virgin Red (UK), Condor (DE) and Unipol and Treno Italia (IT). New channels were tested, such as the successful offline campaign with McDonald's Monopoly in 1,400 UK restaurants. A German TV campaign, conducted with the reseller Freenet, contributed to a net reach of 12 million customers and good growth figures. Partnerships performed very well in 2022, and contributed with 22 per cent of the total number of trial subscriptions.

Collaboration with Disney

In October, we launched our partnership with the Walt Disney Company to offer over 80 English-language magazines and comics in a dedicated category on the Readly platform. The addition of Disney, MARVEL and Star Wars™ titles strengthens Readly's children's category, and its position as the leading digital reading app for the whole family. The titles include beloved characters and comics such as Frost, Mickey Mouse, Donald Duck, High School Musical, Star Wars™ and MARVEL. We already had Disney titles in Swedish through Egmont Story House, such as Musse Piggs Deckargåtor, Kalle Anka and Frost.



Readly launches podcasts

Over the summer, Readly launched an initial range of podcasts in partnership with UK and Swedish publishers, to expand Readly's use beyond reading. The range has since then grown continuously and the user experience has been further enhanced, including through increased visibility in the app. The number of listening sessions is also increasing as a result, with tens of thousands in total. The audio format makes Readly more relevant for mobile phones, where two-thirds of podcast listening sessions now take place.

Some of the podcasts on Readly

Svenska Dagbladet	→	Dagens story (News)
Vi Bilägare	→	Vi Bilägare podcast (Cars and Motorbikes)
Språktidningen	→	Språktidningen podcast (Science)
Filter	→	Filter podcast (News and Politics)
Offside	→	Offside podcast (Sport)
BBC Good Food	→	The BBC Good Food Podcast with Tom Kerridge (Food & Drink)
Top Gear	→	The TopGear Magazine Podcast (Cars & Motorbikes)
Radio Times	→	The Radio Times Podcast (TV & Film)
The Guardian	→	Today in Focus (News)
Saturday Guardian	→	Weekend (Lifestyle/News & Politics)

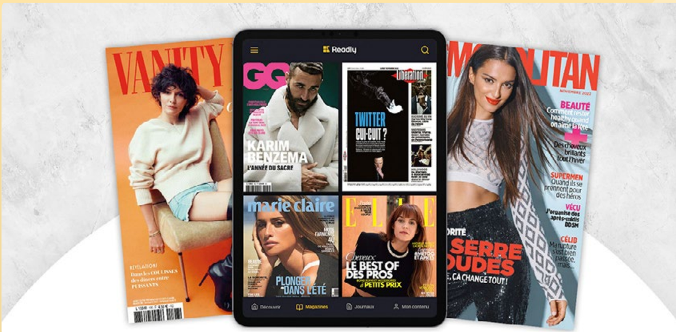
2022 reading trends revealed

Readly's annual trend report shows a global increase in reading in categories such as News & Politics, Crafts & DIY and TV, Film & Movies. Reading of individual articles in mobile-friendly format increased by 16 per cent in 2022 compared with 2021. The most popular time to read magazines is on Thursdays at 6pm, while for newspapers it is at 7am on Sundays.

Find out more in the trend report at: https://corporate.readly.com/

Agreement with America's largest publishers

In June, we signed agreements with two of the largest publishers in the US, Dotdash Meredith and Hearst Magazines Media. The range now includes well-known and established US titles such as People, All Recipes and Better Homes & Gardens, as well as ELLE, Esquire and Cosmopolitan. In total, we have added 23 titles from Dotdash Meredith and 17 titles from Hearst, and are well-positioned for further growth in the US.



Commercial launch in France

At the end of November, we launched Readly France, inviting French consumers to enjoy our full all-you-can-read selection of some 7,000 international magazines and newspapers, as well as French content such as Libération, GQ, Cosmopolitan, Maxi Cuisine, Public and L'Express. Our consumer campaign was combined with partnership campaigns, including with HelloFresh, N26, Huawei and Groupon.

2022 took us a good way along the path to profitability

A year ago, we began reorganising Readly, taking steps to further improve the Company's competitiveness. We ended 2022 with strong revenue growth and record high margins, showing that we are well on our way towards achieving profitability. Our financial targets remain and we are in a good position to continue implementing our strategy and become profitable on EBITDA level by 2025.

In 2022, Readly was launched in France, which is now our fourth core market along with Germany, the UK and Sweden. We raised prices by 20 to 25 per cent in every market except Sweden and France. Overall, our users have shown a positive acceptance of the increase. One reason for this is that our content has never been so attractive. During the year, we welcomed several market-leading publishers and added many of the most popular titles in our markets. The number of newspapers has increased, and we also launched podcasts in collaboration with Swedish and British publishers mid-year.

The process of reorganising the Company is also complete. Around every other employee now works in our product and development department. We also have consultants in Poland, to reinforce our team and provide development capacity. This creates a strong foundation for what we want to achieve going forward. Readly will become even better at delivering the right content, in the right format, at the right time, to every user. It is a question of adapting the experience to individual reading habits and making it easier to discover new content within each reader's areas of interest.

We offer over a quarter of a million issues on Readly, and so far we have adapted around 3.3 million articles to mobile format. This helps to ensure a better reading experience and has therefore increased mobile usage and reading frequency. In late 2022, work began on rebuilding parts of our platform so that we can offer even more individual articles from selected issues. Using a new recommendation engine, we will improve the relevance of suggested articles based on user behaviour, and also improve the continuous reading experience. We will also offer additional audio features, such as text-to-speech, in 2023. All in all, we are confident that these initiatives will lead to a more attractive service and a better user experience, reducing churn and increasing the lifetime value of our subscribers.

I also want to highlight how we are continuing to act as a positive force in society, and how important we believe it is to be a responsible employer that encourages sustainability. On Readly, journalism is consumed in a climate-smart way, and through our offerings people find the knowledge and inspiration they need to make informed decisions. In our sustainability section we report that we have achieved 70 per cent of the targets set for 2022, which is very satisfactory. We are even more ambitious for 2023, setting important and motivating tasks for our employees and us as a company.

Readly is well-placed for future profitable and sustainable growth. Our investments in technology and product development for an improved customer experience, together with our strong relationships with publishers and commercial partners, put Readly in a good position for strong development, with continued growth in user numbers, so that it can achieve profitability.

Mats Brandt,
CEO and President
Readly

Strategy

We are making progress in the transition to becoming a profitable company and the initiatives taken in 2022 have produced clear results. At the end of the year, Readly's strategic agenda was updated with three revised focus areas: content relevance, technological development and innovation, and sustainable growth. These efforts are expected to accelerate our path to profitability in 2023.

Content relevance

Technological development and innovation

Sustainable growth

Content relevance

The Readly user experience is about serving the right content, in the right format, at the right time. In this way, Readly can maximise how often and for how long the service is used and therefore the value of being a subscriber. A strong habit of engaging with the content on the platform will in turn have a positive impact on the rate of conversion from trial to full-paying customers and the retention of existing users. We are continuing to add quality journalism from popular publishers. With our leading range of thousands of national and international magazines and newspapers, the strategy is focused, for example, on developing personalised and curated reading recommendations in the apps and newsletters. More frequent, more relevant communication with users will have a direct effect on behaviour and engagement, creating better opportunities to discover relevant titles and podcasts. A person's individual experience of using Readly also depends on how actual browsing in the apps will be changed based on users' respective preferences. Furthermore, providing the right format is largely about offering articles in HTML rather than as PDFs, as this also allows the inclusion of embedded videos and better adaptation for mobile use, for example. Finally, we are continuing to invest in audio so that Readly can be used for more than just reading. Our range of podcasts is growing, and we are also looking at how we can work with text-to-speech and read-aloud articles, for instance.

Technological development and innovation

Our work on technology is aimed at enabling more efficient product development and creating technological solutions for new content formats. This includes increasing the use of customer data and insights to provide real-time recommendations across all customer touchpoints with Readly. This is an important basis for the development of personalised content, recommendations and the search function in our service. We will also provide additional data for internal knowledge development, for example through analyses and data reports, which can be used to help make product development decisions. The methods we use to process different types of content, such as complete issues, articles and podcasts, will improve, to speed up the publication of new issues and podcast episodes. At the same time, we will optimise internal processes and free up capacity by using SaaS and automated operations. This covers every aspect of our goal of accelerating the development of our products and services.

Sustainable growth

We are continuing to work with a lower marketing budget and are focusing on improved unit economics, i.e. the most attractive development of lifetime value relative to the acquisition cost per subscriber. We are now more efficient when it comes to channel selection and the markets to be prioritised to get better returns on investment. Partnerships are continuing to serve as strong sources of new subscribers while offering low acquisition costs. Our offer is promoted through brand-building partnerships in joint marketing campaigns or via resellers.

In 2022, Readly launched around 100 new campaigns with new and existing partners in sectors such as telecoms, energy, grocery retailers and the travel industry. Overall, partnerships are expected to continue to deliver long-term stable and cost-effective growth.

Readly is concentrating on increasing growth in its four core markets of Germany, the UK, Sweden and France, and scaling up in the other markets that are reporting the highest rates of return. The commercial launch of Readly in France took place at the end of 2022, and in 2023 we will increase our marketing investments and establish new partnerships in order to achieve our growth targets. We will also review the marketing strategy for the US, where we now have content from two of the country's largest publishers.

Another aspect of sustainable growth concerns product development throughout the customer journey, to promote increased awareness and reduce customer churn. We want to address this by making it easier to try out Readly through the further development of Readly Guest, a concept that allows customers visiting cafés, hairdressers or hotels to access Readly for free for 24 hours.

Our business model

Readly's business model is based on what we call our ecosystem, where Readly aspire to drive the digitalisation of the magazine and newspaper industry through a strong and value-adding offer to all our stakeholders.

Commercial partners

Readly's commercial partners let their customers try Readly for a certain period of time as part of their offer. When the trial period expires, Readly has good opportunities to convert the trial subscription to a full-paying one. Commercial partnerships are an important channel for cost-effective growth and increasing brand awareness. To leverage Readly's broad and strong geographic presence, larger global integration partnerships are being prioritised with the aim of driving even more cost-effective and stable growth.

Readly's subscribers

Readly offers a digital subscription service for magazines whereby the subscribers gain unlimited access to the full content portfolio. Subscribers pay a monthly fee in advance, and through their subscriptions readers gain access to thousands of national and international magazines, newspapers and podcasts in one subscription.

Readly's publisher partnerships

By partnering with Readly, publishers can strengthen their digital presence and reach new readers, increase brand awareness and gain deeper insights into readers' behaviours and preferences. In this way, publishers can generate additional revenue from Readly's subscription fees and potentially increase their advertising revenue as a result of the increased reach.

Strong trends accelerated by digitalisation

Readly is the European leader in the "all-you-can-read" category, measured by, among other factors, the largest number of titles, the highest rating in the AppStore and Google Play, and agreements with most of the largest publishing houses in Germany, the UK, Sweden and France.

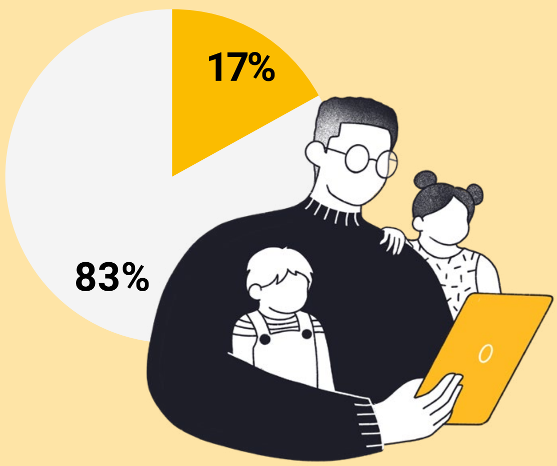
Sales in the global magazine and newspaper markets consist of sales of digital and physical editions, and of advertising space in these editions. Readly addresses the market for sales of digital editions, which is growing in line with increasing consumer and advertiser demand. Sales of physical editions are declining, reflecting the trend seen in other media, such as music and books. Publishers are therefore looking for revenue streams from sources other than printed editions.

An increasing number of publishers have chosen to join Readly to take advantage of the growing demand for digital content, new revenues and more efficient data collection. With access to Readly's 50 billion data points, publishers can optimise content and advertising space through more in-depth customer insights.

Readly's global subscriber base also helps publishers reach new audiences, including people who are in a geographic location where the publisher's physical publications are not available. This can lead to increased advertising revenue as the readership rises. Digital publishing also has a long-tail effect on back issues, i.e. they are still read even after a new issue has been published.

Global magazine and newspaper market by 2026, editions

By 2026, sales of digital editions are expected to account for 17 per cent of the total market for magazine and newspaper editions. The total market will amount to USD 89 billion. Including the value of advertising, the total market is expected to be worth around USD 140 billion by the same year[1].



- Digital magazines, USD 5.2 billion, newspapers, USD 9.8 billion
- Printed magazines, USD 32.7 billion, newspapers, USD 41.2 billion

1) PwC Global Entertainment & Media Outlook 2022-2026

Higher demand for digital content

Digital business models have shown continued growth in the media industry. The shift to digital business models has been evident in the music industry, which is experiencing overall market growth thanks to digitalisation and a number of strong industry players such as Spotify, Deezer and YouTube.

Sales of digital editions in the magazine market are expected to account for 14 per cent of total magazine publishing market turnover by 2026, according to PwC. Sales of digital editions in the newspaper market are expected to account for 19 per cent of total newspaper market turnover by 2026, according to PwC. The music industry already has a digital penetration rate of around 69 per cent[2]. This highlights the crucial difference in maturity between written and other media and points to a significant opportunity for further growth.

Increasing digital penetration in the media industry is driven by consumers' growing demand for digital content as the use of smartphones continues to grow. Globally, consumers spent a total of 4.1 trillion hours on their smartphones – an increase of 40 per cent from 2019 and 10 per cent from 2021[3, 4]. According to Reuters, mobile phones have now become the dominant channel through which most people consume news in the morning[5].

An increasingly environmentally conscious consumer

A report by PwC[8] shows that more consumers than ever before, around 50 per cent, say they consciously take sustainability into account in their consumption decisions. Owing to increased environmental awareness, consumers are making an effort to reduce their use of paper and instead focus on digital alternatives, which they feel are better for the environment. In Readly's own 2023 global customer survey, 54 per cent say that one of the benefits of reading magazines and newspapers digitally is that it is sustainable and environmentally friendly.

Higher demand for content from trusted sources

The demand for more reliable information and journalism is increasing, and many people are willing to pay for it[6]. Increased digitalisation has led to rapid growth in the information flow and number of channels, which is resulting in false information – which is hard for consumers to fact-check – being spread to a higher degree than previously.

A survey by the Reuters Institute for the Study of Journalism shows that consumer concerns about false and misleading information further increased in 2022. In Readly's own global customer survey from January 2023, 79 per cent say they are very or somewhat concerned about the spread of fake news.

Greater willingness to pay for digital subscriptions and news

More and more quality journalism is being put behind paywalls and publishers are rethinking their business strategies. In 2022, Reuters found that more consumers say they have paid for news online, and that the share of multiple digital subscriptions to magazines and newspapers is continuing to grow in mature markets such as Germany and Sweden, as users look to compare news sources[7].

Readly's customer survey also shows that more than one in five subscribers believes that the healthy consumption of journalism requires diversity in the news coverage, which should reflect society as a whole. This may also explain why consumers pay for multiple subscriptions.

Accelerating trends due to external factors

There are certain structural drivers for a shift from magazines in printed format to digital magazines. One significant factor that is driving this development is the higher production and distribution costs for printed editions[9].

The coronavirus pandemic in 2020 and 2021, and the continued spread of the virus in 2022, have had an accelerating effect on several trends. Consumers have both changed their media habits and established new ones, with increased digital media consumption as a result. The industry has been forced to adapt quickly to the new conditions, with many publishers showing an increased pace of digitalisation to reach their audiences online.

Demand for digital magazines and newspapers has also increased among consumers, who are paying for online news to an ever-greater extent and demand verified news and information.[10]

2) https://cms.globalmusicreport.ifpi.org/uploads/Global_Music_Report_State_of_The_Industry_5650fff4fa.pdf
3) https://www.dailymail.co.uk/health/article-11623487/How-spend-time-phone-2023-according-leading-experts.html
4) https://www.data.ai/en/insights/market-data/social-apps-2022/
5) https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf
6) https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf
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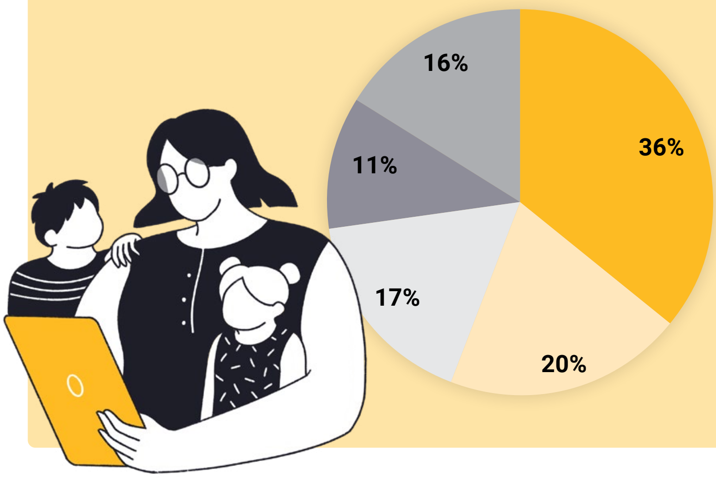
9) https://reutersinstitute.politics.ox.ac.uk/journalism-media-and-technology-trends-and-predictions-2023
10) https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf

Readly's four core markets

Given its leading positions in its core markets of Germany, the UK, Sweden and France, Readly has good growth opportunities. In total, these four magazine and newspaper markets were estimated to be worth almost USD 25.7 billion in 2022, and the digital penetration rate in each market is relatively low, but is expected to increase rapidly in the coming years[11].



Share of net sales by geographic market in 2022

Readly's biggest market is Germany, followed by the UK, Sweden and France. Other markets accounted for around 16 per cent of net sales in 2022.

Germany

The German magazine market is characterised by a strong habit among consumers of buying single issues from newsagents, which is an underlying factor for the large size of the magazine market in Germany (USD 3.2 billion in 2022). In 2022, the total German digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 541 million. This corresponds to a digital penetration rate of around 17 per cent. The German market for sales of magazine editions was estimated at USD 2.1 billion in 2022, of which the digital share was USD 293 million. Digital sales of magazine editions therefore represent around 14 per cent of total sales. The total digital magazine market in Germany is expected to grow at a CAGR of 3.5 per cent between 2022 and 2026. In 2022, the German newspaper market was estimated at USD 8.0 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 1.1 billion. The newspaper market in Germany therefore has a digital penetration rate of 14 per cent.

11) PwC Global Entertainment & Media Outlook 2022-2026

UK

Even though the UK magazine market is smaller than its German counterpart (USD 2.1 billion in 2022), its digital market is considerably larger and thus the digital penetration rate is higher. In 2022, the total British digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 735 million. This corresponds to a digital penetration rate of 35 per cent. The British market for sales of magazine editions was estimated at USD 1.5 billion in 2022, of which the digital share was USD 426 million. Digital sales of magazine editions therefore represent around 35 per cent of total sales. The total digital magazine market in the UK is expected to grow at a CAGR of 2.8 per cent between 2022 and 2026. In 2022, the British newspaper market was estimated at USD 3.5 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 1.0 billion. The British newspaper market therefore has a digital penetration rate of 30 per cent.

Sweden

The Swedish magazine market was estimated at USD 280 million in 2022. The total Swedish digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 47 million. This corresponds to a digital penetration rate of around 17 per cent. The Swedish market for sales of magazine editions was estimated at USD 208 million in 2022, of which the digital share was valued at USD 21 million. Digital sales of magazine editions therefore represent around 10 per cent of total sales. The total digital magazine market in Sweden is expected to grow at a CAGR of 5.4 per cent between 2022 and 2026.

The Swedish market for sales of digital magazines benefits from a great willingness to pay for digital content, and the widespread use of the internet/broadband and smartphones. In Sweden, 33 per cent pay for digital news, while the corresponding figure for 20 comparable countries is 17 per cent[12]. In 2022, the Swedish newspaper market was estimated at USD 1.1 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 267 million. The newspaper market in Sweden therefore has a digital penetration rate of 24 per cent.

France

France is the largest magazine market in Europe (USD 4.1 billion in 2022). In 2022, the total French digital magazine market, which includes sales of digital editions and advertisements in digital editions, was estimated at around USD 1.2 billion. This corresponds to a digital penetration rate of 38 per cent. The French market for sales of magazine editions was estimated at USD 2.8 billion in 2022, of which the digital share was USD 815 million. Digital sales of magazine editions therefore represent around 29 per cent of total sales.

The total digital magazine market in France is expected to grow at a CAGR of 4.9 per cent between 2022 and 2026. In 2022, the French newspaper market was estimated at USD 3.4 billion, of which the digital share, which includes sales of digital editions and advertisements in digital editions, was estimated at USD 904 million. The newspaper market in France therefore has a digital penetration rate of 27 per cent.

12) https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News-Report_2022.pdf

Sustainable digitalisation of magazines and newspapers

Readly's sustainability report 2022

A word from the Chairman

Change is the only constant. In fact, nowadays it feels more correct to say that "transformation" is the only constant. Our world is undergoing such dramatic changes that it is no longer the same from one day to the next. Record numbers of people have been forced to flee from their homes due to war and disasters and record high temperatures are being measured in different parts of the world which are having devastating consequences on our climate. It is alarming and requires everyone's commitment to change our behaviour, decisions and lifestyle.

One of Readly's most prioritised sustainability areas is about reader empowerment – giving subscribers unlimited access to knowledge and inspiration via journalism on the platform. Why is that so important? Only through knowledge can we make informed and sustainable decisions, and through inspiration, we are able to find our inner drive to collectively contribute to the prosperity for people and the planet.

This year's sustainability report is therefore largely about the important content on Readly and the journalists' fantastic work in portraying the present and spreading important knowledge.

You can also read about the climate benefits of digital reading, where daily newspapers are now included in the calculation. Last year's goals have been evaluated and new efforts are promised for 2023.

I hope you follow the company's journey and contribution to a future where knowledge gives us the power to make a positive difference.

Patrick Svensk
Chairman of the Board of Directors,
Readly

Moving forward to drive change

There are many global threats to humanity and we all need to take part in overcoming the challenges ahead.

Readly is committed to continuously exploring and taking action to build a sustainable future. Through the digitalisation of the magazine and newspaper industry we strive to have a positive impact on society and create long-term value for the world we operate in.

During 2022 we have worked hard according to our long term ambitions and seven out of the ten targets presented in this report were achieved. We have also taken the first step towards standardising our future ESG reporting against the Sustainable Finance Disclosure Regulations (SFDR[13]), with the purpose to facilitate our investors who are reporting under the SFDR.

Our 2023 user survey clearly shows how important it is that we integrate sustainability into our business strategy. Almost four out of ten subscribers say that our sustainability performance is extremely or very important[14].

This year's sustainability report is Readly's third and summarises how Readly is working to minimise our negative impact from environmental, social, business ethics and governance perspectives.

Our 5-stage sustainability journey

Stakeholder dialogue

Stakeholder dialogues were conducted in 2020 where key aspects and expectations have been included in Readly's sustainability work and strategy.

Materiality analysis

Readly has identified three sustainability aspects that are judged to be impacted most by Readly, and can at the same time drive our business.

Strategic sustainability work

We work according to our sustainability strategy which serves as a foundation for long-term sustainable value creation for both Readly and our stakeholders.

Measurable targets & follow-up

Aspects with measurable targets and opportunities for follow-up exist in the statutory requirements and are expected by stakeholders. These are included in our sustainability strategy.

A digitalised sustainable future

The result of our sustainability work is to lead digitalisation of the magazine and newspaper industry and thereby make a positive contribution to people, the environment and society.

13) In March 2021, the European Union's Sustainable Finance Disclosure Regulation (SFDR) came into force. The SFDR is designed to help financial market participants understand, compare, and monitor the sustainability characteristics of investment funds by standardising sustainability disclosures.
14) Readly's user survey was conducted in January 2023.

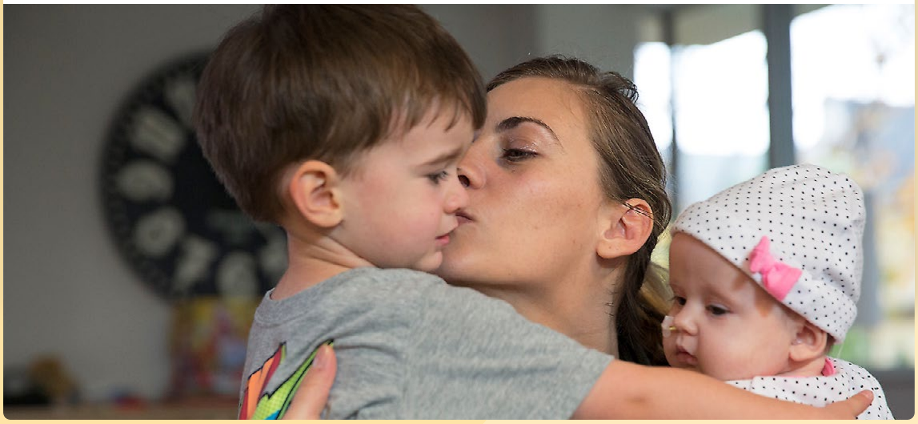
Sustainability highlights 2022

Air travel restrictions introduced

In our aim to reduce our corporate emissions, an updated travel policy has been introduced where domestic flights are no longer allowed, nor flights between London and Paris. International train travel is additionally encouraged allowing employees to book first class tickets for train rides exceeding five hours.

Supporting Ronald McDonald houses in Sweden

Readly has started to support the Ronald McDonald Children's Fund in Sweden. The Ronald McDonald Houses, where families with seriously ill children can live together in a homelike and safe environment near the hospital, are now provided with free access to magazines and newspaper reading via Readly. There are five Ronald McDonald Houses around Sweden and each year nearly 4,000 families live in the houses.



More sustainable marketing

We have developed ethical guidelines for marketing campaigns involving partnerships with third parties where we say no to collaborating with industries such as tobacco, alcohol, gaming and certain animal products such as fur. The background checks we do before selecting influencer collaborations have also been updated where we say no to for example people that distinctly promote unsustainable lifestyles.

Readly on Allbright's Green List for Equal Gender Balance 2022

For the second year in a row, Readly is presented on the Green List in The Allbright Report 2022 that monitors gender diversity in the management teams of listed companies in Sweden. Readly has a 43/57 per cent ratio of women and men on the Senior Leadership team and among those who have leadership responsibilities the split is 50/50 per cent.

70 per cent of our sustainability targets were fulfilled

We set challenging environmental and social targets for 2022 that were core to Readly's business. We can proudly conclude that 70 per cent of the targets have been fulfilled which are presented in this report. New ambitious targets for 2023 are now chosen that are relevant for Readly in today's context where we aim to retain quality content, increase user engagement and further reduce our carbon footprint.

Sustainability strategy

Our sustainability strategy sets out how Readly, through the digitalisation of our industry, can contribute to thriving societies and a healthy planet.

Our purpose is leading the way

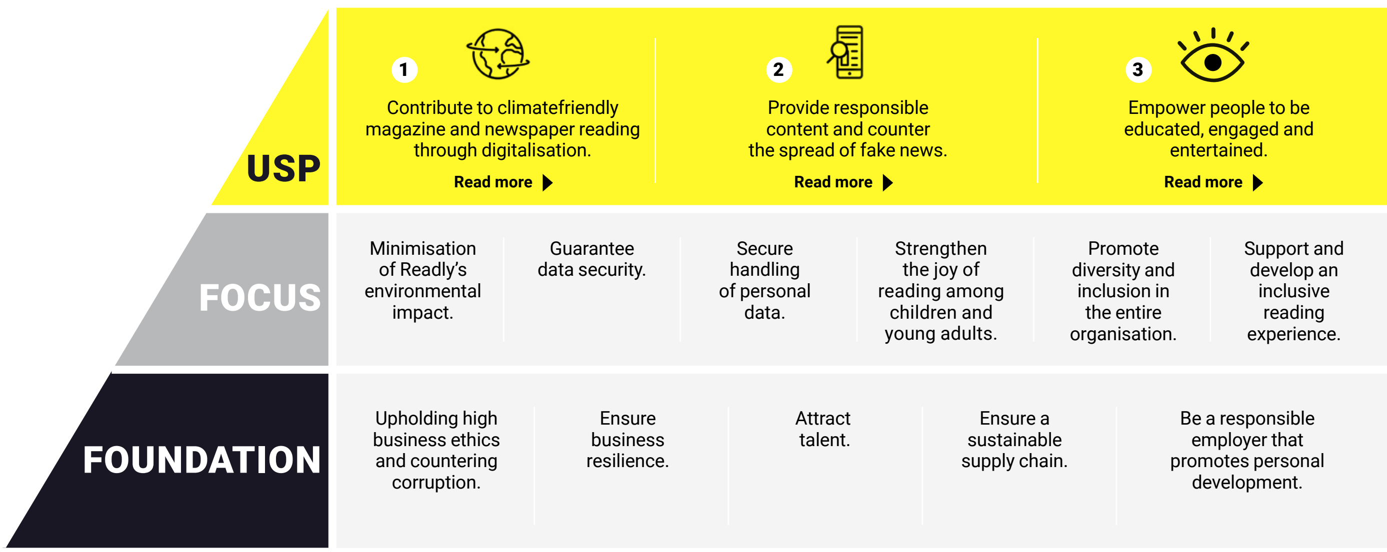
We strive to lead the digitalisation of the magazine and newspaper industry and thereby have a positive impact on all our stakeholders. By doing so, Readly takes an active part in moving the world closer to overcoming global challenges for a sustainable future.

Our purpose statement is "We bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation". A strong sense of purpose is an important factor for strong engagement within our ecosystem and a guiding star for everyone.

The Readly team is committed to collaborating closely with our subscribers, publishers and partners across the world. Together we increase the consumption of quality journalism to bring about positive change.

At the heart of our sustainability strategy is our focus on what really matters for Readly and our stakeholders – three USP areas about climate friendly reading, empowerment and responsible content.

Readly's materiality pyramid
– how we prioritise our most material sustainability approach



Our sustainability strategy and five key enablers for successful results

Our purpose inspires us and guides us in our future actions and decision making.

PURPOSE

We bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation.

Three sustainability aspects have particular material importance to Readly and where we have the greatest potential to make a difference.

OUR STRATEGIC AREAS

1. **Contribute to climate-friendly magazine and newspaper reading through digitalisation.**
2. **Provide responsible content.**
3. **Empower readers to be educated, engaged and entertained.**

These five tactics will support the delivery of our targets and enable us to reach our long term ambitions. This is how we best leverage our resources.

5 KEY ENABLERS

Driving forces to reach our sustainability targets and ambitions.

Alignment

Our sustainability efforts are aligned with the global sustainable development agenda and frameworks including, UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Commitment

We are committed to tracking and reporting on our targets and long-term ambitions. Our public commitments propel us to work persistently and reach our objectives.

Collaboration

We engage with both internal and external stakeholders to create greater impact across our ecosystem. We believe in joint capabilities to make the most meaningful impact on a bigger scale.

Stakeholder input

We are continuously and inviting our stake-holders to bring different perspectives together and learn from each other.

Integration

Sustainability is integrated in all aspects of our business to create value and support our business objectives.

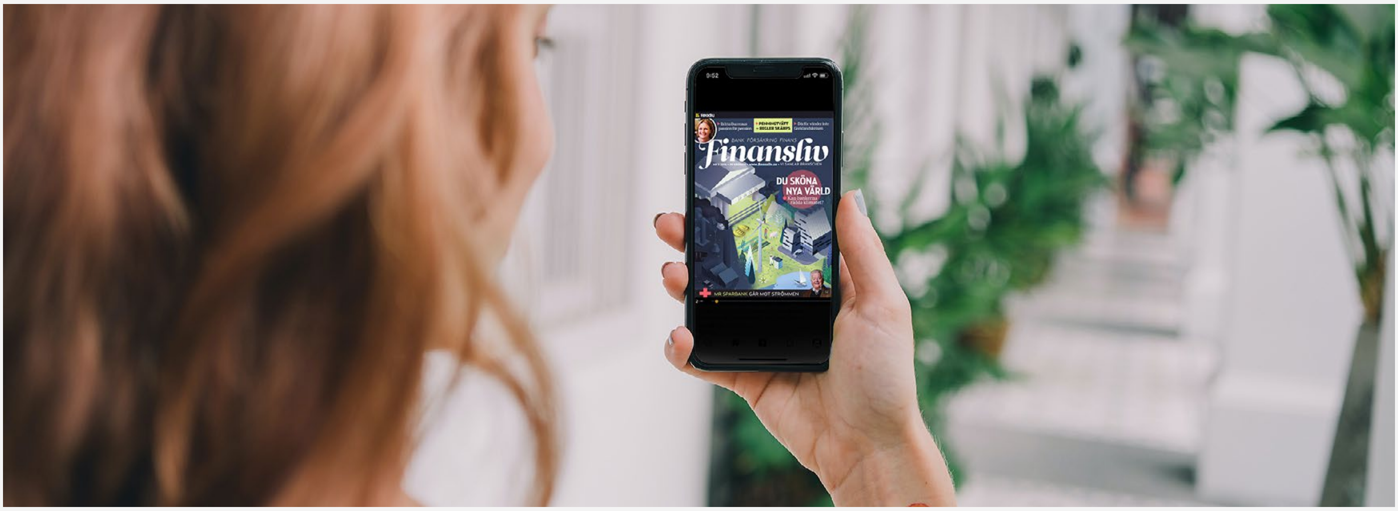
Readly's Sustainability Committee

Readly's Sustainability Committee is appointed to give advice, explore ideas and take initiatives that support the long term ambitions and annual targets. All members should be able to engage on Readly's various sustainability aspects and gain a good understanding of how sustainability considerations can affect and should support our company strategy. This also includes any potential risks that we might face.

Engaged employees from different teams are encouraged to volunteer for the committee by their manager. That way members' expertise and skill sets extend across all areas of our business, and initiatives can be delegated to departments and teams, coordinated across the company. Read more about the Sustainability Committee under *Governance* in this report.

The environment in focus

Climate change is the biggest threat facing humanity. Readly fights global warming mainly through minimising our own environmental impact, digital reading and by enabling our subscribers to access journalism such as climate coverage.



1

Contribute to climate-friendly magazine and newspaper reading through digitalisation

A major benefit of reading magazines and newspapers in a digital format is the effect it has on consumers' carbon footprint. It is an important factor that brings distinct meaning to our service in times when many consumers choose brands that help them make a difference. Readly has conducted a study that calculates the amount of reduced greenhouse gas emissions through reading a digital publication on Readly's platform.

For 2022, the methodology has been partly revised and updated. For the first time, the study includes newspapers along with magazines. Since newspapers in comparison to magazines see both different user habits and different emissions from production, this is included in the study.

As we have updated the methodology, this year's results are not completely comparable with previous years results so we've also adjusted our goals accordingly.

The study compares the carbon footprint from reading digital magazines and newspapers with the printed equivalents. Some factors in the study include:

- The difference in reading habits between printed and digital versions
- Carbon footprint differences between newspapers and magazines
- The split between tablets and smartphones
- The emissions from electricity based on which country the digital reading took place.

The study results for 2022 indicate that digital reading on the Readly platform results in 87 per cent lower greenhouse gas emissions than reading the printed equivalents.

The reduction in CO_2 emissions in 2022, based on total reading numbers for the full year, corresponds to approximately 16,600 tonnes of CO_2 eq, or the equivalent to the emissions of producing and recycling over 270,000 iPhones[15] – a 8 per cent increase from 2021. The main reason behind this improvement is that the data centres we use are now entirely powered by renewable energy. Avoided paper production and printing are the two biggest reasons why reading digitally is better for the climate. Emissions from business travel and data centres are Readly's largest sources of emissions. Scope 3 emissions, containing employees' business travels and emissions related to the digital reading, are the largest emissions post. In our aim to decrease these emissions, Readly has made the decision to no longer approve domestic flights.

Due to our ongoing discussion with Amazon Web Services (AWS), we can confirm that 100 per cent of our data hosted are powered by renewable energy from AWS's irish wind power farms.

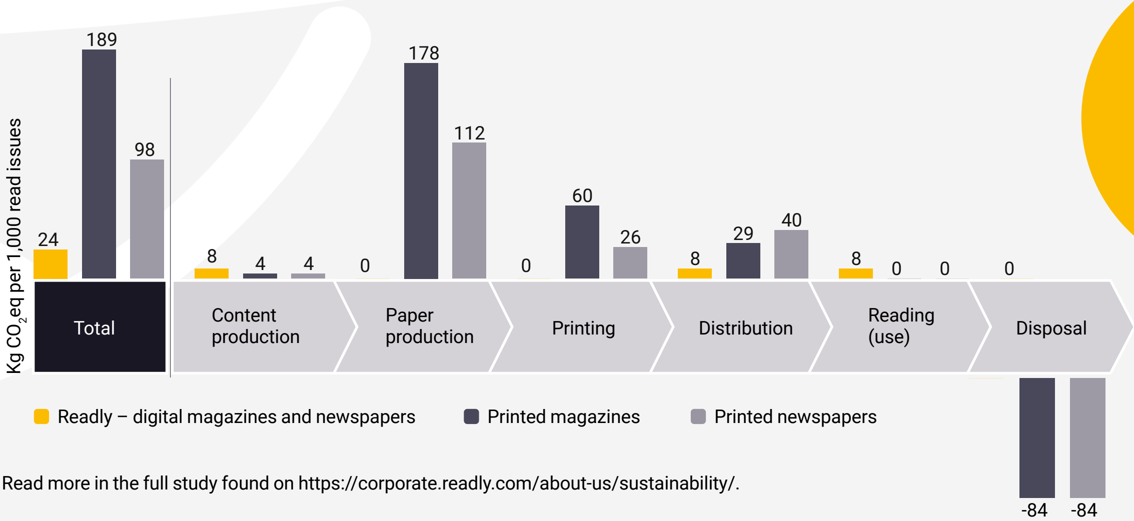
8%

reduction of emissions during 2022 compared to 2021.

76%

of the respondents in Readly's global survey said it is important to them that their reading habits are as environmentally and climate friendly as possible[16].

CLIMATE IMPACT FROM MAGAZINES AND NEWSPAPERS – DIGITAL VERSUS A PRINTED EQUIVALENT



87%

less CO_2 emissions from digital reading on Readly compared to the printed equivalents.

Read more in the full study found on https://corporate.readly.com/about-us/sustainability/.

15) https://www.apple.com/environment/pdf/products/iphone/iPhone_14_PER_Sept2022.pdf
16) User survey, 26 Jan - 1 Feb, 2023. 6,000 respondents across SE, DE, UK, NL, US, IT and AU

Minimisation of Readly's environmental impact

Readly's environmental footprint includes emissions generated from business travel, energy use from our offices, data centres and servers and waste management from our operations. Impact from all of these areas was reduced to a minimum during the Covid-19 pandemic when Readly's offices stood empty for several months and business travel was reduced significantly. We are now seeing an increase per employee from during 2021–2022, but still far from pre-pandemic levels.

Energy consumption at Readly's offices
We report both on energy use in absolut number and per employee, with the goal that our emissions per employee does not increase on a yearly basis. We reduce energy levels by buying energy-efficient devices that automatically power down during inactivity and encourage employees to be energy conscious. In 2022, specific purchasing guidelines were presented to office managers to support conscious decision making when buying electrical appliances. We always ensure to follow

READLY SCOPE 1, 2 AND 3 EMISSIONS

GHF Emissions, tonnes CO_2eq	2022	2021	2020
Scope 1 – Direct emissions	**0**	**0**	**0**
No company-owned cars or other direct emissions	0	0	0
Scope 2 – Indirect emissions	**19.9**	**N/A**	**N/A**
Location-based electricity + heating and cooling	19.9	N/A	N/A
Scope 3 – Other emissions	**68.2**	**6.44**	**35.57**
Business travel by air	65.6	79.5	35.5
Business travel by rail	0.001	0.04	0.07
Hotel nights	2.6	N/A	N/A

EMISSION INTENSITY GENERATED FROM BUSINESS TRAVEL IN 2020, 2021 AND 2022

Travel emission, tonnes CO_2eq/employee	2022	2021	2020
Business travel emission intensity	0.58	0.76	0.80

ENERGY INTENSITY GENERATED FROM READLY'S OFFICES 2020, 2021 AND 2022

Total energy intensity (MWh/employee)	2022	2021	2020
Electricity	0.5	0.4	0.5
Heat	0.9	1.1	1.3
Cooling	0.1	0.1	0.2
Total	**1.5**	**1.6**	**2.0**

The business travel by air numbers for 2021 has been restated in accordance with new information from the travel provider. The cooling numbers for 2021 and 2020 have been restated in accordance with new information from a utility provider.

Description of table

Scope 1 emissions covers all emissions from Readly's owned and controlled resources. Since Readly neither use company vehicles or release emission from the company facilities, the scope 1 emissions are zero.

Scope 2 emissions are generated from purchased energy. For Readly, this includes the company's own use of electricity, heating and cooling from our offices.

Scope 3 emissions are indirect emissions in the value chain which are not owned by Readly. This post contains emissions from employees' business travel.

environmental laws and regulations on the markets we are present on. Besides reducing our energy consumption we also strive to increase our share of purchased energy from renewable sources. Through our Supplier Code of Conduct we also encourage suppliers to transition to renewable electricity.

In markets where Readly controls the choice of electricity provider, the energy consumption consists of 83 per cent fossil free and 46 per cent renewable electricity. In order to increase the total share of renewable energy in all of Readly's offices, the focus for next year is to engage with current electricity providers in offices where Readly do not control the choice of electricity source.

Energy use by servers and data centres
We strive to have a positive influence on suppliers of IT systems and equipment to ensure that they are energy-efficient and upgraded to greener technologies. Readly's content is stored externally at Amazon Web Services' (AWS) servers in Ireland which are completely powered by renewable wind power. Although AWS has chosen to not share emissions data, we are aware that our external data storage capacity accounts for a large share of Readly's CO_2 emissions and electricity needs. We have regular meetings with AWS to gain a better understanding of how we can further reduce our carbon footprint.

Waste management in operations
Only household, office and electronic waste arise in Readly operations. Our aim is to minimise waste and that our reuse/recycling alternatives shall cover as many materials as possible. As an example, new employees re-use equipment from their predecessors, and new models are bought only if existing equipment is no longer fit for purpose. Digital alternatives are prioritised whenever possible, use of packaging and single-use products shall be minimised, waste sorting is conducted at all offices and electronic waste is disposed of at designated environmental collection sites. At the end of 2022 we conducted a waste sorting assessment of all our offices and we will improve waste sorting and recycling in our Berlin and Paris office during 2023.

2022 targets and achievements
In 2021 we set the goal for 2022 of a 20 per cent increase of emissions saved from digital magazine consumption. The result was an increase by 8 per cent which was affected by lower subscriber growth. We also had the ambition to further implement our environmental policy so that business travel emission intensity per employee would not exceed 2019 pre-pandemic levels – a goal we reached. As an example, domestic flights are no longer allowed. We have started to measure the share of renewable energy sources which today is about 46 per cent. The quarterly meetings with AWS have proceeded but we have unfortunately not yet found any concrete actions that would reduce our emissions from servers and data centres. We have made an assessment of our ten core suppliers and made sure that they acknowledge and undertake to comply with our Supplier Code of Conduct or that they have an own Code of Conduct, publicly available, that meets our requirements.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Increase the amount of emissions saved through digital reading on Readly.
- Reduce negative environmental impacts from Readly operations.
- Deepen the engagement with stakeholders in the supply chain in regards to environmental issues.

TARGETS FOR 2023

- 10 per cent increase of emissions saved from digital reading on Readly.
- Business travel emission intensity per employee shall not exceed 2022 level.
- Improve waste sorting across Readly's offices to include more waste categories.

Our readers in focus

By providing our subscribers with the opportunity to digitally access a global portfolio of thousands of magazines and newspapers, Readly promotes journalism and its contribution to a more sustainable society and planet.

2

Provide responsible content and counter the spread of fake news

Readly provides an offering in which there is a publisher and an editor-in-chief behind all content on the platform who is responsible for the respective publications' operations, content and policies. Content on Readly must also be in compliance with the respective countries' laws and regulation, be relevant for our subscribers, and meet our content rules.

Nearly three years into the pandemic, the Corona virus remains persistent and misleading narratives continue to spread. Information manipulation and disinformation have also been applied as a tool in Russia's assault on Ukraine. Consequently, many trusted news brands have benefited, with more people signing up for online subscriptions and advertisers looking to associate themselves with reliable content.

As a platform with 7,600 magazines and newspapers from across the globe, we promote easy access to journalistic content from responsible publishers and a diversity of news reporting. Journalists' work is also affected by disinformation which sometimes leaks into the real news system. But our long-term goal of retaining world-class content from trusted publishing sources and increasing the consumption of quality journalism in all markets is based on the focus these publishers place on the work of independent fact-checking for verified news reporting.

80%
believe that fake news will increase in the next 2–3 years.

29%
pay for digital journalism to access quality journalism.

79%
are concerned about the spread of "fake news".

During 2022 we have grown our portfolio of newspapers across our core markets, in particular with regional and local editions. In the UK we welcomed 160 regional newspapers in April, such as The Liverpool Echo, Manchester Evening News, Birmingham Mail, Newcastle Chronicle, Cambridge News, Western Morning News and The Bristol Post. In Germany, we have added 40 regions and local newspapers such as the WELT AM SONNTAG editions for Hamburg, Bavaria and North-Rhine-Westphalia. And in Sweden we have added one of the largest national newspapers, Svenska Dagbladet.

In order to improve the user experience and discoverability of our extended newspaper portfolio, we have launched filter functionality for regional British editions and local editions picker for German and French newspapers. To increase the consumption of quality journalism even further, we are now rebuilding parts of the core platform to also unbundle selected magazines into single articles. We are also looking to increase our portfolio of articles in mobile friendly format which in 2022 amounted to 3.3 million. This will also enable further audio capabilities such as a text-to-speech which we plan to launch during 2023. We are confident that these initiatives will lead to a better user experience that will generate higher readership numbers and increased engagement time.

2022 targets and achievements

Our targets for 2022 included developing a filter for regional titles to enable a wider portfolio of newspapers in the UK and France. That goal has been achieved, not only for the UK and France but also for Germany where our newspaper portfolio has grown significantly. We also aimed to conduct a survey, across all our markets about attitudes and perceptions of misinformation. The survey results showed that consuming verified news is important to 71 per cent of the respondents. 12 per cent reported that they pay for verified news, but a further 21 per cent can imagine doing so if fake news continues.

We set ourselves the target to produce two yearly editorial campaigns that provided reading tips about responsible news reporting. This target was not met as we made the decision to pivot away from providing tips and instead, to continue focusing on acquiring responsible news sources in the form of daily newspapers. We also made a conscious effort to curate content from responsible news sources, so that our readers were encouraged to consume news responsibly, year-round.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Retain and distribute world class content from trusted publishing sources.
- Increase the consumption of journalistic content on Readly.
- Raise awareness of the importance of quality journalism among our subscribers.

TARGETS FOR 2023

- 40 per cent increase of new articles in mobile friendly format.
- Develop a text-to-speech functionality to enable increased audio consumption of quality journalism.
- 1 yearly user survey about misinformation to highlight in own channels as well as social and earned media.

3

Empower people to be educated, engaged and entertained

Empowering people is one of the key purposes of journalism, whether it be through investigative articles, breaking news or lifestyle features. Throughout 2022, journalists continue to play a central role in helping us understand how the world is changing; the challenge that climate change poses; how inflation and the energy crisis will impact us; the uncertainties of political disruption; and the lasting impact of the Covid-19 pandemic. By providing unlimited access to our wide-ranging, international portfolio of written and – more recently – audio content, we hope to empower our subscribers to feel informed and connected to the world around them.

Podcasts are a great way to enhance, complement and extend the reading experience and drive deeper engagement in our app. The time poor consumer wants to be kept up to date and audio is an effective way to do this alongside reading the digital magazines and newspapers on our platform. For Readly, this means that the service can be used more frequently and subscribers can easily discover and listen to content from their favourite magazine. The initiative also aims to reach new audiences that consume content in various formats.

We encourage our users to diversify their reading behaviour and to discover new titles and topics they otherwise would not have explored. Part of that job is done by our editorial team who highlight the most relevant and engaging content for our subscribers. They encourage users to interact with content via our social media channels, email newsletters and push notifications, as well as through the Discovery tab, Short Reads feed and podcast player in the Readly app.

The editorial team makes real-time decisions based on daily events, working closely with our publishing partners to deliver a compelling reading experience. We believe that the consumption of quality journalism through Readly can empower people to take action and make a positive difference for themselves and for future generations.

The key metric we use to track the amount of journalistic content that has been consumed on Readly is engagement time. This includes written content in the form of articles and issues, as well as audio content from our portfolio of publisher podcasts. We believe that the more content people engage with, the more empowered and educated they become.
This year we have seen publishers address a number of important issues as they strive to educate readers or provide informed escapism. Throughout 2022 we have noted a greater number of magazines promoting a wider range of ethnic groups. These include ELLE Sweden's June issue featuring

How has your consumption of journalistic content made a difference in your life?

29%
of the respondents in Readly's global survey say it has increased their level of knowledge and understanding.

15%
have learned about important issues that might otherwise have gone unnoticed.

63%
say that since they started using Readly they read titles they have never read before.

21%
say that a healthy media diet should show diversity in the news coverage to reflect the whole society.

22%
say that their consumption of journalism has inspired their hobbys and interests.

South Sudanese refugee and model, Akiima; British Vogue's February issue featuring nine reigning and emerging superstars of the fashion industry – all of African descent; and ELLE UK's November issue celebrating women of colour from the worlds of art, fashion and film.

As publishers increasingly praise the designers promoting size inclusivity during fashion weeks, it's a trend we've seen reflected in their magazine content. This year, Femina, Må Bra, ELLE UK, Stylist, and Grazia featured plus-size cover stars, while Spektrum Psychologie devoted their May issue to the topic of body positivity.

Elsewhere, many publishers should be praised for their abortion coverage amidst the Supreme Court ruling to overturn Roe v. Wade. New York Magazine, The Week US and The Guardian Weekly all provided comprehensive content in support of abortion rights.

A selection of Readly's editorial campaigns during 2022

FEMALE EMPOWERMENT

This is a theme we continually promote throughout the year, via in-app features, social media and email communication. In March, our editorial and product teams worked together to develop a dedicated International Women's Day carousel within the app. This content feed remained visible in the Discover tab for a week and highlighted important articles on the subject, such as Global Heroines from Woman&Home and a profile on women's rights activist, Barbro Westerholm in Året Runt. We also promoted the theme in an interview with co-founder and managing partner of Kouneli Media, Myriam Karsch, to discuss the type of feminism that is represented in Playboy Germany. The article (Female Empowerment through the Playboy Lens) explored the many misconceptions people have about the Playboy audience, and highlighted the fact that the team is majority-female.

CLIMATE CRISIS

The climate crisis and sustainability solutions is another area we continue to emphasise through our curated content channels. One example of this is the editorial campaign we promoted on Global Earth Day in April. This was a coordinated effort across consumer and corporate social media, CRM and in-app curation to promote content such as this Guide to Green Living Made Easy from the makers of Woman&Home, an environmental special from Grazia Italy, and coverage from Forskning & Framsteg on climate and biodiversity.

COST OF LIVING CRISIS

With the cost of living crisis high on the news agenda this year, we felt it was an important topic to address for our subscribers. It's been noted that levels of economic and financial literacy vary dramatically across audiences, with 60 per cent of people unfamiliar with terms such as 'GDP', 'inflation' and 'deficit'. As such, we approached the topic from a solution-first angle, highlighting content such as a climate crisis special edition from einfach börse; an issue focused on reducing energy costs from Terra Nuova; and a seven-day budget meal plan from BBC Good Food.

CONTENT THAT ENTERTAINS

Last but not least, many people read magazines quite simply as a form of entertainment – to unwind from daily routines, relax, enjoy "me-time" and for a bit of escapism. Categories such as crosswords, DIY, celebrity & entertainment, and food & drink are all examples of popular content. Entertainment as such can therefore have a positive impact on a person's well-being and be a source of happiness. The highest rate of longform reading (up to 50 minutes in average session length) has categories such as comics and history. One of the titles that had the highest average reading time per account in 2022 was Puzzle Life Suduku Master, level 6-7 which kept subscribers entertained for several hours at a time.

SUPPORT AND DEVELOP AN INCLUSIVE READING EXPERIENCE

We also aim to provide a portfolio of content that mirrors all of society, responsibly reports on important environmental and societal issues, and fosters inclusion, diversity and equity regardless of age, gender, ethnicity, sexual orientation, political opinion or faith. There are many good examples of this from 2022. One is the addition of handicap.life, a German user magazine for people with restricted mobility. We are also happy to offer international content that represents and celebrates cultures outside of our core markets. Some examples include A to Z India (IN); Le Quotidien numérique d'Afrique (FR); and BAVUAL The African Heritage Magazine (US).

In the DACH markets we added a number of titles that stand for female equality in the workplace. SHEconomy (AT); EMOTION Working Women (DE); and Strive (DE) all aim to make female role models visible and to tell inspiring business stories from a female perspective.

With climate change a constant in the news agenda, we have on-boarded a number of publishing partners who are bringing this issue to the forefront. The Eco News – For Kids (UK); Discover Cleantech (UK); and Sustainability Today (US) each approach the climate crisis from a solution-first perspective, inspiring and empowering readers to take action.

STRENGTHEN THE JOY OF READING AMONG CHILDREN AND YOUNG ADULTS

Reading magazines and newspapers at an early age can be an important step in developing a strong sense of well-being and active citizenship later in life. We know that many children use Readly. Our portfolio of titles for children and teens has continued to grow during 2022 and so has our commitment to encourage parents and children to read more together.

In October 2022 we started to work together with Disney to bring over 80 Disney magazines to Readly subscribers. The addition of the Disney portfolio strengthens Readly's childrens category and includes popular character comics such as Disney's Frozen, Mickey Mouse, Donald Duck, High School Musical, Star WarsTM and MARVEL. We are delighted to welcome these much-loved titles to our platform and boost the joy of reading with Disney. Digital reading amongst children is increasing and research shows that it is beneficial for children to read various forms of quality content such as comics and magazines to inspire a passion and drive engagement.

Our "Reading break" campaign in October included a collaboration with Swedish newspaper Aftonbladet who launched a Readly exclusive of their title Sportbladet especially aimed towards children (Sportbladet Kids). In the UK we collaborated with Fay Lant, Head of School Programmes at the National Literacy Trust, who gave her top tips to encourage reading.

2022 targets and achievements

With the aim to expand Readly into one to three markets in 2022 in combination with an ambitious growth goal of 30–35 per cent, we set the target of a 15 per cent increase of the total reading time on Readly based on the expected subscriber growth. That target was not met. The growth target was adjusted downwards in early March 2022 and only in late November the consumer launch in France, part of our expansion plan, was initiated. For this year we have decided to rather focus our targets on frequency of reading and engagement – two metrics that support the empowering of readers. As stated above, we did carry out four editorial campaigns that were focused on topics related to sustainability, which was our target for 2022. We also met our target of at least 90 per cent category excellence in core markets.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Inspire users to constantly discover new content and diversify their reading behaviour.
- Use our portfolio to curate engaging content for our readers.
- Further encourage frequent use and expand engagement time.
- Deepen the engagement with stakeholders in the supply chain in regards to social issues.

TARGETS FOR 2023

- ≥ 5 per cent increase of daily active usage (DAU/MAU).
- ≥ 10 per cent increase in average engagement time.
- ≥ 4 editorial campaigns that focus on topics related to sustainability.

Our employees in focus

Readly's success is based on our joint enthusiasm for the digitalisation of the magazine and newspaper industry. Our decentralised organisation empowers employees to go above and beyond to contribute on our path towards profitability.

Our team at Readly

Our people define us – we are high-performing team players, passionate about our product and proud of the large portfolio we have. Readly is in a rapid growth phase, and maintaining and developing our culture is essential for the company's continued success. People join Readly to be involved and have a chance to influence the development of the future magazine and newspaper experience. Today we are a passionate team of approximately 163 people.

In March 2022 we communicated a reduction in our workforce, impacting approximately 30 positions including consultants. This measure, together with other initiatives such as further investments in product development, was taken as a result of a new strategic direction towards becoming a product-led growth company. Consequently, to ensure that our stepped-up tech needs are met, we have hired a nearshore development team in Poland through our new partner Nexer.

During the year we have also started to gradually integrate the French team following the acquisition of Toutabo AS in 2021. The team has kept their autonomy but joint working groups have been created to enable synergies, knowledge sharing and shared objectives. To overcome language barriers, key guidelines and policies have been translated into French such as our Code of Conduct and Supplier Code of Conduct. Our Employee Handbook will be translated in early 2023.

We are recruiting new talent and forming teams of dedicated consultants from different parts of the world. We work through behaviours that we have developed together and which we believe will take us towards our purpose and vision.

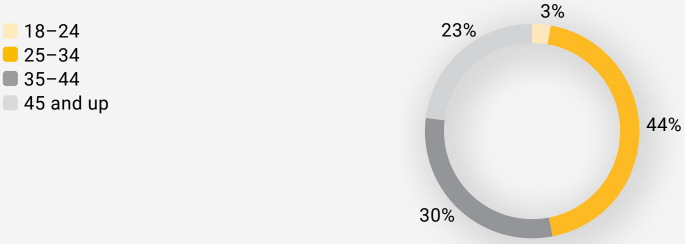
Promote equity and diversity throughout the organisation
We believe that equity and diversity are of strategic importance for our company. Our user base from more than 50 countries is evenly represented by men and women, and therefore it is important that we develop the product to ensure it meets diverse needs and user patterns. We offer a workplace that stands for diversity and working actively to make everyone feel included is important to us. Over the years, we have recruited with a focus on diversity and gender balance and have been highly successful in regards to our Senior Leadership Team, among our managers and in the company as a whole, as the distribution between women and men is at least 40/60 and together we represent over 15 nationalities. We now face the challenge of recruiting more women to our tech organisation, where men are still over-represented.

We are proud to have an even gender distribution in our senior leadership team and thereby placed on Allbright's green list for Equal Gender Balance for the second year in a row. Our DEI survey (diversity, equity and inclusion) at the end of 2022 shows many positive results and that we can do more to use DEI effectively to increase workforce productivity. To be able to follow up on these findings, we have chosen to ensemble an internal diversity committee. The committee will work with initiatives to further improve DEI with Readly.

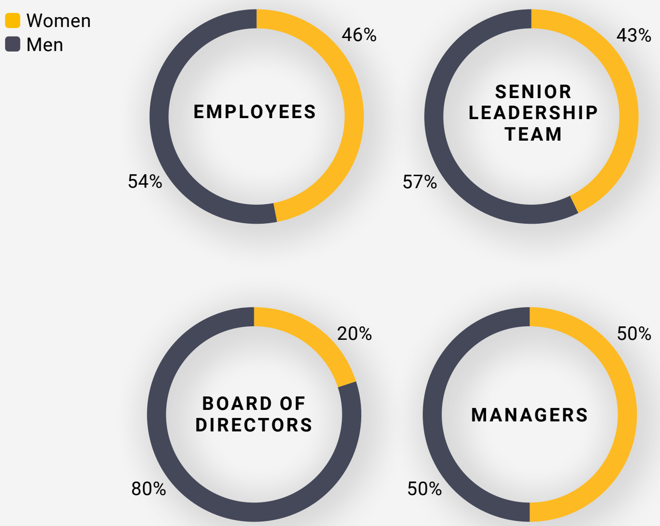
One of the measures planned for 2023, to improve the recruitment of diverse talent, is educating hiring managers through unbiased recruiting training. This will enable us to create even more diverse and inclusive teams which we believe is key for our business success.

Attract talent
To successfully attract talent, regardless of gender, we emphasise in our recruitment advertisements as well as on our career site and social media channels that employees grow together with the company and that we all play a positive role in society. Job adverts are gender decoded in order to attract

AGE DISTRIBUTION



GENDER BREAKDOWN



EMPLOYEE STATISTICS

Number of employees	117*
Average number of FTEs	144
Sales per avg FTE (SEK m)	4.1
Operating result per avg FTE (SEK m)	-1.0
Nationalities	>15

* of whom 42 are consultants

talent from the whole gender spectrum. In addition, we refer frequently to the importance of diversity and equality, such as through the blog on our careers site, on our LinkedIn page, at external events and in media interviews. In 2022, 62 per cent of new hires were men and 38 per cent were women. We are also happy that several former employees have decided to rejoin Readly. This is a great acknowledgement that our workplace is appreciated and a great way to inject new gained experiences from the period away from Readly.

We also have employees who are engaged in the Women in Tech organisation in Växjö which is a great way to increase awareness of Readly as an employer. In March, we were visited by a group of students from the Hamburg Media School who learnt about our business, how we collaborate with publishers, our growth journey and sustainability work. We also attended one of the tech career days at the Linnaeus University in Sweden to meet students and attract talent.

Be a responsible employer that promotes personal development

Employee health and safety has high priority at Readly. The company has a Work Environment Policy and a Work Environment Committee, with representatives from all our offices, who meet on a quarterly basis, to discuss topics related to conducted risk analysis.

Our leadership forum, with about 25 managers including our Senior Leadership Team, has monthly meetings. During the year all managers have taken part in discussing company leadership, objectives, key results, strategy, cost reductions and future bets. A bottom-up approach was chosen for the strategy development process where Input from all teams were gathered, shared and discussed to utilise the unique knowledge and diverse perspectives of our whole organisation. This process was highly appreciated and has led to a broader ownership and understanding of our operations and goals across departments.

In 2022 we continued to arrange Readly Lab Days with the aim of empowering our Product and Tech organisation to discover new ways of thinking, build new relationships and evolve their skills. It's a monthly break from the daily routine to explore ideas related to what Readly is today and what we will be in the future.

Our work-from-home policy, launched to ensure the health of all employees and mitigate the Covid-19 pandemic, has now matured into a use of flexible work arrangements. Although this flexible organisational structure enables work from home, we still believe it is important to meet physically in the office on a regular basis. Social gatherings and team meetings are therefore still arranged and valued.

In addition to offering an equal opportunity workplace where well-being is prioritised, we strive to always offer working terms and conditions that are in line with market practice. We continuously make sure that we offer benefits such as pay, pensions and insurance in line with market standards. In addition, we provide the opportunity for flexible work hours.

The Readly running team brought home no less than 3 medals from race Medieruset.

We safeguard strong and ethical relations

We take measures to maintain good relationships with all of our stakeholder groups. To create a culture of transparency and trust, we demonstrate strong standards of integrity.

Upholding high business ethics and countering corruption

At Readly, we always conduct business in the utmost professional manner that fosters long-term relationships. The way we do business is stipulated in our Code of Conduct. We want our stakeholders to raise concerns confidently, and promote an accountable and speak-out culture. It is paramount that our workplace is safe and supportive where employees feel comfortable enough to express concerns about someone's behaviour at work. This is increasingly important given our flexible work arrangements where misconduct can be more challenging to identify and report.

In 2022 we had zero registered cases of corruption or breaches of the Code of Conduct.

Data security on Readly's platform

Readly has a responsibility to every user to protect sensitive data such as log-in credentials, payment information and personal data both from intrusions and incidents. An incident involving loss of data would imply negative impacts for our readers, partners, employees and for Readly as a business, and is therefore an area of high priority. In addition to responsible handling of sensitive information, our readers also expect access to the service on all types of devices we support, 24 hours a day. To ensure this we have established routines for minimising any operational outages, and we are well prepared for unforeseen events. The routines and measures we take are based on selected parts of the ISO 27001 information security standard and other relevant industry practice.

Careful handling of personal information

With respect to customer integrity and collection of personal data and user habits, our position is that our readers should be able to trust that their integrity is always respected and that their personal information is handled with care. Our privacy policy, which all users receive when they register an account for the service, describes which information is stored and for what purposes. The latest version of the privacy policy is always available on the website. For example, we collect and store information in order to be able to provide the service, including to offer the best possible experience, since understanding our readers and their habits can enable us to personalise tips and lists. At the request of users, or when information no longer serves the purpose it was collected for, information is erased or anonymised. We never sell personal data, but we do share aggregated and anonymised information with a limited number of recipients in accordance with the terms of our privacy policy.

We have internal routines in place to respect users' rights, e.g. to respond to requests for access for personal data. To protect personal data and prevent unauthorised use, agreements (Data Processor Agreement) are entered into with all third parties that have access to our user data. Our technical solutions and internal routines are updated continuously to ensure that handling of information is done in accordance with the EU's General Data Protection Regulation (GDPR) and complementary data protection rules. Our privacy policy is reviewed regularly.

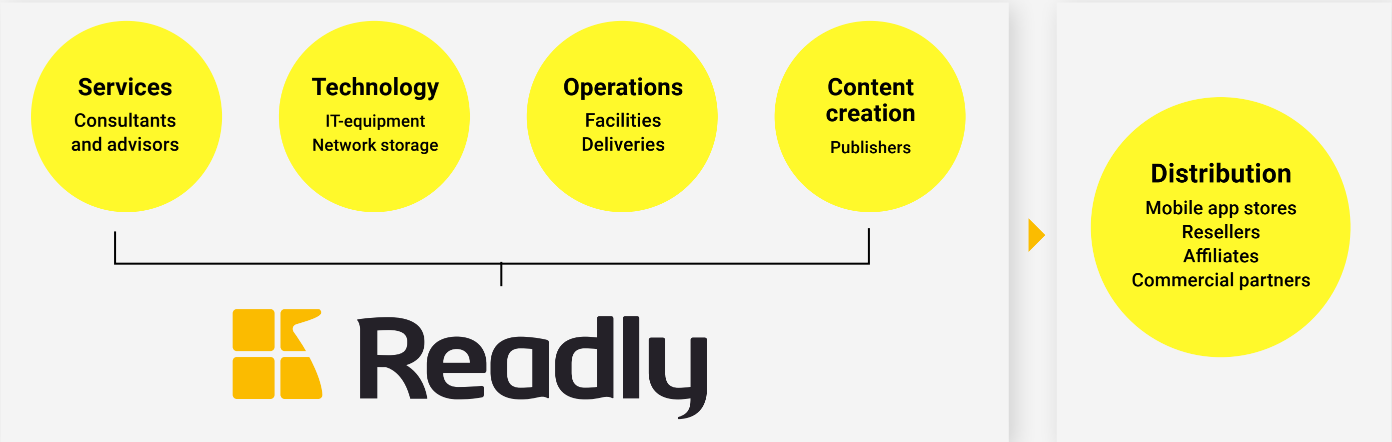
In 2022 we have worked on a GDPR gap analysis to make sure that we have all the right processes in place, and highlight efforts that need improving to ensure compliance. Some of the areas we have assessed have already resulted in new improved routines during 2022, such as routines to respond to requests from users regarding their data. We have also organised a GDPR refresher training for all staff to strengthen our knowledge and learn about important updates.

To anchor data protection and compliance in Readly, we have during the year created a new Data Compliance unit to control policy implementation, monitor compliance, carry out continuous risk assessments, conduct training measures etc. Our Head of Legal performs the tasks required by law to ensure compliance with data protection rules including handling complaints regarding data protection, communicating with regulatory authorities, and reports on developments to the Senior Leadership Team on a regular basis.

Ensure a sustainable supply chain

Our supply chain is made up of physical supplies (mainly of office equipment and IT equipment), cloud and other software services, digital marketing platforms, and publishers that provide us with content. In 2021 the Supplier Code of Conduct was incorporated in all new contracts and contract renewals with our publishers. As for other suppliers and partners, we have either incorporated the Supplier Code of Conduct in all new agreements or ensured that the suppliers have their own policies and codes of conduct that are of similar standards as ours. In 2022, we have reviewed contracts and agreements with our top ten biggest suppliers ensuring that the SCoC is included in our, or their, terms and conditions, and signed off.

Our supply chain



Sustainability governance

The aim of our sustainability governance model is to be able to conduct effective sustainability efforts and deliver long-term sustainable results to our stakeholders.

The Board is the governing body of Readly's sustainability work and responsible for implementing effective governance practices. That includes, but is not limited to, promoting responsible decision-making, monitoring the performance and the delivery of Readly's sustainability strategy and outcomes.

The Senior Leadership Team (SLT) has formed a steering group which will report to the Board and is responsible for the implementation of the sustainability strategy in the company including long term ambitions and targets. We also have a sustainability committee that will take initiatives and ensure that targets are met with the help of departments and teams across the company.

Sustainability governance — for effective work and long-term results

Readly board of directors
Ultimate responsibility for sustainability governance and approval of policies.

SLT steering group
Responsible for overarching sustainability strategy, targets and follow-up.

Sustainability committee
Follows up the sustainability efforts and prepares the sustainability activity related to policies, guidelines and strategy.

Departments and teams
Implementing strategy and activities, ideation and project management.

Stronger business resilience

The macroeconomic environment has introduced many challenges throughout 2022 which has forced us to consider unpredictable impacts of inflation, rising energy costs, supply chain disruptions and economic uncertainty. These factors have already proved to cause negative impacts on household and publisher costs.

We are continuously investing in futureproofing our company and are confident that working with sustainability is the key to navigating the macroeconomic headwinds and deliver on our financial objectives, while contributing to a more sustainable future. By transforming the magazine and newspaper landscape, limiting business travels, enabling remote working and boosting employee attraction and retention, we actively work with managing both sustainability and business risks. Read more about how we are managing risks in our risk assessment chapter.

Readly has a Crisis Management Plan and a Business Continuity Plan to ensure that operational disruptions or macroeconomic challenges have as little impact on the business as possible.

Policies & documentation

Readly's structure for policies and governance documents is highly developed and covers all sustainability areas, with policies for IT, crisis management, Codes of Conduct, workplace routines and much more. All our governance documents are revised on a regular basis, and approved by either the Board or our Executive Management team. During 2022, we have developed purchasing guidelines for energy efficient office supplies and ethical guidelines for marketing.

Our Code of Conduct, which includes guidance on all sustainability areas – human rights, labour rights, the environment and anti-corruption. Reading and understanding the Code is required of all employees and is part of our new employee orientation process. During 2022 the CoC was reviewed, updated and presented to the whole company. There is now a version in French also to ensure that all employees in our Paris office fully understand the code. Readly has implemented the COSO[17] internal audit framework to ensure reliable reporting, compliance, risk minimisation and prevention of fraud.

17) www.coso.org

SFDR index — adverse impact data

The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation introduced to improve transparency in the market for sustainable investment products. The regulation introduces environmental, social and governance (ESG) disclosure standards, with the aim to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

In 2022's sustainability report, Readly has chosen to include a SFDR index to provide the market, investors and other stakeholders with data regarding the company's principal adverse sustainability impact (PAI). The indicators that we, in this report, state as not collected can be provided upon request. The indicators that are N/A are not applicable to our business.

ADVERSE IMPACT DATA

Indicator	Metric	Impact
1. GHG emissions (tonnes CO_2eq)	Scope 1 GHG emissions	0
	Scope 2 GHG emissions	19.9
	Scope 3 GHG emissions	68.2
	Total GHG emissions	88.1
2. Carbon footprint	Carbon footprint (investors)	N/A
3. GHG intensity	GHG intensity (Scope 1+2+3)/(€M revenue)	1.66
4. Active in the fossil fuel sector	Active in the fossil fuel sector	N/A
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production expressed as a percentage of total energy sources	54%
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue, per high impact climate sector	N/A
7. Activities negatively affecting biodiversity-sensitive areas	Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	N/A
8. Emissions to water	Tonnes of emissions to water generated	Not collected
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated	Not collected
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	No
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Page 38
12. Unadjusted gender pay gap	Average unadjusted gender pay gap	4.5%
13. Board gender diversity	Average ratio of female to male board members, expressed as a percentage of all board members	20%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Involvement in the manufacture or selling of controversial weapons	No

About this report and its content

The sustainability report is for the 2022 financial year, with sustainability data from 2022. The report is published by Readly International AB which is the parent company of the group. The report also covers Readly International AB's subsidiaries; Readly AB, Readly Financial Instruments AB, Readly UK Ltd, Readly GmbH, Readly LLC and Readly France SA.

This report has been prepared based on the materiality analysis that was conducted in 2020. The stakeholder dialogue was conducted in accordance with the AA1000SES stakeholder engagement standard, which is the global benchmark for conducting stakeholder dialogues. The stakeholder groups consisted of subscribers, publishers, employees including Readly's Senior Leadership Team (SLT), the Board of Directors, investors and equity analysts. By combining the stakeholder groups' expectations and the SLT's joint assessment of long-term commercial value, three aspects were singled out as having particularly material importance, where we have the greatest potential to make a difference. The prioritisation serves as the basis for Readly's strategic sustainability work, including the setting of KPIs, targets and action plans. Readly's Senior Leadership Team adopted the materiality analysis in 2020 and the Sustainability Strategy in 2021.

Sustainability data has been collected through internal systems and suppliers. Employee data is presented both in headcount and per FTE. Greenhouse gas emission data has been calculated according to the GHG Protocol[18] based on information from suppliers and estimates where data is not available[19]. The figures regarding district cooling and business travel by air, in the annual sustainability reports of 2020 and 2021, were incorrect due to an identified data error which amounts to approximately 12,000 kWh per year and 60 tonnes of CO_2eq. This has been recalculated in the figures on page 25.

This is Readly's third annual sustainability report.

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18) www.ghgprotocol.org
19) As specific data for energy consumption of Readly's offices in London and Paris are unavailable, their data is estimated based on the number of employees and the total area of the offices.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Readly International AB, corporate identity number 556912-9553

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report.

This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm 30 March 2023

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Directors' report

The Board of Directors and the CEO of Readly International AB (publ) hereby present the annual report and consolidated financial statements for the financial year 2022.

The annual report is prepared in Swedish kronor (SEK), and all amounts presented are in thousands of Swedish kronor (SEK thousand), unless otherwise stated. Readly International AB is the parent company of the Group in which the following subsidiaries are included: Readly AB, Readly Financial Instruments AB, Readly UK Ltd, Readly GmbH, Readly LLC and Readly France SA (jointly referred to as Readly). The Group is headquartered in Stockholm and has local offices in Växjö, Berlin (Germany), London (UK) and Paris (France).

Information on the business

Readly's mission is to bring inspiration and insight into people's daily lives and unlock meaningful moments of relaxation. The Company was established in 2012 and is the market leader in its category in Europe with respect to digital magazine and newspaper services. Readly is available in more than 50 countries.

Readly offers customers a digital subscription service in the market for digital magazines and newspapers with content from third-party publishers. The subscription model is what's referred to in the industry as an "all-you-can-read" service and reflects the difference compared with other actors, which offer, for example, purchases of individual digital articles or unlimited reading from one and the same digital magazine or newspaper. For a fixed monthly fee, Readly's subscribers have unlimited access to quality content from 1,200 publishers. The product can be accessed online or via apps that can be downloaded from Apple App Store, Google Play, Amazon AppStore and Huawei App Gallery.

Sales in the global market for magazines and newspapers consist of sales of editions, as well as advertising space in each edition. The market is further divided into two separate categories: print and digital editions. Readly addresses primarily the market for sales of digital editions. Owing to financial challenges and emerging digital trends, publishers are having to seek revenue streams from other sources than printed magazines or newspapers. Digital magazines and newspapers allow the collection of large volumes of data, which publishers are interested in obtaining to gain deeper insights into reading behaviours, which is not possible to the same degree with printed editions. Moreover, it is possible to measure the result of advertisements placed in digital magazines and newspapers to a considerably greater extent than ads in printed editions, which makes it possible for publishers to optimise advertising space.

Providers of "all-you-can-read" subscriptions, like Readly, also help publishers reach a wider audience, which can lead to higher advertising revenue in pace with increased reach. The large base of subscribers of printed magazines and newspapers also allows publishers to reach out to new target groups outside of the audience that normally reads their editions, including to people who are in a geographic location where the publisher's magazines or newspapers are not physically available.

Revenue, expenses and profit

Total revenue amounted to SEK 591.6 million (466.3), an increase of 26.9 per cent compared with the previous year. The increase was mainly due to a higher average revenue per user, and to revenue from Readly France SA. The number of full-paying subscribers declined by 5.4 per cent to 452,466 (478,362), and was the result of an adapted marketing spend with a focus on profitable unit economics. Organic revenue growth for the year was 15.6 per cent. Adjusted for currency effects, organic growth was 9.9 per cent. Total operating expenses increased by 8.6 per cent to SEK -734.1 million (-675.8). The increase is mainly attributable to higher personnel costs together with higher publisher costs driven by revenue growth.

Liquidity and financial position

Cash and cash equivalents amounted to SEK 188.7 million (306.2). The Group recognised goodwill of SEK 50.0 million (70.7) at 31 December, which relates to the acquisition of Readly France SA. Impairment of SEK 27.0 million related to goodwill was recognised in 2022. Total liabilities amounted to SEK 292.5 million (305.8) at 31 December. The estimated earn-out consideration related to the acquisition of Readly France SA totalled SEK 26.2 million (41.2). A value adjustment of SEK 19.9 million was recognised at 31 December. The Group's

Significant events during the year

Q1

On 21 January, changes in the Group Executive Board were announced, including the resignation of Maria Hedengren, CEO and President, who was replaced by interim CEO Mats Brandt on 31 January.

On 31 March, measures to increase revenues and reduce costs were revealed. The restructuring means losing around 30 positions and ramping up investments in product development and innovation.

Q2

At the Annual General Meeting on 10 May, it was decided, in accordance with the Nomination Committee's proposal, to re-elect Patrick Svensk, Nathan Medlock, Malin Stråhle and Stefan Betzold as members of the Board of Directors. Patrick Svensk was re-elected as Chairman of the Board and Nicolas Adlercreutz was appointed as a new Board member. Viktor Fritzén and Alexandra Whelan declined to stand for re-election.

On 20 May, Mats Brandt took on the role of permanent President and CEO of Readly. Mats Brandt had served as acting CEO since 31 January 2022, succeeding Maria Hedengren, whose position as President and CEO ended on 31 January 2022.

At the Extraordinary General Meeting on 21 June, it was decided, in accordance with the Board's recommendations, to set up an employee options programme for senior executives and other employees of the Company and the Group outside Sweden.

Q3

No significant events occurred during the period.

Q4

On 5 December, Tidnings AB Marieberg, a subsidiary of Bonnier News Group AB, announced a public cash offer of SEK 12 per share to the shareholders of Readly International AB (publ).

On 5 December, Readly's Independent Bid Committee informed the shareholders of Readly International AB (publ) of its recommendation that they accept the offer. The acceptance period for the offer started on 8 December.

For more information see Note 30 Events after the end of the reporting period on page 104.

shareholders' equity amounted to SEK 90.6 million (201.7) at 31 December 2022, representing equity per share of SEK 2.4 (5.4). The change in equity is mainly due to the loss for the year.

Cash flow
Cash flow from operating activities before changes in working capital was SEK -91.3 million (-204.1). The change in working capital of SEK 28.5 million (38.6) was impacted by higher operating liabilities related to publishers and improved sales. Cash flow from investing activities totalled SEK -32.7 million (-30.6), of which SEK -32.8 million (-21.7) related to capitalised product development costs. Cash flow from financing activities was SEK -31.2 million (-20.2). Amortisation of loans amounted to SEK 26.8 million (19.6) at 31 December 2022, while interest paid (reported as cash flow from operating activities) stood at SEK 1.3 million (3.5).

Research and development
Readly has continued to develop its app with the aim of offering subscribers the best possible reading experience on the market. Readly is currently a market leader in the digitalisation of the magazine sector, and to maintain this position, the Group will continue to invest in research and development (R&D). R&D has always been a priority focus for Readly, and as an expression of this, in 2022 the Group invested the equivalent of 16 per cent of its operating expenses in R&D.

Important KPIs
Readly uses certain performance measures that are not defined by IFRS. Readly believes that these performance measures provide valuable information to readers of the financial reports as they offer supplementary data for the evaluation of Readly's performance. The key ratios that Readly has chosen to present are relevant taking into account the Company's operations and with respect to the financial targets for growth, margins and capital structure. The Alternative Performance Measures are not always comparable with measures used by other companies, since other companies may have calculated them in a different way. The definitions on page 106 set out how Readly defines its KPIs and the purpose of each KPI. On pages 105–108, supplementary information is provided that can be used to deduce all the KPIs.

Employees
The average number of employees including consultants was 144 (124), of which the average number of employees was 111 (89).

Significant risks and uncertainties
Readly's activities, like all business activities, are associated with risks in various areas. Entities in the Group may from time to time be involved in litigations that are not considered to have a material impact on the Group. Disclosure of disputes,

tax audits and legal proceedings is subject to critical estimates and judgments. Readly's risks are described on pages 45–51, together with the risk management process.

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. Foreseeable future extends at least to, 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 Group'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.

Following the listing of Readly shares on 17 September 2020, which raised issue proceeds of SEK 450 million before transaction costs, the Group has adequate financing to support its growth for the coming years. 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 concern assumption to be considered to have been met.

Anticipated future development

The Group's growth is expected to remain strong, but to fall slightly short of historical levels, as investments in marketing are adjusted to rising marketing prices so as to maintain healthy unit economics and promote cost-effective growth. Growth in the near term is expected to come primarily from new users in existing markets, but the Group can also see good opportunities to generate further growth through new markets, acquisitions or other strategic growth initiatives. In order to support the Group's continued growth, Readly is maintaining its investments in product development, innovation and the brand and, in cooperation with existing and new publishers, is continuing to expand the range of titles that subscribers can enjoy anywhere and anytime.

Proposal for the appropriation of profit or loss

At the disposal of the Annual General Meeting:

Loss brought forward	-614,492,777
Share premium reserve	1,181,169,642
Profit for the year	-158,523,284
SEK	**408,153,581**

The Board of Directors proposes that profits be appropriated as follows:

To be carried forward, SEK	**408,153,581**

The Group's and the parent company's performance and position in general are presented by the following income statements, balance sheets and cash flow statements with notes.

MULTI-YEAR OVERVIEW

Group (SEK thousand)	2022	2021	2020	2019	2018
FPSs (full-paying subscribers), number	452,466	478,362	369,764	278,555	213,910
Total revenues	591,613	466,308	352,604	264,739	195,950
ARPU (average revenue per user), SEK	102	92	93	87	86
Gross profit	203,191	156,127	117,059	82,773	58,319
Gross profit margin, %	34.3	33.5	33.2	31.3	29.8
Gross contribution	106,417	-33,780	-38,155	-16,303	-15,439
Gross contribution margin, %	18.0	-7.2	-10.8	-6.2	-7.9
Operating profit/loss	-142,471	-209,528	-189,775	-142,539	-106,976
Operating margin, %	-24.1	-44.9	-53.8	-53.8	-54.6
Adjusted operating profit/loss	-104,823	-204,943	-170,311	-138,123	-106,976
Adjusted operating margin, %	-17.7	-44.0	-48.3	-52.2	-54.6
Profit for the year	-119,960	-219,601	-197,424	-146,565	-107,980
Earnings per share before and after dilution [1]	-3.2	-5.9	-6.5	-5.9	-5.5

The earnings per share have been adjusted in the comparison period to the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 106.

Risk and risk management

Risk is a natural part of all business activities, and a certain level of risk-taking is necessary for financial growth. Suitable risk management is therefore fundamental for conducting and developing a sustainable and profitable business.

Readly's risk management aims to ensure good control of the Group's aggregate risk exposure and to ensure effective, systematic and value-creating management of opportunities and risks in the business activities. This improves the Group's decision-making and enhances its ability to achieve its strategic, financial, operational and legal and regulatory compliance objectives. Readly's Group-wide risk management process is integrated in its operations, and all employees are responsible for keeping themselves updated and informed on Readly's Risk Policy, as well as on other events and changes in this area. Risk is defined as a future, uncertain event that may have a negative impact on Readly's ability to achieve the Group's strategic, financial and operational objectives while complying with laws, rules and regulations.

The process consists of four main activities: (i) identification (planning), (ii) assessment and prioritisation, (iii) management, and (iv) monitoring and reporting.

Identification
During the financial year 2022, risk meetings were held with the Group management to identify the most significant risks for the respective areas. The results of these were then coordinated, complemented and analysed in order to thereafter decide which risks and measures will be prioritised.

All risks are classified in one of the following four categories: strategic, operational, financial and legal/regulatory. This breakdown provides support in choosing a suitable method for identifying existing, new and emerging risks as well as their interconnection and management.

Assessment and prioritisation
The size of identified risks is estimated with the help of risk tools that take into account the risks' potential impact on operations and the likelihood that a risk will arise over a defined period of time. This provides support in the decision on the risk's significance and prioritisation as well as on the response it receives.

Management
The choice of management is determined with support of the risk assessment and existing controls. This can involve, for example, methods for overseeing, implementing additional controls to reduce the risk, or changing procedures and processes. An important part of Readly's risk management is the appointment of risk owners for prioritised risks. Risk owners are responsible for ensuring that measures for managing the respective risks are conducted within a reasonable amount of time and with a high level of quality.

Reporting and oversight
Each risk owner monitors the existing risk and reports to the Legal Counsel. They comply, coordinate and develop the Group's risk management, after which reporting is made to the Group Executive Board and the Board of Directors. The Group's most significant risks and measures for managing these are reported at least twice a year to the Audit Committee.

Identification of risks

The strategic risks are linked to overall objectives aimed at complying with and supporting the Group's mission or vision. These risks are commonly identified in discussions on the Company's strategic plan or strategic initiatives. Risks are managed through measures that limit both the impact and the likelihood of risks occurring.

Operational risks are linked to the effectiveness of the operating activities, which also includes earnings and profitability. Such risks are identified mainly in process reviews and business follow-up. Management of operational risks is focused mainly on limiting the likelihood that a risk will arise, such as through internal controls as well as guidelines and instructions for internal processes.

Financial risks are associated with the reliability of internal and external reporting, as well as with securing the Group's holdings and resources. This responsibility lies with the Group's finance department, which identifies risks through testing and the evaluation of controls, together with forecasting and cash flow analysis.

Legal and compliance risks are linked to uncertainties outside of the Group's direct control, such as regulatory changes or changing market conditions. External risks are managed through, among other things, continuous monitoring of regulatory changes.

Strategic risks

HIGH PACE OF TECHNOLOGICAL CHANGE

Description of risk:	Risk management:
The market for digital magazines is characterised by a high pace of technological change. The Group's ability to foresee technological development and the market's need, and to adapt its products accordingly, is therefore of central importance for the Group's continued development. There is a risk that Readly's product development initiatives will not live up to customers' high expectations, which by extension could curb growth.	To adapt Readly's strategy to the dynamic market it works in, the Group Executive Board closely monitors changes in the market, expectations from publishers and subscribers, and technological development. Product development is a central part of Readly's strategy, and therefore the Board of Directors and management are careful to ensure that decisions on product development are based on data and the key indicators that the initiatives are intended to improve.

MARKET AND COMPETITION

Description of risk:	Risk management:
Readly is dependent on its ability to offer varied and compelling content to its subscribers and therefore competes with other digital magazine providers to gain access to the content. There is a risk of Readly's competitors entering into exclusive agreements with magazine publishers, which would prevent Readly from gaining access to certain content in current and new markets. The publishers themselves can develop technologies, products or services to provide content exclusively to their customers and not through Readly's platform. This could have an adverse impact on the number of subscribers and lead to loss of market share for Readly. Competitors to Readly may adopt an aggressive pricing strategy to capture market shares. There is also a risk of Readly misjudging the competitors' pricing strategies, which could lead to Readly failing to optimise its own pricing and thereby losing out on revenues.	Readly is working intensively on developing new, compelling offerings to subscribers as well as publishers. The Group regularly follows up its offerings to publishers and subscribers' views of the product's accessibility and offering to ensure high customer satisfaction. In cases where results do not reach the expected level, measures are taken to increase both customer satisfaction and loyalty. Readly is active in multiple markets, which reduces the risk of encountering increased competition in an individual market with price pressure as a result. Readly also analyses the consequences of competitors' price strategies and adapts its offering accordingly if deemed necessary. The "all-you-can-read" concept whereby subscribers – for a fixed monthly fee – gain access to unlimited content has also proved to be successful in other industries such as film and music, where consumers prefer to have a single provider for all content. Readly's offering encompasses thousands of titles from hundreds of publishers, which is a clear advantage over offerings from individual actors.

PRODUCT DEVELOPMENT

Description of risk:	Risk management:
If Readly fails to establish a sustainable and effective product development strategy, it could lead to a misallocation of resources to such solutions that lack appeal in the market.	Product development is steered by subscribers' reading time, which is measured to both retain subscribers and create higher product value for the end customer.

Operational risks

DEPENDENCE ON KEY PERSONNEL

Description of risk:	Risk management:
Within the Readly Group there is extensive experience and expertise among senior executives and other key personnel. The right expertise is crucial for ensuring the Group's current as well as future growth initiatives. Should such resources be lacking, it could have adverse effects on the Group's growth and pace of innovation. It is therefore highly important that the Group is able to recruit and retain qualified and competent employees.	Readly works continuously with skills development in order to develop its business and achieve set goals. Readly works through its Remuneration Committee on a continuous basis to establish long-term incentives for key personnel and to offer remuneration to management and other employees that is in line with the going rate in the market. The Company also conducts regular employee surveys to identify focus areas for increasing employee satisfaction.

DEPENDENCE ON PARTNERS

Description of risk:	Risk management:
In conducting its business the Group is dependent on services provided by third parties, including magazine publishers that agree with Readly to make their titles available on Readly's platform. Being able to offer its subscribers the most compelling content possible is crucial for Readly's continued development. A key factor for retaining and expanding the number of cooperating publishers is a growing user base, which generates growing publisher revenues and provides access to data analysis. Other key suppliers include, for example, providers of systems, infrastructure and databases for IT operations. The use of such third-party services exposes the business to a number of risks. There is a risk of critical suppliers being unable to deliver as agreed or being targeted by a data intrusion which, by extension, could negatively impact the Group's business, earnings and financial position.	Readly is working continuously on developing and strengthening its offering to publishers. Readly has a long-term goal to be a reliable source of revenue for publishers and to offer first-class, data-based insights to enable the continued development of quality content that consumers are interested in. By being a digital actor with customers in multiple markets both within and outside Europe, Readly is increasing the geographic diversity for publishers. New customers can be reached in parts of the world where the publishers themselves do not have reach via their own distribution. Readly is investing continuously in developing its data analytics and new interfaces that publishers can more easily access for their own analyses of reader behaviours.

MARKETING

Description of risk:	Risk management:
Marketing is crucial for Readly's ability to attract new subscribers and increase brand awareness. Readly has historically invested large sums in marketing activities to enable and support continued growth, but its focus is now more on optimising marketing costs. Marketing is an area that is undergoing rapid changes. There is a risk of Readly failing to use the most suitable marketing methods, which could lead to marketing campaigns not having the desired outcome. This could affect the number of subscribers, interest from the capital market and publishers, Readly's message to the market, and the Group's sales and earnings.	Readly is working continuously on testing and optimising new and existing channels, advertising space, target groups and offerings. Close collaboration between product, marketing and analysis departments promotes effective use of resources and contributes to long-term growth in value. Readly is also working on broadening its channels in an effort to reduce its dependence on individual marketing channels. This entails in particular a stronger focus on partnerships aimed at reaching new target groups and broadening the base of new customers acquired. Continued investments in higher brand awareness are contributing to higher organic growth, which further reduces dependence on individual channels. As Readly continues to grow, resources are also being added in the form of new employees with vital skills for this purpose.

Financial risks

LIQUIDITY RISK

Description of risk:	Risk management:
Liquidity risk is the risk of the Group being unable to meet its continuing financial obligations in time. Readly reports significant losses and negative cash flow as a consequence of the Group's continued substantial investments in marketing activities and other activities aimed at generating growth. Careful planning and control of Readly's capital requirements are needed to reduce this risk. If the Group does not succeed with its growth strategy or achieve its financial targets, a need for capital could arise. If this occurs, a shareholder base with available financial resources will be required to support further growth through additional capital injections. Should new share capital or external borrowing not be available to Readly if needed in the future, this could affect growth and the Company's ability to meet its obligations.	Cash flow forecasts for the Group are prepared by the Company's finance function, which carefully monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient liquidity to meet the needs of its operating activities. This is combined with a sharper focus on effective marketing activities, where insights into the lifetime value of customers are weighed against the customer acquisition cost in an effort to create long-term value and the updated strategy with focus on profitability.

CURRENCY RISK

Description of risk:	Risk management:
Readly is active internationally and is thereby subject to currency exposures, primarily in euros (EUR) and pounds sterling (GBP), but also in US dollars (USD), Australian dollars (AUD) and Swiss francs (CHF). The Group's sales to external customers are made in local currency at the same time as the Group has costs in the form of remuneration for publishers, often in the corresponding currencies, which creates a natural hedge for transactions in its operating activities. The Group's significant currency risks arise in the translation of balance sheet items in foreign currency.	Currency risk is managed by Readly's central finance function, which monitors and forecasts currency movements in the market. Each year the Board of Directors adopts a Treasury Policy that the finance function adheres to in order to reduce currency risk.

VALUATION RISK

Description of risk:	Risk management:
Readly's business is in a development phase, meaning that the operating company and subsidiary Readly AB is continuing to report significant losses. Readly's share price has also fallen by 39 per cent over the course of the year. There is a risk of the overvaluation of shares in subsidiaries and acquisition-related assets and liabilities.	At 31 December 2022, an impairment loss of SEK 152.2 million was recognised for shares in subsidiaries, SEK 27 million for goodwill, and a value adjustment of SEK 19.9 million for contingent considerations. Readly continuously monitors the development of the Company's share price and performance. Impairment testing is carried out annually, or more frequently if deemed necessary.

Legal and compliance risks

RISKS RELATED TO PERSONAL DATA AND ANONYMISED DATA	
Description of risk:	**Risk management:**
As Readly handles large volumes of personal data, mismanagement of data or data leaks may affect many data subjects, which may result in high penalties such as civil and/or criminal actions by the Swedish Authority for Privacy Protection (IMY) or other data protection authorities. This could affect Readly's reputation among subscribers, partners and publishers in the digital magazine market. Readly shares anonymised and aggregated data with publishers consisting of, for example, the age, gender and country of domicile of users, when and what magazines users read and what types of devices users use. If anonymisation does not prevent an individual from being identifiable by third parties, for example by analysing data in combination with other data, the data are not considered to be anonymised and constitute personal data as defined by General Data Protection Regulation 2016/679 (GDPR). If this risk is realised, there is a risk of Readly processing, or having processed, personal data in breach of the GDPR, which may lead to repercussions as described above. This could also affect Readly's reputation among subscribers, partners and publishers in the digital magazine market. The sharing of anonymised data with publishers is included in the agreements with the publishers and is thus important for maintaining continued cooperation with publishers. In individual cases, Readly additionally provides specific data to certain publishers, mainly email addresses, for such strictly limited purposes as are stated in Readly's Data Protection Policy. There is also a risk that new initiatives to improve and develop the customer offering will result in personal data processing that does not comply with the applicable regulations. Finally, there is a risk that Readly may be adversely affected by changes to the GDPR, interpretations of the GDPR or government policies in relation to anonymised data. Stricter or changed regulatory regimes, government guidelines and legislation in any of the markets in which Readly operates could prohibit the sharing of anonymised data with publishers, which could impair Readly's ability to offer its services to publishers and its relationships with publishers.	Readly's work is governed by established guidelines for the processing of personal data, which stipulate principles for collection, processing and storage of personal data, security and customers' rights. This includes ensuring risk management, making strategic decisions and making sure that processing of personal data is in compliance with laws and internal requirements. Various functions in the Group work actively to continuously improve systems and processes, update security and ensure thorough incident response and thereby ensure that customers' personal data is processed and protected in a responsible manner. Continuous reporting is done on the subject with the support of a framework for internal controls of data protection work, among other things.

Legal and compliance risks

TAX RISKS	
Description of risk:	**Risk management:**
Readly has substantial unutilised tax loss carry forwards for which no deferred tax asset has been reported. There is a risk that future transactions and/or events may reduce the opportunity to utilise these loss carry forwards. The parent company invoices the subsidiaries in the Group based on actual use of resources. During certain prior financial years through 2018, such resource use and thus invoicing did not pertain to all subsidiaries in the Group. The Swedish Tax Agency has expressed in a position statement that a parent company shall invoice all subsidiaries in a Group in order for full VAT deduction to be allowed. However, legal precedence from the Administrative Court of Appeal suggests that resource-based invoicing shall be accepted. It cannot be entirely ruled out that the Swedish Tax Agency could question certain parts of the Company's deductions for losses or VAT, which by extension could give rise to significant negative effects on the Group's earnings and financial position. The parent company's total deductions for incoming value-added tax during the financial years in question amount to approximately SEK 25 million in total.	Readly monitors regulatory developments in the markets in which it operates in order to proactively manage change.

The Readly share and shareholders

Share capital
The Readly share has been listed on Nasdaq Stockholm since 17 September 2020 and entered the small-cap segment on 1 January 2023. At 31 December 2022, the share capital amounted to SEK 1,137,142, divided between 37,904,738 shares. Each share is entitled to one vote, and at the Annual General Meeting each shareholder entitled to vote may vote for the full number of shares they own and represent, without any restriction on their voting rights.

Shareholders
At year-end, the Company had 8,202 shareholders (9,080). Readly's largest shareholder was Swedbank Robur Fonder. The ten largest shareholders controlled a total of 39.2 per cent of the capital and votes at 31 December 2022. For more information see Note 30 Events after the end of the reporting period on page 104.

Developments during the year
During the year, Readly's share price fell by 39 per cent compared with the OMXSPI, which reported a 25 per cent fall during the same period. The closing price on 31 December 2022 was SEK 11.84 per share, corresponding to a market capitalisation of SEK 449 million. The average daily share turnover during the year was 165,857.

Dividend policy
Readly's Board of Directors does not intend to propose a dividend in the short- or medium term, but instead intends to use the cash flow that is generated for continued investments in growth. Each year the Board of Directors will evaluate the possibility of proposing a dividend after taking into consideration development of the business as well as its operating profit/loss and financial position.

The Board of Directors intends to propose that no dividend is paid for the 2022 financial year.

Shareholder information
The Annual General Meeting of Readly International AB (publ) will be held on 13 June 2023, at 2pm. A notice is published in Dagens Industri and the Swedish Official Gazette. The notice and information published prior to the meeting is available at corporate.readly.com

Analysts who cover Readly
Derek Laliberté at ABG Sundal Collier, and Rasmus Engberg at Handelsbanken.

FAST FACTS

Trading venue
Nasdaq Stockholm

Segment/sector
Technology

Market capitalisation 31 Dec 2022
SEK 449 million

ISIN
SE0014855292

Ticker
READ

FINANCIAL CALENDAR

Interim report Jan-March 2023
4 May 2023

2023 Annual General Meeting
13 June 2023

Interim report Jan-June 2023
17 August 2023

Interim report Jan-Sep 2023
9 November 2023

Year-end report Jan–Dec 2023
8 February 2024

CONTACT INFORMATION

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111 43 Stockholm
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www.readly.com
+46 (0)8 25 67 70

SHAREHOLDER INFORMATION

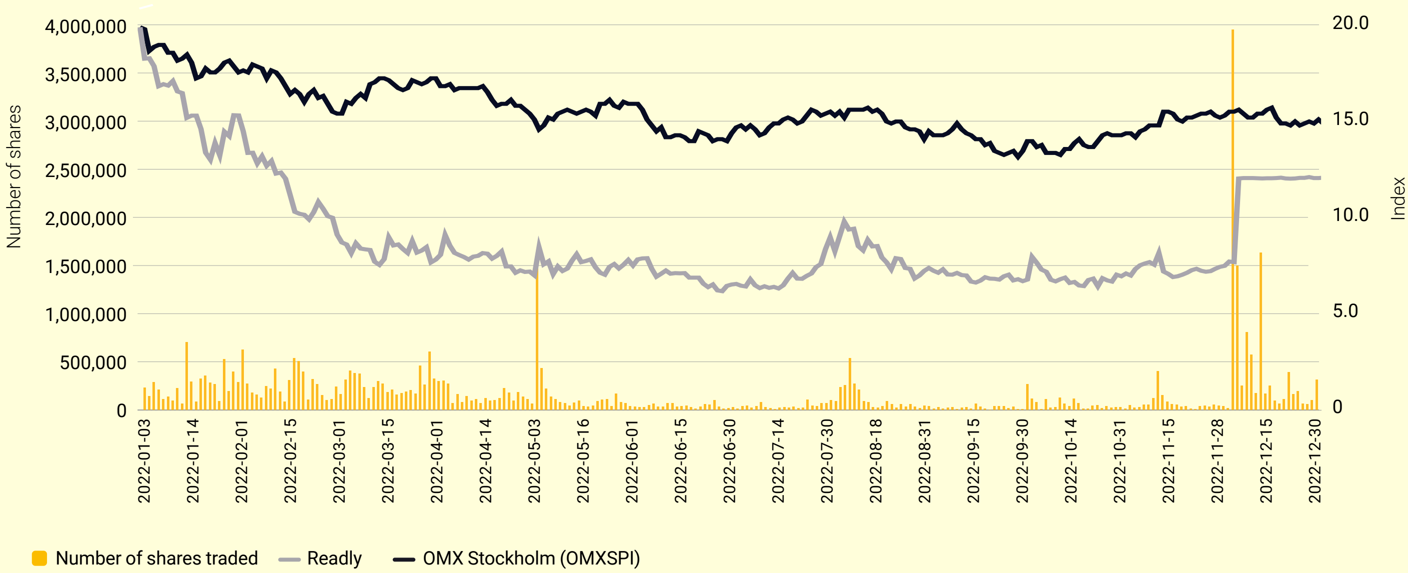
The Annual General Meeting of Readly International AB (publ) will be held on 13 June 2023, at 2 pm.

A notice is published in Dagens Industri and the Swedish Official Gazette.

The notice and information published prior to the meeting is available at corporate.readly.com.

Read more about the share at https://corporate.readly.com/investors/the-share/

SHARE PRICE PERFORMANCE



LARGEST SHAREHOLDERS

At 31 Dec 2022

Shareholders	Total number of shares	% of total number of shares
Swedbank Robur Fonder	3,339,212	8.8
Tredje AP-Fonden	2,264,535	6.0
Berylson Capital Partners LLC	1,994,894	5.3
Harry Klagsbrun	1,850,000	4.9
Zouk Capital	1,616,922	4.3
Nordnet Pensionsförsäkring	1,256,973	3.3
Avanza Pension	887,129	2.3
Skandia Fonder	668,676	1.8
Handelsbanken Liv Försäkring AB	532,030	1.4
Livförsäkringsbolaget Skandia	467,963	1.2
Subtotal 10 largest shareholders	**14,878,334**	**39.2**
Others	23,026,404	60.8
Total number of shares	**37,904,738**	**100**

NUMBER OF SHARES PER COUNTRY

Country	Number of shares	Share of votes and capital, %
Sweden	19,464,597	51.4
USA	2,001,544	5.3
UK	1,854,147	4.9
France	543,632	1.4
UAE	308,467	0.8
Total	**24,172,387**	**63.8**

Source: Data compiled by Monitor. Sources: Euroclear, Morningstar, the Swedish Financial Supervisory Board, Nasdaq, Millistream.

CHANGES IN SHARE CAPITAL

Registration date	Event	Number of shares: Change	Number of shares: Total	Share capital (SEK): Change	Share capital (SEK): Total	Subscription price (SEK)
12/06/2017	Set-off issue [1]	629,902	3,521,235	62,990	352,124	155.00
12/06/2017	New issue [2]	43,686	3,564,921	4,369	356,492	0.10
14/06/2017	New issue [3]	47,940	3,612,861	4,794	361,286	155.00
31/10/2017	New issue [4]	193,547	3,806,408	19,355	380,641	155.00
25/05/2018	New issue (exercising of warrants) [5]	3,750	3,810,158	375	381,016	86.00
05/06/2018	Set-off issue [6]	5,849	3,816,007	585	381,601	155.00
21/09/2018	Bonus issue [7]		3,816,007	190,800	572,401	0.00
26/09/2018	New issue [8]	365,853	4,181,860	54,878	627,279	164,00
12/10/2018	New issue [9]	222,560	4,404,420	33,384	660,663	164,00
25/10/2018	New issue [10]	28,080	4,432,500	4,212	664,875	164,00
30/11/2018	New issue [11]	32,220	4,464,720	4,833	669,708	164,00
02/07/2019	New issue [12]	934,518	5,399,238	140,178	809,886	0.15
08/08/2019	New issue [13]	8,908	5,408,146	1,336	811,222	168.00
25/09/2019	Set-off issue [14]	41,086	5,449,232	6,163	817,385	155.00
03/04/2020	New issue (exercising of warrants) [15]	22,100	5,471,332	3,315	820,700	155.00
03/04/2020	New issue (exercising of warrants) [16]	1,000	5,472,332	150	820,850	86.00
03/04/2020	New issue (exercising of warrants) [17]	350	5,472,682	53	820,902	130.00
26/06/2020	New issue [18]	104,817	5,577,499	15,723	857,707	268.00
24/07/2020	New issue [19]	245,367	5,822,866	36,805	873,430	268.00
07/09/2020	Share split	23,291,464	29,114,330	–	873,430	–
21/09/2020	New issue in connection with IPO [20]	7,627,118	36,741,448	228,814	1,102,243	59.00
19/10/2020	New issue (exercising of warrants) [21]	50,000	36,791,448	1,500	1,103,743	39.80
14/12/2020	New issue (exercising of warrants) [22]	190,000	36,981,448	5,700	1,109,443	50.00
29/12/2020	New issue (exercising of warrants) [23]	50,000	37,031,448	1,500	1,110,943	50.00
11/01/2021	New issue (exercising of warrants) [24]	75,000	37,106,448	2,250	1,113,193	31.00
26/01/2021	New issue (exercising of warrants) [25]	120,169	37,226,617	3,605	1,116,799	33.60
22/11/2021	New issue [26]	678,121	37,904,738	20,344	1,137,142	31.48

1) The Extraordinary General Meeting decided on 4 May 2017 to issue a maximum of 629,902 class B preference shares.

2) The Extraordinary General Meeting decided on 4 May 2017 to issue a maximum of 43,686 ordinary shares.

3) On 15 May 2017, the Board of Directors decided to issue a maximum of 47,940 Class B preference shares pursuant to the authorisation granted by the Extraordinary General Meeting on 4 May 2017.

4) The Extraordinary General Meeting decided on 4 May 2017 to issue a maximum of 193,547 class B preference shares.

5) The Company's share capital was increased through the exercising of warrants. A total of 3,750 warrants were exercised for new ordinary shares in the Company. The warrants were issued by the Board of Directors on 19 February 2016.

6) On 11 May 2018, the Board of Directors decided to carry out a set-off issue of 5,849 ordinary shares pursuant to the authorisation granted by the General Meeting on 13 June 2017.

7) An Extraordinary General Meeting on 14 September 2018 resolved to increase the Company's share capital through a bonus issue, without issuing new shares, by allocating capital from the Company's share premium reserve.

8) An Extraordinary General Meeting resolved on 14 September 2018 to issue a maximum of 588,413 shares, and a maximum of 365,863 ordinary shares were subscribed.

9) An Extraordinary General Meeting resolved on 14 September 2018 to issue a maximum of 588,413 shares, and a maximum of 222,560 Class C preference shares were subscribed.

10) On 28 September 2018, the Board of Directors resolved to issue a maximum of 28,080 Class C preference shares pursuant to the authorisation granted by the Extraordinary General Meeting on 14 September 2018.

11) On 6 November 2018, the Board of Directors resolved to issue a maximum of 32,220 Class C preference shares pursuant to the authorisation granted by the Extraordinary General Meeting on 14 September 2018.

12) On 18 June 2019, the Board of Directors decided to issue a maximum of 954,918 ordinary shares pursuant to the authorisation granted by the Extraordinary General Meeting on 14 September 2018.

13) On 15 July 2019, the Board of Directors decided to issue a maximum of 8,908 ordinary shares pursuant to the authorisation granted by the General Meeting on 18 June 2019.

14) An Extraordinary General Meeting resolved on 2 May 2019 to make a set-off issue of a maximum of 41,086 class B preference shares.

15) The Company's share capital was increased through the exercising of warrants. A total of 350 warrants were exercised for new ordinary shares in the Company.

16) The Company's share capital was increased through the exercising of warrants. A total of 22,100 warrants were exercised for new ordinary shares in the Company.

17) The Company's share capital was increased through the exercising of warrants. A total of 1,000 warrants were exercised for new ordinary shares in the Company.

18) The Board of Directors decided on 3 June 2020, pursuant to the authorisation of the Annual General Meeting of 25 May 2020, to issue a maximum of 268,357 units, corresponding to a maximum of 268,357 ordinary shares, of which 245,367 ordinary shares were subscribed.

19) The Board of Directors decided on 25 June 2020, pursuant to the authorisation granted by the Annual General Meeting on 25 May 2020, to issue a maximum of 104,817 units, corresponding to a maximum of 104,817 ordinary shares.

20) After completion of the IPO.

21) The Company's share capital was increased through the exercising of warrants. A total of 10,000 warrants were exercised for 50,000 new ordinary shares in the Company.

22) The Company's share capital was increased through the exercising of warrants. A total of 38,000 warrants were exercised for 190,000 new ordinary shares in the Company.

23) The Company's share capital was increased through the exercising of warrants. A total of 10,000 warrants were exercised for 50,000 new ordinary shares in the Company.

24) The Company's share capital was increased through the exercising of warrants. A total of 15,000 warrants were exercised for 75,000 new ordinary shares in the Company.

25) The Company's share capital was increased through the exercising of warrants. A total of 69,552 warrants were exercised for 120,169 new ordinary shares in the Company.

26) The Company's share capital was increased through share issues connected with acquisitions. This resulted in 678,121 new ordinary shares in the Company.

Corporate governance report

General
Readly International AB (publ), "Readly", is a Swedish public limited liability company with registered office in Stockholm, Sweden. Governance of the Company is grounded in the Swedish Companies Act, the Articles of Association, the obligations that follow by being listed on Nasdaq Stockholm, the Swedish Corporate Governance Code (referred to herein as "the Code"), and other applicable laws and regulations. Readly applies the Code as from 1 January 2020. Corporate governance encompasses a set of rules and decision-making hierarchy for leading the operations of a company effectively and in a controlled manner for the purpose of meeting the owners' requirement for a return on their invested capital.

Readly strives for a high standard by ensuring clarity and simplicity in management systems and governance documents. Governance, management and control of Readly are delegated among the shareholders at the Annual General Meeting (AGM), the Board of Directors and the CEO as well as the auditors in accordance with the Swedish Companies Act, the Articles of Association, the Board's Rules of Procedure, the instructions for the CEO and committees, and other policies, instructions, procedures and values. Through enhanced openness and transparency, good insight is provided into the Company's operations, which contributes to effective governance.

Shareholders
Readly's shares have been listed on Nasdaq Stockholm since 17 September 2020. At year-end that share capital in Readly amounted to SEK 1,137,142, divided between 37,904,738 shares with a share quota value of SEK 0.03. Readly shares exist in one share class. At year-end the Company had 8,202 shareholders. The share of foreign ownership was 48.6 per cent. Readly's largest shareholder was Swedbank Robur Fonder. The ten largest shareholders controlled a total of 39.2 per cent of the capital and votes at 31 December 2022. For more information, see the Readly Share section on pages 52–54.

General meeting and Annual General Meeting
In accordance with the Swedish Companies Act, the General Meeting is the Company's highest decision-making body. At the Company's Ordinary General Meeting, the Annual General Meeting (AGM), the income statement and balance sheet are adopted, the Board of Directors and auditors are elected, their fees are set and other statutory matters of business or matters prescribed by the Code are conducted. At the Annual General Meeting, shareholders have the opportunity to ask questions to the Board of Directors, management and auditors.

All shares carry entitlement to one vote each.

2022 Annual General Meeting
The Annual General Meeting was held on 10 May 2022 in Stockholm. At the AGM, around 25 per cent of the votes were represented. Patrick Svensk was elected chair of the Meeting. The AGM resolved to re-elect Patrick Svensk, Nathan Medlock, Stefan Betzold and Malin Stråhle as Board members. It also decided to elect Nicolas Adlercreutz as a new Board member. Patrick Svensk was re-elected as Chairman of the Board. Viktor Fritzén and Alexandra Whelan announced that they were not standing for re-election. The accounting firm Öhrlings PricewaterhouseCoopers AB was re-elected as auditor, with Aleksander Lyckow as auditor-in-charge.

It was decided to adopt the Nomination Committee's recommendations for directors' fees and principles for appointing a nomination committee. The Board's recommendations for guidelines for senior executives were adopted.

The Board of Directors was authorised to decide, on one or more occasions up until the next Annual General Meeting, on a new issue of ordinary shares, convertible bonds and/or warrants with the right to convert into and subscribe for ordinary shares, with or without derogation from shareholders' preferential rights, corresponding to a maximum of five per cent of the total number of shares in the Company at the time the authorisation is first used, to be paid in cash, by contribution and/or by set-off. The Board's ability to decide on a new share issue without preemptive rights for shareholders as described above is primarily for the purpose of raising new capital to increase the Company's flexibility or in connection with acquisitions.

It was resolved to introduce an incentive programme through the issue and transfer of warrants to senior executives and employees in accordance with the proposal submitted by the Board of Directors.

The AGM also decided to approve the remuneration report.

At the Extraordinary General Meeting on 21 June 2022, it was resolved to introduce an employee options programme through the issue and transfer of warrants in accordance with the proposal submitted by the Board of Directors. New Articles of Association were adopted in accordance with the Board's proposal to amend the Company's Articles of Association, including the article stating that Readly shall only be able to issue ordinary shares.

2023 Annual General Meeting

The 2023 Annual General Meeting will be held at 2pm on Tuesday 13 June 2023 in Stockholm. Shareholders will be offered the opportunity to participate in person.

Nomination Committee

The 2022 Annual General Meeting resolved that the following principles for appointing a nomination committee and the Nomination Committee's mandate shall apply until another resolution is made by a General Meeting.

The Nomination Committee, which shall be appointed for the time until a new nomination committee has been appointed, shall consist of four members, of whom three shall be appointed by the Company's three largest shareholders in terms of votes and the fourth shall be the Chairman of the Board. The Chairman of the Board shall – as soon as it can be reasonably conducted after the end of the third quarter – in a suitable manner contact the three largest owner-registered shareholders in the shareholder register maintained by Euroclear at this point and instruct them to – within a reasonable period of time considering the circumstances, which may not exceed 30 days – submit to the Nomination Committee in writing the name of the person the shareholder wishes to appoint as a member of the Nomination Committee.

If one of the three largest shareholders refrains from exercising its right to appoint a member of the Nomination Committee, the next shareholder in succession shall be offered the right to appoint a member of the Nomination Committee. In the event several shareholders refrain from their right to appoint a member of the committee, the Chairman of the Board shall not be required to contact more than eight shareholders, insomuch as it is not necessary to ensure appointment of a nomination committee consisting of at least three members.

Unless otherwise agreed upon by the members, the member appointed by the largest shareholder shall be appointed as chair of the Nomination Committee. A Board member shall never serve as chair of the Nomination Committee.

If a shareholder that has appointed a member of the Nomination Committee during the year ceases to be one of the Company's three largest shareholders, the member appointed by such shareholder shall resign from the Nomination Committee. In that person's place a new shareholder among three largest shareholders shall have the right to independently and at its own discretion appoint a member of the Nomination Committee. However, no marginal differences in shareholdings and changes in shareholdings that take place later than two months before the Annual General Meeting shall lead to any changes in the composition of the Nomination Committee, insomuch as special circumstances do not exist.

If a member of the Nomination Committee resigns before the Nomination Committee has completed its assignment, due to other reasons than those described in the preceding paragraph, the shareholder that appointed the member shall have the right to independently and at its own discretion appoint a substitute member. If the Chairman of the Board resigns from the Board of Directors, the replacement for this person shall also replace the Chairman of the Board serving on the Nomination Committee.

The Nomination Committee's composition shall be made public not later than six months before the Annual General Meeting. In this context, all shareholders shall also be informed about how the Nomination Committee can be contacted. Changes in the Nomination Committee's composition shall be made public immediately.

The Nomination Committee shall conduct preparatory work and submit recommendations to the forthcoming Annual General Meeting on the following: election of a person to serve as Annual General Meeting chairman, election of the Chairman of the Board and other directors, the amount of directors' fees broken down by the Chairman and other directors plus any fees for committee work, and election of the auditor and the auditor's fees. No fees shall be paid to members of the Nomination Committee. The Nomination Committee shall have the right, after receiving approval from the Chairman of the Board, to charge the Company with costs for e.g., recruitment consultants or other costs needed for the Nomination Committee to be able to fulfil its assignment.

The members of the Nomination Committee 31 December 2022 are:

- Patrick Svensk, Chairman of the Board of Readly
- Caroline Sjösten, appointed by Swedbank Robur Fonder AB
- Peter Lundkvist, appointed by Tredje AP-Fonden

All shareholders have been given the opportunity to submit proposals to the Nomination Committee for e.g. directors, for further evaluation within the framework of the Nomination Committee's work.

The Nomination Committee met twice during the period two October 2022 to 15 February 2023. As documentation for its evaluation of the Board of Directors' composition, the Nomination Committee has had access to an evaluation conducted by the Board of Directors and also had the opportunity to meet with the Board members individually. Based on this evaluation and the opportunity to consider recommendations for new directors, the Nomination Committee drafts a recommendation for a new board that is presented in connection with the notice of the next Annual General Meeting. The Nomination Committee reports on its work at the Annual General Meeting.

The Nomination Committee applies paragraph 4.1 of the Swedish Corporate Governance Code, i.e. "the `Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the Board."

In the opinion of the Nomination Committee, the Company's Board has satisfactory diversity with respect to the members' experience, age and gender. The share of women on the Board of Directors in 2022 was 20 per cent.

The Board of Directors' responsibilities and duties
The Board of Directors has overarching responsibility for administration of Readly's affairs conducted on behalf of the shareholders. At the statutory Board meeting, the Board of Directors decides on the Rules of Procedure and forms of work for the Board and for the CEO as well as for the other bodies established by the Board. In addition, the Board sets the frameworks for the financial reporting and the instructions and policies that regulate duties and authorisations.

The Board of Directors' composition
The Articles of Association set out stipulations on the appointment and dismissal of Board members as well as on amendments of the Articles of Association. According to the Articles of Association, the Board of Directors shall have a minimum of three and a maximum of ten members. Owing to the Board of Directors' composition with members who have different backgrounds and a breadth of combined experience, the Board of Directors' members together have the knowledge required for the Board work including issues pertaining to strategy, company management and expansion both organically and through structural deals. The members' ages, main educational backgrounds, professional experience, significant assignments, year elected and shareholdings in Readly are included in the biographical presentation of the Board members on pages 60–61.

The Company's CEO is not a Board member but participates in Board meetings, except for when the Board of Directors addresses matters pertaining to the Board of Directors' work or evaluation of the CEO. The Group's Chief Financial Officer is the Secretary of the Board. The Board has established an audit committee and a remuneration committee. The committees mainly have a preparatory role and do not release the directors from their obligations and responsibilities.

Chairman of the Board
The Chairman of the Board is responsible for leading the Board of Directors' work and for ensuring that the Board of Directors fulfils its obligations in accordance with the Companies Act and the Board of Directors' Rules of Procedure. Through continuing contacts with the CEO, the Chairman has monitored the Company's development and ensured that the Board of Directors receives the information required of the Board to be able to fulfil its obligations. The Chairman of the Board shall also represent the Company on ownership matters. Patrick Svensk has been Chairman of the Board since January 2020.

Directors' fees
The directors' fees approved by the 2022 AGM amount to SEK 1,800,000 in total. Of this amount, SEK 520,000 pertains to the fee for the Chairman of the Board and SEK 260,000 pertains to the fee for each of the other directors. The total amount of SEK 1,800,000 also includes a fee of SEK 100,000 for the chair of the Audit Committee, SEK 40,000 for every member of the Audit Committee, SEK 30,000 for the chair of the Remuneration Committee and SEK 15,000 for each of the two members of the Remuneration Committee.

The Board's work during the year
During 2022 the Board of Directors held 11 regular meetings and 12 meetings by written resolution. The directors' attendance is shown in the table on page 58. All the directors attended all t written resolution meetings. The minutes recorded of these meetings are records of decisions made and are recorded by the CFO, who is the Company secretary. Preparatory work ahead of the Board of Directors' regular meetings is conducted by the Chairman of the Board together with the Company's CEO. Ahead of every Board meeting the directors receive written material as documentation for the discussions and decisions that will be taken up for consideration. In connection with certain Board meetings, representatives from Company management may attend to report on matters in their respective areas. The Company's auditor attends the Board meeting that addresses the annual accounts. The Board of Directors and auditor had opportunities to discuss operations, reports and the audit work, also without members of management being present. Remuneration matters were addressed in connection with the Remuneration Committee's meetings (see also under "Remuneration Committee").

The Board receives the Group CEO report on a monthly basis. This report addresses financial development, development in the number of subscribers and brief information on business performance. These reports are compiled by the CEO and CFO.

Audit Committee

The Audit Committee consisted in 2022 of Patrick Svensk and Nicolas Adlercreutz, replacing Viktor Fritzén and Alexandra Whelan, who were on the Audit Committee at the beginning of 2022. Nicolas Adlercreutz is chair of the Audit Committee. The Audit Committee met 5 times in 2022. The Audit Committee also met with the Company's auditors. Matters addressed in 2022 included governance documents, quarterly reports, internal financial reporting, evaluation of the audit, a review of the outcome of the AGM-elected auditor's review of operations, and matters related to internal control.

Remuneration Committee

In 2022, the Remuneration Committee consisted of Patrick Svensk, Nathan Medlock and Stefan Betzold. Patrick Svensk is chair of the Remuneration Committee. The Remuneration Committee met twice in 2022. The Remuneration Committee's duties include, among other things, conducting preparatory work for the Board of Directors' decisions on matters related to remuneration principles, remuneration and other terms of employment for members of Company management, monitoring and evaluating programmes for variable remuneration of members of Company management, and monitoring and evaluating general remuneration structures and remuneration levels within the Company. Further, the committee assists the Board of Directors with formulating the proposed guidelines for the remuneration of senior executives, which the Board of Directors presents to the AGM, and with monitoring and evaluating the application of these guidelines. The CEO normally attends the committee's meetings, except for matters regarding their own remuneration. Matters addressed during the year include terms of employment and incentives for senior executives.

Evaluation of the Board of Directors' work

In accordance with the instructions in the Board of Directors' Rules of Procedure, the Board of Directors continuously evaluates its work through open discussions within the Board of Directors and through a yearly Board evaluation questionnaire. The result of the yearly evaluation is presented to the Nomination Committee. The Nomination Committee also held a meeting with the Board members to be able to ask questions to individual directors about how the Board of Directors' and CEO's work has progressed. The CEO also receives and responds to the questionnaire in the Board of Directors' yearly evaluation.

Directors' attendance at committee meetings

Patrick Svensk attended 5 out of the 5 meetings of the Audit Committee during the year. Viktor Fritzén and Alexandra Whelan attended the first two meetings of the year and were then replaced by Nicolas Adlercreutz, who attended the remaining three meetings of the Audit Committee. Patrick Svensk, Nathan Medlock and Stefan Betzold attended both of the Remuneration Committee meetings during the year.

CEO and Group Executive Board

The CEO is responsible for the continuing administration of the Company in accordance with the Companies Act and Readly's CEO instructions, which are established by the Board of Directors. The CEO is responsible for keeping the Board of Directors informed about the Company's operations and for ensuring that the Board of Directors has the necessary and most thorough decision-making documentation possible.

In addition, the CEO keeps the Chairman of the Board continuously informed about the Group's performance.

DIRECTORS' ATTENDANCE AT REGULAR BOARD MEETINGS

	2/2	10/2	24/3	4/5	10/5	22/6	10/8	28/9	10/11	24/11	13/12
Patrick Svensk	●	●	●	●	●	●	●	●	●	●	●
Nathan Medlock	●			●	●		●	●	●		●
Malin Stråhle	●	●	●	●	●	●	●	●	●	●	●
Stefan Betzold	●	●	●	●	●	●	●	●	●	●	●
Nicolas Adlercreutz						●	●	●	●	●	●
Viktor Fritzén	●	●	●	●	●						
Alexandra Whelan	●	●	●	●	●						

The Group Executive Board consists of Readly's Chief Executive Officer, Chief Financial Officer, Chief Content Officer, Chief Technology Officer, Chief Marketing Officer, Chief People Officer and Chief Product Officer. Further information about the members of the Group Executive Board is provided on pages 62–63. The Group Executive Board holds regular management meetings, on a weekly basis or more often when needed.

Auditors

The Company's auditor, Öhrlings PricewaterhouseCoopers AB, was elected at the Annual General Meeting in May 2022. Aleksander Lyckow is auditor-in-charge. During the year, in addition to auditing the Company's accounts, the auditor also reviewed the interim report for the period January–September 2022.

As described under the heading "The Board of Directors' work during the year", the Company's auditor also attended the Board meeting that addressed the annual financial statements. The Company's auditor also attended 5 meetings of the Audit Committee during the year. Information on auditors' fees for the financial year 2022 is provided in Note 7.

Internal control over financial reporting

Internal control over financial reporting is based on the control environment established by the Board of Directors and Company management. By control environment is meant, among other things, the organisational structure, responsibility and authority that has been defined and communicated to all pertinent persons in the Company as well as the values and the culture that exist in Readly. In addition, it includes matters such as the competence and experience of employees and a number of governance documents, such as policies, manuals, process descriptions, self-test routines and the established attestation instructions.

Control environment

The Board of Directors has established Rules of Procedure that are adopted yearly at the statutory Board meeting. They form the basis of the Board of Directors' work and for effective management of the risks that the business is exposed to. Each year the Board of Directors updates and adopts its Rules of Procedure and the CEO's instructions. According to Readly's policy for internal control, a number of governance documents shall be accessible for all employees. These governance documents include, among others, the IR & Communication Policy, the Insider Policy, a crisis plan and the Code of Conduct. The policies and other governance documents that Readly has are considered to form the foundation for good internal control. Internal governance documents for ensuring good quality of the financial reporting consist of the Group's financial manual, the IR & Communication Policy, ICFR and the established attestation instructions. In addition, Readly has policies for handling personal data in accordance with the GDPR rules. The Board of Directors is responsible for continuously monitoring compliance with overarching policies and other governance documents that exist and continuously assessing the Company's financial situation and results of operations.

Information and communication

Information about Readly's governance documents such as policies, guidelines and procedures is conveyed to pertinent persons. Essential policies and guidelines are updated as needed, but at least yearly, and are communicated to pertinent employees. In addition, matters concerning the financial reporting are discussed in connection with meetings at which the Group's finance employees meet. For external communication, Readly adheres to the established IR & Communication Policy, which in turn takes into account the rules for, among other things, communication and the handling of insider information that is obligatory for companies listed on Nasdaq.

Follow-up

Readly prepares a complete income statement and balance sheet as well as selected key performance indicators (KPIs) for the Group every month. Various relevant KPIs are also monitored daily or weekly. Every month a consolidation is done of the entire Group, where the outcome is followed up in relation to the budget. On top of the strictly financial follow-up, the internal controls are followed up and a risk inventory is taken in accordance with a plan established by the Board of Directors that extends over a 12-month period, which is then evaluated and subsequently executed over the following 12-month period. The Board conducts a monthly update of the financial outcome.

Issuance of information for the stock market

In accordance with the obligations that follow from Readly being a listed company, Readly provides the stock market with information about the Group's financial position and development. Information is provided in the form of interim reports and an annual report, which are published in Swedish and English. On top of strictly financial information, Readly also publishes press releases about news and events, and holds presentations for shareholders, financial analysts and investors. Published information is also posted on the Company's website, https://corporate.readly.com.

Internal audit

Against the background of the Company's size, processes and structure and the minimum complexity of these, in accordance with the above, the Board of Directors is of the opinion that there is no need for a special internal review function for the financial year – internal audit. The Company's financial controller has been appointed coordinator for internal audit, who is responsible for coordinating, reporting on and overseeing internal audit activities within the entire organisation.

Board of Directors

Patrick Svensk
Chairman of the Board

Director since: 2020
Current positions: CEO and Senior Advisor at Svensk Media Group. Co-founder and Executive board member, PodX Group. Chairman of the Board, Scrive.
Previous positions: CEO of Bright Group OY and has held several senior positions at companies such as Kanal 5, Zodiak Television and MTG in Sweden. Patrick was also Chairman of the Board of the news app Squid.
Education: Master of Science in Business Administration, Finance and Marketing from Stockholm School of Economics.
Holdings in the Company Does not own any shares or warrants.
Independent with regard to the Company/ major shareholders: Yes/Yes

Nicolas Adlercreutz
Director

Director since: 2022
Current positions: Group CFO of N-O-D Network of Design AB, director and chair of the Audit Committee of Gaming Innovation Group.
Previous positions: Group CFO of Qliro Group and Bluestep Bank, interim Group CFO of Bright Group. Vice President Group Control at Svenska Cellulosa Aktiebolaget.
Education: Bachelor's degree in Economics from Mid Sweden University.
Holdings in the Company: Does not own any shares or warrants.
Independent with regard to the Company/ major shareholders: Yes/Yes

Stefan Betzold

Director

Director since: 2021
Current positions: Managing Director at Evernest GmbH.
Previous positions: MD of Axel Springer's digital news division in Germany, responsible for the digital product portfolio, revenue generation and subscription strategy until 2020. MD of BILD GmbH. Director Product & Paid Services at AOL Germany. A total of 20 years' experience in digital media.
Education: Master of Business Administration and Marketing from the University of Hamburg.
Holdings in the Company: Owns 10,000 shares and no warrants.
Independent with regard to the Company/ major shareholders: Yes/Yes

Nathan Medlock

Director

Director since: 2014
Current positions: Partner at Zouk Capital, member of the Board of Workable and of Taulia, Board observer at Huddle.
Previous positions: Chairman of the Board of iZettle AB and Huddle, Partner at Galaxis Capital, where he held operational roles with private equity-backed companies, including acting as CEO of a Swedish listed mining company and CFO of a private US biotech company. He previously worked at Warburg Pincus in a direct investment role.
Education: Master of Business Administration with Honours from the Wharton School at the University of Pennsylvania, Master of Engineering and Bachelor of Science in Mechanical Engineering and Energy Systems (Nuclear) from the University of Manchester.
Holdings in the company Does not own any shares or warrants.
Independent with regard to the Company/ major shareholders: Yes/Yes

Malin Stråhle

Director

Director since: 2020
Current positions: Senior Vice President and Head of Digital Delivery at Volvo Group.
Previous positions: CTO of Schibsted Publishing Sweden, Director of Strategy Operations for Spotify, Director of Business Development at Bonnier Digital, Director of Products and Platform for the Maria brand within the Unibet Group. Board member at the Steni Group AS, Lets deal AB, Venture Cup Sweden and Hööks Hästsport AB.
Education: Master of Architecture, Lund University
Holdings in the Company Owns 15,000 shares and no warrants.
Independent with regard to the Company/ major shareholders: Yes/Yes

AUDITOR

PricewaterhouseCoopers AB was elected as the Company's auditor for a one-year period at the 2022 AGM. PricewaterhouseCoopers AB has informed the Company that Authorised Public Accountant Aleksander Lyckow is the auditor-in-charge.

Group Executive Board

Mats Brandt
CEO

Born in: 1964
Employed since: January 2022
Previous positions: Mats has gained broad experience from holding senior positions in various industries and markets. He was previously CEO of Euroflorist – an e-commerce company with operations in 12 European countries, and CEO of Hemnet – Sweden's leading real estate platform. Prior to this, he held several senior roles with Live Nation Entertainment, Ticketmaster in Sweden and Asia, and a number of e-commerce and mobile marketing start-ups. Mats was also previously a Board member at audio technology industry leader Dirac Research.
Education: MSc in Business and Economics Stockholm School of Economics.
Holdings in the Company: 10,000 shares and 150,000 warrants.

Johan Adalberth
Chief Financial Officer

Born in: 1979
Employed since: September 2019
Current positions: Owner and Board member of Ceqada AB.
Previous positions: Johan has many years of experience working for tech companies such as Klarna and Kry. He also worked for several years at Attendo, where he played a significant role in their IPO in 2015. He was previously an auditor.
Education: Master's degree in Business Administration from Uppsala University.
Holdings in the Company: 9,500 shares and 70,000 warrants.

Ranj Begley
Chief Content Officer

Born in: 1972
Employed since: January 2014
Current positions: –
Previous positions: Ranj has been instrumental in building Readly's business in the UK. Prior to Readly, Ranj held a number of senior management positions with companies such as Dovetail, Highbury House, CDS Global and United Business Media Plc.
Education: Business Administration at Heston School & College.
Holdings in the Company: 6,100 shares and 71,500 warrants.

Marie-Sophie von Bibra

Chief Marketing Officer

Born in: 1991
Employed since: April 2016
Current positions: Director of the Swedish Chamber of Commerce in Germany and member of the advisory board of Levy Health.
Previous positions: Marie-Sophie has been part of Readly's journey for six years, and has developed the main German market, making it the largest and fastest growing. Her experience ranges from e-commerce and sales in the fashion industry to every discipline involved in digital marketing and brand building, gained from her time spent running her own marketing agency, to managing partnerships, expansion, customer services and customer growth in various marketing roles at Readly.
Education: Business Administration, specialising in Marketing, at Bayes Business School, City University, London.
Holdings in the Company: 16,750 shares and 48,000 warrants.

Tomas Montan

Chief Product Officer

Born in: 1979
Employed since: May 2021
Current positions: –
Previous positions: Tomas has an impressive track record of leading product innovation and initiatives that drive customer growth, most recently in the CPO role for Adlibris, where he was responsible for technology development, product strategy and user experience. Prior to that, as CPO of MTG, Tomas Montan led efforts to create a cutting-edge user experience, including product strategy, product management, customer development and product design. Under his leadership, he and his team successfully grew Viaplay's streaming service from a few thousand to millions of paying subscribers.
Education: Master's degree in Systems Science, majoring in Computer Science, at Lund University.
Holdings in the Company: 0 shares

Frida Svensson

Chief People Officer

Born in: 1983
Employed since: August 2020
Current positions: Advisor to LucyTech.
Previous positions: Frida has ten years' experience in various HR roles in growth companies. She was HR Manager at Betsson and Personnel Manager at LeoVegas. Prior to joining Readly, Frida Svensson was HR Director and Senior HR Advisor at Goodbye Kansas as part of the senior management team, responsible for global HR strategy.
Education: Bachelor's degree in Personnel Science from Stockholm University.
Holdings in the Company: 1,000 shares and 70,000 warrants.

Matti Zemack

Chief Technology Officer

Born in: 1973
Employed since: January 2023
Current positions: –
Previous positions: Matti has a background in both investing and product development. Prior to Readly, he worked as an Investment Director at Industrifonden, where he focused on investments in deep tech and transformative innovation. Matti has also worked for Bonnier Ventures, where he held the role of investing CTO, and was also CTO of Bonnier Group. He has held several Board mandates in connection with his roles. Matti has broad technical engineering and product knowledge and has worked on many transformative products from the start-up to the growth phase. In recent years his core competencies have been in subscriptions for streaming services such as Viaplay and CMore. Matti brings expertise in areas such as video subscription services, machine learning algorithms and technology for education and schools.
Education: Engineering Physics, MSc in Media Technology, Royal Institute of Technology, Stockholm.
Holdings in the Company: 0 shares and 35,000 warrants.

Financial information

All amounts shown are in thousands of SEK (SEK thousand), unless otherwise stated.

Consolidated income statement

SEK thousand	Note	2022	2021
Net sales	4	580,740	460,727
Other revenues	5	10,873	5,581
Total revenues		**591,613**	**466,308**
Publisher costs		-388,422	-310,181
Other external costs	6	-164,182	-252,769
Personnel costs	7	-117,314	-94,977
Depreciation, amortisation and impairment	8, 14, 15	-54,126	-12,155
Other operating expenses	9	-10,040	-5,754
Total operating expenses		**-734,084**	**-675,836**
Operating profit/loss		**-142,471**	**-209,528**
Profit/loss from financial items			
Financial income	10	41,312	11,291
Financial expenses	8, 10	-20,479	-21,162
Net financial items		**20,833**	**-9,871**
Profit/loss before tax		**-121,638**	**-219,399**
Tax	11, 23	1,678	-202
Profit for the year		**-119, 960**	**-219,601**
Profit for the year attributable to the parent company shareholders		**-119,883**	**-219,594**
Profit for the year attributable to non-controlling interests		**-77**	**-7**
Earnings per share before and after dilution		-3.2	-5.9
Average number of shares before and after dilution		37,904,738	37,327,803

Consolidated statement of comprehensive income

SEK thousand	Jan-Dec 2022	Jan-Dec 2021
Profit for the year	-119, 960	-219,601
Items that may be reclassified to profit or loss		
Exchange rate differences on translating foreign operations	9,215	2,983
Other comprehensive income for the year	**9,215**	**2,983**
Comprehensive income for the year	**-110,745**	**-216,618**
Comprehensive income attributable to the parent company shareholders	**-110,717**	**-216,655**
Comprehensive income attributable to non-controlling interests	**-29**	**37**

Consolidated balance sheet

SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	13	49,982	70,744
Other intangible assets	14	93,501	80,678
Total intangible assets		**143,483**	**151,422**
Property, plant and equipment			
Property, plant and equipment	15	580	997
Total property, plant & equipment		**580**	**997**
Right-of-use assets			
Right-of-use assets	8	7,973	11,244
Total right-of-use assets		**7,973**	**11,244**
Financial assets			
Other non-current assets	16	9,874	9,297
Total financial assets		**9,874**	**9,297**
Total non-current assets		**161,910**	**172,961**
Current assets			
Trade receivables	18	7,673	6,615
Other current receivables	18	4,592	3,037
Prepaid expenses and accrued income	18, 19	20,205	18,684
Cash and cash equivalents	20	188,706	306,209
Total current assets		**221,176**	**334,546**
TOTAL ASSETS		**383,086**	**507,507**

Consolidated balance sheet *cont.*

SEK thousand	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,137	1,137
Other contributed capital		1,182,624	1,182,091
Translation difference		12,244	3,077
Retained earnings (including profit for the year)		-1,105,453	-986,295
Equity attributable to the parent company shareholders		**90,552**	**200,010**
Equity attributable to non-controlling interests		**5**	**1,704**
Total equity	21	**90,557**	**201,714**
LIABILITIES			
Non-current liabilities			
Lease liabilities	17, 22	4,833	7,107
Other financial liabilities	17	–	8,090
Long-term borrowings	17, 22	11,197	16,721
Deferred tax liabilities	23	9,343	10,632
Provisions		2,558	3,488
Total non-current liabilities		**27,930**	**46,039**
Current liabilities			
Lease liabilities	17, 22	2,701	3,266
Other financial liabilities	17	26,170	33,134
Short-term borrowings	17, 22	6,988	24,476
Trade payables	17	44,569	41,697
Current tax liabilities		936	1,097
Other current liabilities	24	8,226	5,955
Accrued expenses and deferred income	25	175,007	150,129
Total current liabilities		**264,598**	**259,753**
Total liabilities		**292,529**	**305,792**
TOTAL EQUITY AND LIABILITIES		**383,086**	**507,507**

Consolidated statement of changes in equity

SEK thousand	Share capital	Other contributed capital	Translation difference	Retained earnings (including profit for the year)	Total	Non-controlling interests	Total equity
Opening balance at 1 January 2022	**1,137**	**1,182,091**	**3,077**	**-986,295**	**200,010**	**1,704**	**201,714**
Profit for the year	–	–	–	-119,883	-119,883	-77	-119, 960
Other comprehensive income	–	–	**9,167**	–	9,167	48	9,215
Total comprehensive income	–	–	**9,167**	**-119,883**	**-110,717**	**-29**	**-110,745**
Transactions with shareholders in their role as owners							
Transaction costs for share issues	–	-14	–	–	-14	–	-14
Warrants	–	300	–	–	300	–	300
Transactions with non-controlling interests	–	–	–	725	725	-1,670	-945
Share-based remuneration – value of employees' service	–	246	–	–	246	–	246
Total transactions with shareholders in their role as owners	–	**533**	**–**	**725**	**1,258**	**-1,670**	**-412**
Closing balance at 31 December 2022	**1,137**	**1,182,624**	**12,244**	**-1,105,453**	**90,552**	**5**	**90,557**

SEK thousand	Share capital	Other contributed capital	Translation difference	Retained earnings (including profit for the year)	Total	Non-controlling interests	Total equity
Opening balance at 1 January 2021	**1,111**	**1,147,373**	**141**	**-766,701**	**381,904**	–	**381,904**
Profit for the year	–	–	–	-219,594	-219,594	-7	-219,601
Other comprehensive income	–	–	**2,939**	–	2,939	44	2,983
Total comprehensive income	–	–	**2,939**	**-219,594**	**-216,655**	**37**	**-216,618**
Transactions with shareholders in their role as owners							
Share issues on acquisitions net of transaction costs	20	21,188	–	–	21,208	–	21,208
Non-controlling interests arising from the acquisition of subsidiaries	–	–	–	–	–	1,667	1,667
Warrants	–	1,629	–	–	1,629	–	1,629
Exercising of warrants	6	11,749	–	–	11,755	–	11,755
Share-based remuneration – value of employees' service	–	151	–	–	151	–	151
Total transactions with shareholders in their role as owners	**26**	**34,718**	**–**	**–**	**34,744**	**1,667**	**36,408**
Closing balance at 31 December 2021	**1,137**	**1,182,091**	**3,077**	**-986,295**	**200,010**	**1,704**	**201,714**

Also see Note 21.

Consolidated cash flow statement

SEK thousand	Note	Jan-Dec 2022	Jan-Dec 2021
Operating profit/loss (EBIT)		-142,471	-209,528
Depreciation and amortisation		54,126	12,155
Other non-cash items	28	222	-2,120
Interest received		92	–
Interest paid		-2,713	-4,124
Paid tax		-509	-484
Cash flow before changes in working capital		**-91,254**	**-204,101**
Changes in trade receivables		-1,058	9,106
Changes in operating receivables		-2,914	-2,298
Changes in trade payables		2,872	-2,064
Changes in operating liabilities		29,629	33,887
Cash flow from operating activities		**-62,725**	**-165,470**
Acquisitions of subsidiaries, net of cash acquired	29	–	-7,314
Investments in intangible assets and property, plant and equipment	14, 15	-32,861	-22,123
Investments in financial assets	16	192	-1,175
Cash flow from investing activities		**-32,669**	**-30,612**
Transactions with non-controlling interests		-945	–
Transaction costs for share issues		-14	-156
Warrants		300	1,629
Exercising of warrants		–	2,329
Repayment of lease liabilities		-3,706	-4,378
Repayment of loans		-26,808	-19,576
Cash flow from financing activities		**-31,172**	**-20,152**
Total cash flow		**-126,566**	**-216,234**
Cash and cash equivalents at the beginning of the year		306,209	521,574
Exchange rate differences related to cash and cash equivalents		9,063	869
Cash and cash equivalents at the end of the year		**188,706**	**306,209**

Parent company income statement

SEK thousand	Note	2022	2021
Net sales		35,048	32,775
Other revenues		321	354
Total revenues		**35,370**	**33,129**
Other external costs	6	-16,625	-7,806
Personnel costs	7	-19,149	-14,392
Depreciation, amortisation and impairment	14	-327	-327
Other operating expenses		-70	-75
Total operating expenses		**-36,172**	**-22,600**
Operating profit/loss		**-802**	**10,529**
Profit/loss from financial items			
Financial income and similar profit/loss items		859	164
Financial expenses and similar profit/loss items		-158,580	-247,197
Net financial items	10	**-157,721**	**-247,033**
Net profit after financial items		**-158,523**	**-236,504**
Appropriations[1]		–	-200,000
Profit/loss before tax		**-158,523**	**-436,504**
Tax on profit for the year	11	–	–
Profit for the year		**-158,523**	**-436,504**

The parent company has no items that are recognised as other comprehensive income, and comprehensive income is therefore equal to profit for the year.

1) Appropriations refer to Group contributions made

Parent company balance sheet

SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure	14	737	1,064
Total intangible assets		**737**	**1,064**
Financial assets			
Shares in subsidiaries	12	530,035	694,160
Receivables from Group companies	16	1,454	1,276
Total financial assets		**531,488**	**695,436**
Total non-current assets		**532,225**	**696,500**
Current assets			
Receivables from Group companies	27	4,083	–
Tax receivables		100	194
Prepaid expenses and accrued income	19	398	198
Cash at bank and in hand	20	2,243	62,975
Total current assets		**6,823**	**63,367**
TOTAL ASSETS		**539,048**	**759,868**

Parent company balance sheet *cont.*

SEK thousand	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1,137	1,137
Total restricted equity		**1,137**	**1,137**
Non-restricted equity			
Share premium reserve		1,181,170	1,180,636
Accumulated profit/loss		-614,493	-177,988
Profit for the year		-158,523	-436,504
Total non-restricted equity		**408,154**	**566,144**
Total equity	21	**409 291**	**567,281**
Non-current liabilities			
Liabilities to Group companies		51	96
Other non-current liabilities		–	8,090
Total non-current liabilities		**51**	**8,187**
Current liabilities			
Trade payables		1,289	1,753
Liabilities to Group companies	27	90,034	143,849
Other current liabilities	24	28,712	33,864
Accrued expenses and deferred income	25	9,670	4,934
Total current liabilities		**129,705**	**184,400**
Total liabilities		**129,757**	**192,586**
TOTAL EQUITY AND LIABILITIES		**539,048**	**759,868**

Parent company statement of changes in equity

SEK thousand	Share capital	Share premium reserve	Retained earnings (including profit for the year)	Total equity
Opening balance at 1 January 2022	**1,137**	**1,180,636**	**-614,493**	**567,281**
Net profit and comprehensive income for the year	–	–	-158,523	-158,523
Transactions with shareholders in their role as owners				
Transaction costs for share issues	–	-14	–	-14
Warrants	–	300	–	300
Share-based remuneration – value of employees' service	–	246	–	246
Total transactions with owners	–	**533**	–	**533**
Closing balance at 31 December 2022	**1,137**	**1,181,170**	**-773,016**	**409 291**

SEK thousand	Share capital	Share premium reserve	Retained earnings (including profit for the year)	Total equity
Opening balance at 1 January 2021	**1,111**	**1,145,918**	**-177,969**	**969,062**
Net profit and comprehensive income for the year	–	–	-436,504	-436,504
Transactions with shareholders in their role as owners				
New share issues	20	21,188	–	21,208
Warrants	–	1,629	–	1,629
Exercising of employee options	6	11,749	–	11,755
Share-based remuneration – value of employees' service	–	151	–	151
Total transactions with owners	**26**	**34,718**	–	**34,744**
Closing balance at 31 December 2021	**1,137**	**1,180,636**	**-614,493**	**567,281**

Also see Note 21.

Parent company cash flow statement

SEK thousand	Note	Jan-Dec 2022	Jan-Dec 2021
Operating profit/loss (EBIT)		-802	10,529
Depreciation and amortisation		327	327
Other non-cash items	28	246	151
Interest received		162	80
Interest paid		-252	-13
Paid tax		94	54
Cash flow before changes in working capital		**-223**	**11,129**
Changes in operating receivables		11,843	-16,056
Changes in trade payables		-464	682
Changes in operating liabilities		-63,242	147,359
Cash flow from operating activities		**-52,087**	**143,113**
Contributions to subsidiaries	12	–	-230,400
Acquisitions of subsidiaries	29	-8,932	-44,040
Cash flow from investing activities		**-8,932**	**-274,440**
Transaction costs for share issues		-14	-156
Warrants	21	300	1,629
Exercising of warrants		–	2,329
Group contributions made		–	-200,000
Cash flow from financing activities		**287**	**-196,198**
Total cash flow		**-60,733**	**-327,525**
Cash at bank and in hand at the beginning of the year		62,975	390,500
Cash at bank and in hand at the end of the year		**2,243**	**62,975**

Notes

NOTE 1 Accounting principles

Readly International AB (publ) is a public limited liability company domiciled in Sweden, with its registered office in Stockholm. The parent company's shares are registered on Nasdaq Stockholm. The address of the head offices is Kungsgatan 17, 111 43 Stockholm. The consolidated financial statements for 2022 cover the parent company and its subsidiaries, jointly referred to as the Group.

The annual report and the consolidated financial statements were approved for release by the Board of Directors and the Chief Executive Officer on 30 March 2023. The consolidated income statement and statement of other comprehensive income, the statement of financial position and the parent company's income statement and balance sheet are subject to adoption by the Annual General Meeting on 13 June 2023.

Conformity with norms and laws
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and the Annual Accounts Act have been applied. The parent company applies the same accounting policies as the Group, except in the cases indicated below in the section "Parent company accounting policies".

Accounting policies applied in the preparation of the financial statements
Assets and liabilities are recognised at historical cost, with the exception of financial liabilities relating to contingent considerations, which are recognised at fair value.

Functional currency and presentation currency
The various units of the Group use the local currency as their functional currency, as the local currency has been defined as the currency used in the primary economic environment in which the unit mainly operates. The Swedish krona (SEK), which is the parent company's functional currency and the presentation currency for the Group, is used in the consolidated financial statements. Unless otherwise indicated, all amounts are rounded to the nearest thousand.

Assessments and estimations in the financial statements
Preparing the financial statements in accordance with IFRS requires the use of some critical accounting estimates. Company management must also make assessments and estimations as well as assumptions that affect application of the accounting policies and reported amounts for assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. Estimates and assumptions are reviewed on a regular basis.

Any changes to estimates are recognised in the period the changes are made if the change only affects that particular period, or in the period the change was made and future years if the change affects both current and future periods.

Assessments made by Company management in the application of IFRS that have a significant impact on the financial reports and estimates, which can entail significant adjustments in the financial reports of subsequent years, are more closely described in Note 3.

Significant accounting policies applied
The accounting policies set out below have been applied consistently to all periods presented in the Group's financial statements, unless otherwise stated.

Changes in accounting policies due to new or amended IFRS
New or amended IFRS standards in 2022 have not had a material impact on the Group's financial statements.

New IFRSs that have not yet begun to be applied
New and amended IFRSs taking effect in the future are not expected to have any significant effect on the Company's financial statements.

Classification
Non-current assets consist essentially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date, while current assets essentially consist of amounts expected to be recovered or paid within 12 months from the balance sheet date. Non-current liabilities consist essentially of amounts that Readly, at the end of the reporting period, has an unconditional right to choose to pay more than 12 months after the end of the reporting period. If Readly does not have such a right as per the end of the reporting period – or the liability is expected to be paid within the normal business cycle – the amount of the liability is reported as a current liability.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision-maker. In the Readly Group, the CEO has been identified as the chief executive decision-maker who evaluates the Group's financial position and performance and makes decisions regarding resource allocation.

The CEO analyses and follows up on the business's operating profit/loss based on the overall operations. The financial information is thus analysed at a consolidated level. The majority of external revenue is generated from sales of subscription services, whereby only one service area has been identified. There are no country managers and no internal follow-up of earnings per service area, geographic area or other segment breakdown, and no allocation of costs is made. The assessment is therefore that the Group's operations consist of a single operating segment, which is why Readly does not present separate segment information.

In accordance with IFRS 8 Operating Segments, the Group's revenue by geographic area is disclosed; see Note 4. The Group's non-current assets exist in all material respects in Sweden.

Principles of consolidation and business combinations
Subsidiaries
Subsidiaries are all companies over which the Group has a controlling influence. The Group has control over a company when it is exposed or

Note 1. Cont.

entitled to a variable return from its holding in the company and is able to influence the return through its influence over the company. Subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which control ceases.

Intra-Group transactions, balance sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Where applicable, the accounting policies of subsidiaries have been amended to guarantee consistent application of the Group's policies.

Acquisitions of subsidiaries are accounted for using the acquisition method. In business combinations where the consideration transferred, any non-controlling interest and the fair value at the date of acquisition of the previous shareholding exceeds the fair value of the assets acquired and liabilities assumed, the difference is recognised as goodwill.

The conditional purchase price is a liability and is recognised at fair value at the acquisition date. Subsequent changes in fair value are recognised in the income statement. Transaction costs for the acquisition of subsidiaries are not included in the value of the assets acquired. All acquisition-related costs are expensed in the period in which they are incurred. In cases where the acquisition does not relate to 100 per cent of subsidiaries, non-controlling interests arise. Readly recognises non-controlling interests according to the proportionate share of net assets.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency using the exchange rates in effect on the transaction date or the date on which the items were remeasured. Exchange gains or losses arising from payment of such transactions and in the restatement of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognised in the income statement.

Foreign exchange gains and losses relating to loans, and cash and cash equivalents, are recognised in the income statement as financial income or expenses. All other foreign exchange gains and losses are recognised in the items Other operating income or Other operating expenses.

Foreign operations' financial statements

The result and financial position of all Group companies that have a functional currency that is different than the presentation currency are translated to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate on the balance sheet date,
- income and expenses are translated at the average exchange rate (if this average rate is a reasonable approximation of the cumulative effect of the exchange rates prevailing on the transaction date, otherwise income and expenses are translated at the rate prevailing on the transaction date); and
- Translation differences arising from the translation of foreign operations are recognised as a translation reserve in equity through other comprehensive income.

The cumulative translation difference of an individual subsidiary is reversed to the income statement when the subsidiary is disposed of.

Revenue

The Group recognises revenue when the Group fulfils a performance obligation by transferring a promised service to a customer. The service is transferred when the customer gains control over the service, which can be at one point in time or over time. The transaction price is the compensation that the Group expects to receive in exchange for transferring the service to the customer, less discounts and value added tax.

Sales of subscription services

The majority of the Group's sales consist of revenue from subscription services. Agreements are signed at a customer level and only cover one performance obligation: temporary digital access to periodicals. The service is almost exclusively provided at a fixed price, and the revenue is recognised over time (the subscription period) as the service is rendered. Discounts are provided to new customers to a limited extent in the form of, for example, one month's free subscription.

Most of the Group's contracts with customers are less than 12 months. Consequently, in accordance with the exemption rules in IFRS 15, disclosures are not made of the transaction price allocated to the performance obligations that have not been met at the end of the reporting period. Normally the customer is invoiced for the entire contract amount before the contract period begins. Advance payments are recognised as a contract liability (presented as prepaid income in the statement of financial position, see Note 25), and the revenue is recognised on a linear basis over the subscription period.

Agent/principal

To enable delivery of the subscription service, Readly buys access to periodicals from subcontractors (third parties). However, in all of the contracts the Group is responsible for fulfilling the obligation to the customer and can set prices for the services. Readly is responsible for and decides what periodicals are offered in the service and is the recipient of the payments from customers. Through this, the assessment has been made that the Group acts as the principal in these transactions since it has control over the services before they are provided to the customer. The revenue is therefore recognised gross in the income statement.

Financial income and expenses

The Group's financial income and expenses include:

- Interest income
- Interest expenses
- Exchange rate gains/losses on financial assets and financial liabilities
- Income/expenses related to the change in fair value of contingent considerations.

Interest income and interest expenses are recognised using the effective interest method. The effective interest rate is the interest that exactly discounts the estimated future cash payments or receipts during the expected life of the financial instrument to: the recognised gross value of the financial asset, or the amortised cost of the financial liability.

Note 1. Cont.

Taxes
Income taxes consist of current tax and deferred tax. Tax is recognised in the income statement, apart from when the tax concerns items that are recognised in other comprehensive income or directly in shareholders' equity. In such cases, the tax is also recognised in other comprehensive income or shareholders' equity.

Current tax is calculated on the period's taxable profit according to the applicable tax rate. The current tax expense is calculated on the basis of the tax rules that apply or have been substantively enacted at the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. The management regularly evaluates claims made in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When deemed appropriate, management makes provisions for amounts expected to be paid to the tax authorities.

Deferred tax is recognised for all temporary differences arising between the tax value of assets and liabilities and their reported values in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Nor is deferred tax recognised if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability that is not a business combination and that, at the time of the transaction, affects neither the recognised profit or loss nor the profit or loss for tax purposes. Deferred income tax is calculated using tax rates (and legislation) that have been determined or announced by the balance sheet date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available, against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority and relate to either the same taxable entity or different taxable entities where there is an intention to settle balances by net payments.

Financial instruments
The Group's financial assets and liabilities are measured and recognised in accordance with IFRS 9 and consist of the items other non-current receivables, trade receivables, other current receivables, prepaid expenses and accrued income, cash and cash equivalents, other financial liabilities (loans, leases and contingent considerations), trade payables, other current liabilities and accrued expenses.

(i) Initial recognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the financial instrument's contractual terms. Purchases and sales of financial assets are recognised on the transaction date, meaning the date the Group pledges to buy or sell the asset.

Financial instruments are initially recognised at fair value plus transaction costs.

(ii) Classification and measurement
The Group classifies its financial assets and liabilities in the category of amortised cost or fair value through profit or loss.

The classification of investments in debt instruments depends on the Group's business model for the handling of financial assets and the contractual terms for the assets' cash flows.

Financial assets measured at amortised cost
Assets held for the purpose of collecting contractual cash flows where these cash flows solely consist of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that have been recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in financial income in the income statement.

The Group's financial assets measured at amortised cost consist of the items other non-current receivables, trade receivables, other current receivables, prepaid expenses and accrued income and cash and cash equivalents.

Financial liabilities measured at amortised cost
The Group's financial liabilities are initially recognised at fair value, net after transaction costs. After initial recognition, the Group's financial liabilities are measured at amortised cost. The difference between the amount received, allocated to the loan, and the repayment amount is recognised in the income statement allocated over the term of the loan using the effective interest method. For further information, see Note 22.

The Group's financial liabilities measured at amortised cost consist of the items non-current liabilities (loans and leases), trade payables, other current liabilities and accrued expenses.

Financial liabilities at fair value through profit or loss
Readly has a financial liability for contingent considerations that is measured at fair value through profit or loss.

Credit facility
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.

Trade payables and other current liabilities
Trade payables are commitments to pay for goods and services that have been purchased from suppliers in the course of operating activities. Trade payables and other liabilities are classified as current liabilities if they are due for payment within one year or earlier. Otherwise, they are recognised as non-current liabilities. Liabilities are initially recognised at fair value and subsequently at amortised cost.

(iii) Derecognition of financial instruments
Derecognition of financial assets
Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired or been transferred, and the Group has substantially transferred all risks and rewards of ownership. Gains and losses that arise upon derecognition from the statement of financial position are recognised directly in the income statement.

Derecognition of financial liabilities
Financial liabilities are derecognised from the statement of financial

Note 1. Cont.

position when the obligations have been settled, annulled or have expired in another manner. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

(iv) Impairment of financial assets

Allowance for expected credit losses – general method

The Group applies a rating-based method to assess expected credit losses based on probability of default, expected loss and default exposure. Assessment is done per counterparty. The Group has defined default as payment for a receivable that is past due by 90 days or more, or if other factors indicate a suspension of payments. Such assessment is based on whether payments are 60 days past due or more, or if a significant decline of ratings occurs, resulting in a rating below investment grade. The financial assets subject to the allowance for expected credit losses under the general approach consist of other long-term receivables, other receivables and cash and cash equivalents. The Group applies a ratings-based method per counterparty, combined with other known information and forward-looking factors to assess expected credit losses. Initially credit risk is assessed per counterparty. The Group writes off a receivable when there is no longer any expectation to receive payment and after active measures to collect payment have ended.

Provisions for expected credit losses – financial instruments covered by the simplified method

For trade receivables, the simplified method of reporting expected credit losses is used. This entails that a provision is made for expected credit losses for the remaining term, which is expected to be less than one year for all receivables. The Group applies a ratings-based method for calculating expected credit losses based on the probability of default, expected loss and exposure at default. The Group has defined default as payment for a receivable that is past due by 90 days or more, or if other factors indicate a suspension of payments. In cases where an external credit rating is not available for the counterparty, the Group makes an internal assessment of the counterparty's credit rating based on the Group's previous experience with the customer and other available information. For credit-impaired assets and receivables, an individual assessment is made that takes historical, current and forward-looking information into account. For non-credit-impaired receivables, a collective assessment is made. The Group writes off a receivable when there is no longer any expectation to receive payment and after active measures to collect payment have ended.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and recognised net in the statement of financial position only when there is a legal right to offset the recognised amounts and the intention is to settle them as a net amount or simultaneously realise the asset and settle the liability. The legally enforceable right must not be contingent on future events and must be legally binding for the Company and the counterparty in the normal course of business and in the event of default, insolvency or bankruptcy.

Provisions

Provisions are recognised in the balance sheet when Readly has a legal or constructive obligation as a result of a past event, and when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, the provision is recognised at present value.

Intangible assets

Intangible assets consist of capitalised development expenditures related to Readly's digital magazine service and consolidation system, goodwill and other intangible assets.

Proprietary intangible assets

All costs for proprietary intangible assets are classified as being attributable to the research phase or the development phase. Development costs that are directly attributable to development and testing of identifiable and unique assets under the Group's control are reported as intangible assets when the following criteria are met in accordance with IAS 38:

- it is technically feasible to complete the intangible asset so that it can be used,
- Company's intention to complete the intangible asset and to use or sell it,
- there are opportunities to use or sell the intangible asset,
- it can be shown how the intangible asset generates probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the intellectual property are available; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Directly attributable expenses that are capitalised as part of the intangible asset include staff costs and a reasonable proportion of indirect costs.

Other development expenditure that does not meet the above criteria is expensed as incurred; see also Note 3 *Critical estimates and assessments for accounting purposes.* Development expenditures that were expensed in previous periods are not reported as an asset in a subsequent period. Costs for maintaining intangible assets are expensed when they arise.

Additional expenditures for capitalised intangible assets are recognised as an asset in the statement of financial position only when they result in an increase in future economic benefits associated with the specific asset to which they relate. All other expenditure is expensed.

Goodwill

In business combinations, goodwill is recognised in the balance sheet when the sum of the consideration transferred, any non-controlling interest and the fair value of the previously owned interest exceeds the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is measured at cost less any accumulated impairment losses. The useful life of goodwill is generally assumed to be indefinite. Goodwill is tested for impairment annually or more frequently if there is an indication of a possible impairment.

Other intangible assets

Other intangible assets relate to publishing contracts, customer contracts and trademarks. These are recognised at cost less accumulated amortisation in accordance with a schedule.

Amortisation principles

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets. Amortisable intangible assets are amortised from the date the asset is available for use. Periods of use are reviewed at least annually.

Note 1. Cont.

The following useful lives are used for amortisation:

• Proprietary intangible assets	3–5 years
• Publishing contracts	5–7 years
• Customer contracts	5 years
• Trademarks	5 years

Property, plant and equipment

Property, plant and equipment are reported at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and the costs directly attributable to bringing the asset to its location and in a condition for use in accordance with the aim of the acquisition.

Future expenditure is added to the carrying amount of the asset only when it is probable that the future financial benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is removed from the statement of financial position. All other repairs and maintenance are recognised as costs in the income statement in the period in which they are incurred.

Depreciation principles

Depreciation is applied on a straight-line basis over the assets' estimated useful lives. The following useful lives are used for depreciation:

• Equipment, tools, fixtures and fittings	3–5 years

Assets' residual values and useful lives are assessed at the end of every reporting period and adjusted where necessary. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on sales of assets are determined through a comparison of the sales revenue and the carrying amount and are recognised in Other operating income or Other operating expenses in the income statement.

Leasing

Leases are accounted for as rights of use and a corresponding liability on the date that the leased asset is available for use by Readly. The right-of-use asset and the lease liability are presented on the lines 'Right-of-use asset' and 'Lease liability' in the statement of financial position, broken down into non-current and current portions. Each lease payment is allocated between debt repayment and interest expense. The interest expense is allocated over the lease term so that each accounting period is charged an amount equal to a fixed rate of interest on the liability recognised in that period. The right of use is written off in a straight line over the shorter of the asset's useful life and the length of the lease agreement. Lease agreements in the Group are primarily property rental contracts for office space.

The leases are normally signed for fixed periods of between three to five years. In terms of the length of the applicable leasing period, a majority of the leases include options to either extend or terminate the leases. In determining the leasing period, the Group has taken into account all facts and circumstances that provide financial incentive to exercise an extension option, or to not exercise an option to terminate the lease.

Lease liabilities are measured at the present value of future minimum lease charges, discounted by the Group's weighted average marginal loan interest rate. When the marginal loan interest rate was determined, the Group took into account which unit in the Group entered the lease, the term of the lease and the type of leased asset. The marginal loan interest rate reflects a loan against collateral of a similar ROU.

Readly has chosen to apply the relief rules according to IFRS 16, which means that payments for short contracts and leases of minor value are expensed straight-line in the income statement. Short contracts are agreements with a lease term of 12 months or less. Leases of minor value are considered to be leases amounting to SEK 50 thousand or less. They are instead expensed straight-line in the income statement.

Impairment of non-financial assets

Intangible assets that are not ready for use are not amortised, but are instead tested for impairment annually or upon an indication that they have become impaired. Assets that are amortised are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised in the amount in which the asset's carrying amount exceeds its recoverable value.

The recoverable value is the higher of the asset's fair value less selling expenses and the value in use. When assessing a need to recognise impairment, assets are grouped at the lowest level at which there are essentially independent cash flows (cash-generating units). Assets for which impairment has previously been recognised are tested at each balance sheet date to determine if a reversal should be made.

Goodwill is tested for impairment annually or more frequently if there is an indication of a possible impairment.

Equity

Share capital

Transaction costs directly attributable to the issue of new shares are reported, net after tax, in shareholders' equity as a deduction from the issue proceeds.

Earnings per share

Earnings per share before dilution are calculated by dividing the profit/loss attributable to shareholders of the parent company by the weighted average number of shares outstanding for the period excluding repurchased shares held as treasury shares in the parent company.

In the calculation of earnings per share after dilution, the weighted average number of shares outstanding is adjusted for the dilution effect of all potential shares. The parent company has potential shares that have a dilution effect, share options and warrants. For share options, a calculation is made of the total number of shares that could have been purchased at fair value (calculated as the average market price of shares in the parent company for the entire year), for an amount corresponding to the monetary value of the subscription rights that are tied to outstanding share options. The number of shares calculated is compared with the number of shares that could have been issued under the assumption that the share options are exercised. The dilution effect of potential shares is only presented if a restatement of shares would lead to a decrease in earnings per share after dilution, and since the Group recognises losses for the presented periods, no dilution effect is recognised.

Employee remuneration

Short-term employee remuneration

Liabilities for salaries and remuneration, including non-monetary benefits and paid leave, that are expected to be settled within 12 months of the end

Note 1. Cont.

of the financial year, are recognised as current liabilities in the undiscounted amount that is expected to be paid when the liabilities are settled. The expense is recognised as the services are performed by the employees. The liability is recognised as an obligation for employee remuneration in the consolidated statement of financial position.

Pension obligations
The Group aims to offer employees pension and other insurance benefits that provide basic security, all of which are accounted for as defined contribution pension plans. A defined-contribution pension plan is one where the Group pays fixed fees to a separate legal entity. The Group does not have any legal or constructive obligation to pay additional fees if this legal entity does not have sufficient assets to pay all benefits to employees that are associated with the employees' service during current or previous periods.

The Group's defined-contribution pension plans correspond to premiums for the ITP1 plan. For salaried employees in Sweden, pension obligations are secured for retirement and family pension through insurance with Avanza Pension (516401-6775) and Euro Accident Health & Care Insurance AB (55655-4766).

Share-related remuneration
The Group has agreements on share-based remuneration with employees and suppliers. There are both equity-settled contracts and contracts that give the supplier the right to choose settlement in cash as an alternative to shares.

The Group has issued employee options that give the holder the right to receive a set number of the Company's shares for a set cash amount. The issued amount attributable to employee options is recognised in equity; see Note 7.

Employee options programme – Settled with equity instruments
The fair value of the service that entitles employees to grants of options through Readly's employee options programme is reported as a personnel cost with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the granted options.

- excluding possible impacts of service terms
- including the impact of non-vesting terms (such as requirements for employees to save or retain shares for a set period of time).

The total cost is recognised over the vesting period, which is the period during which all the specified vesting conditions must be met. At the end of every reporting period, the Group reviews its assessments of how many options are expected to be vested based on the non market-related vesting conditions and service requirements. Any deviation from the original assessments that the review gives rise to is recognised in the consolidated income statement as a personnel cost, and a corresponding amount is adjusted in equity against other contributed capital.

The social security costs attributable to grants of the share options are considered an integrated part of the grants, and the cost is treated as cash-settled share-based remuneration, which means that a liability is recognised in the statement of financial position. The liability is continuously remeasured, and the value of the liability and the cost in the income statement depend partly on the change in value and partly on allocation over time based on the vesting of the options.

Warrants – settled with equity instruments
Key personnel in the Group have been offered on various occasions the chance to purchase warrants at market value with the opportunity to subscribe for shares in the parent company at an agreed-upon date. The fair value on the grant date is calculated using the Black Scholes pricing model. Received amount related to warrants is recognised as equity.

Contracts with suppliers
Share-based remuneration pertaining to suppliers – Settled with equity instruments
The fair value of services received that entitle a service provider to shares in Readly International AB is recognised as other external expense with a corresponding increase in Other contributed capital in cases where cash settlement is not an alternative. The cost of these services is recognised as the services are received from the service provider, and offsetting against equity takes place at corresponding points in time. The fair value of services that the suppliers provide has been determined based on market prices on these services.

Share-based remuneration where the service provider has the option to choose to settle with cash or equity instruments
The fair value of services received that entitle a service provider to shares in Readly International AB, but with settlement in cash as an alternative, is recognised as other external expense and is booked as a liability in the statement of financial position. The total amount to be expensed is based on the fair value of services received. The cost of these services is recognised as the services are received from the provider, and booking of a liability takes place at corresponding points in time.

Cash flow statement
The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions involving receipts or payments. Readly's cash and cash equivalents include bank balances.

Parent company accounting principles

Basis of preparation of the financial statements
The annual report of the parent company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. Reporting in accordance with RFR 2 entails that, in the annual report for the legal entity, the parent company shall apply International Financial Reporting Standards (IFRS) as endorsed by the EU, as well as pronouncements to the furthest possible extent within the scope of the Annual Accounts Act and the Pension Obligations Vesting Act, as well as in consideration of the relationship between accounting and taxation. The recommendation states which exceptions and amendments are to be made to IFRS.

Differences between the consolidated and parent company accounting policies are presented below. The accounting policies for the parent company stated below have been consistently applied in all periods presented in the parent company's financial statements.

Note 1. Cont.

Valuation principles applied in the preparation of the financial statements
Assets and liabilities are stated at historical cost.

Changed accounting policies
Unless otherwise stated below, the parent company's accounting policies in 2022 have been changed in accordance with that stated above for the Group.

Classification and presentation format
The income statement and balance sheet are presented in accordance with the presentation format prescribed in the Swedish Annual Accounts Act. The difference with IAS 1 Presentation of Financial Statements applied in the preparation of the Group's financial statements is mainly the recognition of financial income and expenses and equity. The parent company also presents a statement of comprehensive income separate from the income statement.

Participations in subsidiaries
Participations in subsidiaries are recognised at cost less any impairment losses. Acquisition-related costs are included as part of the acquisition cost.

Participations are tested for impairment annually or more frequently if there is an indication of a possible impairment.

Leasing
The parent company does not apply IFRS 16, in accordance with the exemption in RFR2. All leases are accounted for as operating leases. Lease charges are recognised as expenses as they arise.

Financial instruments
Valuation
The parent company does not apply IFRS 9 in legal form, but instead applies the paragraphs set out in RFR 2 (IFRS 9 Financial Instruments, p. 3–10). Financial instruments are measured based on cost. In the calculation of net realisable value of receivables that are recognised as current assets, the principles for impairment testing and loss risk provisions in IFRS 9 are applied. The Group assesses future expected credit losses based on future-oriented information for assets stated at amortised cost. The Group recognises a credit reserve for such expected credit losses at each reporting date.

Share-related remuneration
The parent company has agreements on share-based remuneration with subsidiary employees and suppliers. There are both agreements that are settled with equity instruments and agreements that entail a right for the service provider to choose settlement with cash as an alternative to shares.

Employee options programme – Settled with equity instruments
Readly International AB has an obligation to grant share options directly to subsidiary employees who are covered by the Group's employee options programme. The fair value of granted options is recognised in the parent company as a capital contribution to the respective subsidiary with a corresponding increase in equity. The total capital contribution is recognised over the vesting period, which is the period during which all the specified vesting conditions must be met. For further information on the valuation, refer to the Group's accounting policies.

Share-based remuneration for subsidiaries' suppliers
If Readly International AB has an obligation to settle a subsidiary's debt by issuing shares directly to the subsidiary's service provider, on condition that the settlement with cash is not an alternative, a receivable from the subsidiary is recognised equivalent to the fair value of the services the subsidiary received with a corresponding increase in Other contributed capital. The receivable is recognised as the subsidiary receives the services from the provider, and offsetting against equity takes place at corresponding points in time. Upon issues of shares, a reversal takes place from other contributed capital to share capital. If the fair value of issued shares exceeds the value of the services that the subsidiary received, the difference is recognised as an increase in the receivable from the subsidiary at the time of the issue. The fair value of services that the suppliers provide the subsidiary with has been determined based on market prices for these services.

If the agreement gives the service provider the option of settlement with cash, a receivable from the subsidiary is recognised equivalent to the fair value of the services the subsidiary received, and the equivalent amount is entered as a liability.

The receivable is recognised as the subsidiary receives the services from the provider, and booking as a liability takes place at corresponding points in time.

In agreements entered into between Readly International AB and the parent company's own suppliers, the same accounting policies as for the Group are applied.

Group contributions and shareholder contributions
The parent company recognises Group contributions received and paid as appropriations in accordance with the alternative rule. Shareholder contributions are charged directly to the equity of the recipient and recognised against the shares and interests of the donor, to the extent that no impairment is required.

NOTE 2 Financial risk management

Financial risk factors
The Group is exposed to financial risks through its activities. These are described under each type of risk below.

Market risk (Currency risk/transaction risk)
The Group's currency sensitivity concerning operating items in the income statement is limited, as income from external customers usually entails payment to the supplier in the same currency, which provides a "natural hedge". The balance sheet exposure is also limited, as Readly's foreign subsidiaries have a limited balance sheet total. The more significant currency exposure that exists is due to upcoming royalty payments booked as liabilities. As per the balance sheet date, there are liabilities in EUR, GBP and USD for royalties amounting to SEK 48.3 million (43.9), SEK 30.3 million (31.3) and SEK 6.6 million (8.5), respectively. This means that a change in the SEK/EUR rate, the SEK/GBP rate and the SEK/USD rate of e.g. +/-10 per cent would have an impact on consolidated profit and equity of +/- SEK 4.8 million (4.4), SEK 3.0 million (3.1) and SEK 0.7 million (0.8), respectively.

The Group is exposed to changes in the EUR/SEK exchange rate through loans raised by subsidiaries, as explained in Note 22. The exchange rate sensitivity is attributable to the borrowing in EUR and to interest expenses. As per the balance sheet date a change in the SEK/EUR rate of e.g. +/-10 per cent would have an impact on loans raised, revalued through profit or loss, of +/- SEK 1.8 million (4.1) and profit before tax of +/- SEK 0.3 million (0.7).

Interest rate risk
Readly's sources of funding are primarily shareholders' equity, cash flow from operating activities and external borrowing. Interest-bearing debt exposes the Group to interest rate risk.

Credit risk
Credit risk arises through cash and cash equivalents, bank balances, and certain credit exposures to customers. Most of Readly's customers pay in advance, which is why there is no material exposure to outstanding trade receivables. The Group also has no other financial receivables that amount to material amounts, so credit risk is limited. The Group's trade receivables are with customers consisting of large, well-known companies.

There is no concentration of credit risk, neither through exposure to a single customer nor group of customers whose economic situations are such that they can be expected to be affected in a similar way by macro-economic changes. For new customers, a risk assessment is made of the customer's creditworthiness in which its financial position is considered, as well as previous experience and other factors.

Liquidity risk
Readly reports substantial losses and negative cash flows as a consequence of the Company's continued substantial investments in marketing activities and other activities aimed at generating growth. Careful planning and control of Readly's capital requirement are needed. Following the listing of shares of Readly on 17 September 2020, which raised issue proceeds of SEK 450 million before transaction costs, the Group 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 need 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 injections. Should new share capital or external borrowing not be available to Readly if needed in the future, 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 that are financially strong and which conduct long-term planning for their investments.

The table below analyses the Group's financial liabilities by the period remaining at the balance sheet date until the contractual maturity date. The amounts presented in the table are the contractual, undiscounted cash flows.

At 31 Dec 2022	< 3 months	3 months – 1 year	1–5 years	Carrying amount
Non-current financial liabilities				
Lease liabilities	–	–	5,982	4,833
Long-term borrowings	–	–	11,195	11,197
Total non-current financial liabilities	**–**	**–**	**17,178**	**16,029**
Current financial liabilities				
Lease liabilities	595	2,977	–	2,701
Short-term borrowings	1,116	5,594	–	6,988
Trade payables	44,569	–	–	44,569
Accrued expenses	112,771	–	–	112,771
Contingent considerations	–	26,170	–	26,170
Total current financial liabilities	**159,052**	**34,741**	**–**	**193,200**
Total financial liabilities	**159,052**	**34,741**	**17,178**	**209,229**

Note 2. Cont.

At 31 Dec 2021	< 3 months	3 months – 1 year	1–5 years	Carrying amount
Non-current financial liabilities				
Lease liabilities	–	–	8,900	7,107
Long-term borrowings	–	–	18,372	16,721
Contingent considerations	–	–	8,090	8,090
Total non-current financial liabilities	**–**	**–**	**35,362**	**31,918**
Current financial liabilities				
Lease liabilities	863	4,314	–	3,266
Short-term borrowings	3,460	23,116	–	24,476
Trade payables	41,697	–	–	41,697
Accrued expenses	93,592	–	–	93,592
Contingent considerations	–	33,134	–	33,134
Total current financial liabilities	**139,612**	**60,563**	**–**	**196,165**
Total financial liabilities	**139,612**	**60,563**	**35,362**	**228,065**

Capital management
The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can continue to generate growth and thereby increase shareholder value, future returns for its shareholders and benefits for other stakeholders, and to maintain an optimum capital structure in order to keep capital costs down. To maintain or adjust the capital structure, the Group can change a possible dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

In the short to medium term, the Group does not intend to propose payment of dividends, but will continuously invest corresponding positive cash flows in growth. Each year the Board of Directors will evaluate the opportunity to pay a dividend taking into account how the Group's business, operating profit/loss and financial position have developed. Under Swedish law, decisions on profit distribution are to be made by a General Meeting. The Board of Directors proposes the point in time and scope of any future dividends. When the Board of Directors considers future dividends, it shall take into consideration such factors as requirements for the amount of shareholders' equity against the background of the business's character, scope and risk exposure, as well as the Group's need to strengthen its balance sheet, liquidity and general financial position.

Readly will maintain its growth focus on existing markets. Readly's business and number of employees have growth substantially since the Company was established, especially in recent years. This means that historical growth is not necessary an indication of future performance. Previous growth has presented and will continue to present the Group, its management, administration, IT systems, and operational and financial infrastructure with challenges and will require access to working capital. Cash flow forecasts are made by the Company's finance function, which closely monitors rolling forecasts of Readly's liquidity – both in the short and long term – aimed at ensuring that the Company has sufficient liquidity to meet its operational needs. Readly has large shareholders that are financially strong and which conduct long-term planning for their investments. Following the listing of shares of Readly on 17 September 2020, which raised issue proceeds of SEK 450 million before transaction costs, the Group has sufficient financial resources to support its growth strategy in the coming years.

Capital management	31/12/2022	31/12/2021
Total borrowing (Note 22)	-18,185	-41,198
Less: cash and cash equivalents (Note 20)	188,706	306,209
Net cash	170,521	265 012
Total equity	**90,557**	**201,714**
Total capital	**79,964**	**63,298**
Debt-equity ratio, %	20	20

NOTE 3 Critical estimations and assessments for accounting purposes

Estimates and assessments are evaluated on a continuous basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing conditions. The Group makes estimates and assumptions about the future. The resulting accounting estimates will by definition seldom correspond to the actual outcome. Together with the Audit Committee, Company management has discussed the development, selection and disclosure of the Company's critical accounting policies and estimates, as well as the application of these policies and estimates.

The estimates and assumptions that entail a significant risk of material adjustments of the carrying amounts of assets and liabilities in the coming financial year are addressed in general below.

Intangible assets

Capitalised development expenditure

The Group conducts development work related to Readly's digital magazine service. Development expenditures consist mainly of hours spent on technical development projects. Continuous checks and assessments are applied when a project meets the criteria to be in the development phase and shall accordingly be capitalised. In this assessment, five different phases are used for each project. A project must be in the third phase (development) to be capitalised.

The Group has determined that development expenditures amounting to SEK 32.8 million (21.7) meet the criteria for capitalisation for the financial year 2022. An equivalent amount has therefore been capitalised in the statement of financial position. For further information, see Note 14.

Proprietary intangible assets are stated at fair value at the time of acquisition and are amortised on a straight-line basis over the forecast useful life corresponding to the estimated time they will generate cash flow. In the assumption of useful life, all relevant factors are observed, both those within the Company's control as well as external factors such as market risk and associated changes. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. Assets that are capitalised but not yet ready for use are assessed on a continuous basis to identify any events or indications that a need to recognise impairment may exist. Such events may depend on changes in technical circumstances and other unexpected circumstances that make the value indefensible.

Impairment testing of intangible assets

Goodwill and other intangible assets are tested for impairment annually in connection with the annual financial statements or as soon as changes indicate that an impairment loss may be necessary. See Note 13 for information on the Group's goodwill and impairment testing.

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. Foreseeable future extends at least to, 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 Group'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.

Following the listing of Readly shares on 17 September 2020, which raised issue proceeds of SEK 450 million before transaction costs, the Group has adequate financing to support its growth for the coming years. During the past year, capital was raised, which means that the Group has secure financing for the coming years. 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 concern assumption to be considered to have been met.

Tax loss carry forwards

Unutilised tax loss carry forwards for which no deferred tax assets have been recognised amount to SEK 1,134 million (1,028) at 31 December 2022, and mainly relate to Sweden and the operating company and subsidiary Readly AB. The Board of Directors has determined that the Group will probably continue to report tax losses in the coming years, and therefore, in accordance with IAS 12, no deferred tax asset is reported for these deficits.

Measurement of contingent considerations at fair value

The fair value of the contingent consideration is calculated based on the terms of the agreement entered into in connection with the acquisition. The contingent consideration is conditional on the meeting of specific targets relating to user numbers, publishing agreements and commercial partnership agreements. The outcome may differ from the estimate and therefore affect the measurement. This would affect the Company's future profit and financial position.

NOTE 4 Breakdown of net sales

	Group	
Net sales by type of service	**2022**	**2021**
Readly's digital magazine service	553,576	454,637
Other sales revenue	27,164	5,620
Total	**580,740**	**460,257**

Net sales by geographic market	**2022**	**2021**
Germany	210,910	173,650
Sweden	96,842	99,197
UK	114,067	99,883
France	66,250	11,947
Rest of world	92,670	75,581
Total	**580,740**	**460,257**

No individual customer accounts for more than 10 per cent of consolidated sales and thus no major customer is considered to exist.

NOTE 5 Other operating income

	Group	
	2022	**2021**
Operating exchange rate gains	9,090	5,581
Barter transaction	1,654	–
Other operating income	129	–
Total	**10,873**	**5,581**

NOTE 6 Auditors' fees

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
PwC				
Audit assignment	648	600	444	396
Auditing activities in addition to the audit assignment	–	84	–	84
Tax consulting	9	170	9	170
Other services	436	412	436	412
Other auditors				
Audit assignment	339	232	–	–
Total	**1,432**	**1,497**	**889**	**1,062**

An audit assignment is an examination of the annual accounts and financial statements and of the management of the Board of Directors and the Chief Executive Officer, other tasks to be performed by the Group auditor, and advice or other assistance resulting from observations made during such examination or performance of such tasks.

Other services meant mainly the auditor's review of interim reports and of last year's prospectus in connection with the listing of shares in Readly.

For the financial years 2022 and 2021, Öhrlings PricewaterhouseCoopers AB was appointed as the Group's auditor.

NOTE 7 Employee remuneration, etc.

Average number of employees

	Group				Parent company			
	2022		2021		2022		2021	
	Average number of employees	Of whom, men	Average number of employees	Of whom, men	Average number of employees	Of whom, men	Average number of employees	Of whom, men
Sweden	66	39	60	31	3	3	4	1
Germany	16	8	14	8	–	–	–	–
UK	16	8	13	7	–	–	–	–
France	13	5	2	1	–	–	–	–
Total	**111**	**60**	**89**	**47**	**3**	**3**	**4**	**1**

Gender breakdown, senior executives

	2022		2021	
Group	**Number at year-end**	**Of whom, men**	**Number at year-end**	**Of whom, men**
Board members	5	4	6	4
CEO and other senior executives	7	4	9	5
Total	**12**	**8**	**15**	**9**

	2022		2021	
Parent company	**Number at year-end**	**Of whom, men**	**Number at year-end**	**Of whom, men**
Board members	5	4	6	4
CEO and other senior executives	2	2	2	1
Total	**7**	**6**	**8**	**5**

Expensed salaries, other remuneration and social security costs

	Group		Parent company	
	2022	2021	2022	2021
Salaries, including severance pay	86,582	66,619	14,004	9,662
Social security contributions	18,565	17,341	2,520	3,170
Pension costs – defined contribution plans	6,596	5,725	1,651	1,274
Share-based remuneration for employees	246	265	246	265
Total employee remuneration	**111,990**	**89,950**	**18,422**	**14,371**

Note 7. Cont.

Expensed remuneration and other benefits for senior executives, SEK thousand

	Salaries		Variable remuneration		Pension costs	
	2022	2021	2022	2021	2022	2021
CEO Maria Hedengren	2,244	2,202	–	631	590	568
CEO Mats Brandt	4,099	–	834	–	352	–
Other senior executives	11,670	13,181	3,285	1,644	1,324	1,660
Group total	**18,013**	**15,383**	**4,119**	**2,275**	**2,266**	**2,228**

1) Total invoicing pertaining to non-employed senior executives amounted to SEK 4.6 million (1.2), of which SEK 2.4 million (0) relate to the CEO. These costs have been included in the total amount for base salaries but also include social security costs and pension costs. Readly has determined that invoiced fees are in line with the Group's policy as they are cost-neutral compared with payroll costs for employees.
2) Variable remuneration consists of bonuses of SEK 4.1 million (2.3) pertaining to the financial year, of which SEK 0.8 million (0.6) pertains to the CEO. The column also includes employee stock options for other senior executives totalling SEK 0.2 million (0.2).

Board of Directors

Remuneration and fees for 2022 approved by the Annual General Meeting are described in the table below. The Annual General Meeting resolved that fees for committee work would be payable, in contrast to previous years. Fees for committee work are described in the table below. Directors' fees are decided on yearly at the Annual General Meeting and pertain to the period until the next Annual General Meeting.

Expensed remuneration and other benefits for the Board of Directors, SEK thousand

	2022				2021			
	Directors' fee	Committee fee	Variable remuneration	Other remuneration	Directors' fee	Committee fee	Variable remuneration	Other remuneration
Patrick Svensk	512	64	–	–	500	43	–	–
Nathan Medlock	256	15	–	–	250	21	–	–
Alexandra Whelan[1]	104	10	–	–	250	25	–	–
Viktor Fritzén[1]	104	27	–	–	250	65	–	–
Malin Stråhle	256	–	–	–	250	–	–	–
Stefan Betzold	256	15	–	–	146	9	–	–
Nicolas Adlercreutz[2]	152	58	–	–	–	–	–	–
Joel Wikell[3]	–	–	–	–	104	6	–	–
Total	**1,640**	**190**	**–**	**–**	**1,750**	**169**	**–**	**–**

1) Alexandra Whelan and Viktor Fritzén resigned at the 2022 AGM.
2) Nicolas Adlercreutz took office at the 2022 AGM.
3) Joel Wikell resigned at the 2021 AGM.

Defined-contribution pension

The Group only has pension plans that are accounted for as defined contribution pension plans. The legal retirement age for the CEO and other senior executives is currently 67 years. Pension premiums are to be payable in an amount corresponding to the terms under ITP1. By pensionable salary is meant basic salary.

Severance pay

Between the Group and the CEO, a notice period of six months applies for notice given by the CEO and 12 months for notice served by the Company. Between the Company and other senior executives, mutual notice periods ranging from three to six months apply. No severance pay has been agreed upon.

Warrant programme in Sweden

The warrant programmes are decided on by the shareholders, and grants have been made to employees, Board members and consultants in Sweden and abroad. The Group does not have any legal or constructive obligation to buy back or settle warrants in cash. All warrants are paid at fair value as per the grant date. Fair value is calculated using the Black & Scholes option pricing model.

Note 7. Cont.

Changes in the number of outstanding warrants and their weighted average exercise price are as follows:

	2022		2021	
	Average exercise price per warrant, SEK	**Warrants**	**Average exercise price per warrant, SEK**	**Warrants**
At 1 January	**54**	**569,300**	**55**	**277,250**
Granted	15	370, 500	53	367,300
Forfeited	–	–	55	-17,333
Exercised	–	–	–	–
Expired	55	-59,333	55	-57,917
At 31 December	**41**	**737,800**	**54**	**569,300**

In 2022, Readly offered key personnel in the Group the chance to subscribe for a total of 370,500 warrants at a subscription price of SEK 15 per share, with the right to subscribe after three years. 0 (0) warrants have been exercised to subscribe for shares with an average exercise price of SEK 0 (0) per share. A total of 59,333 (57,917) warrants lapsed with an exercise price of SEK 55 per warrant (55). None of the outstanding warrants were exercisable at 31 December 2022.

Outstanding warrants at year-end:

Issue year	Programme	Subscription period	Exercise price	Fair value [1]	Average time to maturity (years)	Warrants 31/12/2022	Warrants 31/12/2021
2019	2019/2022	01/07/2022–30/12/2022	55	5.53	3	–	150,000
2019	2019/2022	01/07/2022–30/12/2022	55	6.04	3	–	53,000
2021	2021/2024	01/07/2024–15/12/2024	53	4.44	3	367,300	367,300
2022	2022/2025	01/07/2025–15/12/2025	15	0.81	3	370, 500	–
Total						**737,800**	**569,300**

1) Fair value is calculated as per the date of issue of options.

Fair value of granted warrants (370,500) 2022
Fair value on the grant date includes the exercise price (SEK 14.95), the term of the warrant (3 years), the share price on the grant date (SEK 7.47) and the expected volatility of the share price (40%), the expected dividend yield (10.8%), the risk-free interest (1.4%) over the term of the warrant and the correlation and volatility for a group of peer companies. The expected volatility of the share price is based on historic volatility (based on remaining term of the warrant), adjusted for the expected changes in future volatility based on available public information.

Employee options programme
The employee options programme is designed to provide a long-term incentive for senior executives (including Company management) to deliver long-term shareholder value. Through the plan, the participants are granted options that may be vested only if the participants remain employed for the entire term to maturity. The options are granted free of charge and do not carry entitlement to dividends or voting rights. All outstanding options entitle the holder to subscribe for one share per option. The fair value on the grant date is calculated using the Black Scholes pricing model.

Note 7. Cont.

Changes in the number of outstanding employee options and their weighted average exercise price are as follows:

	2022		2021	
	Average exercise price in SEK per warrant [1]	Warrants	Average exercise price in SEK per warrant [1]	Warrants
At 1 January	**39**	**303,083**	**33**	**128,750**
Granted	13	249,000	53	198,000
Forfeited	43	-79,750	55	-8,667
Exercised	–	–	23	-15,000
Expired	33	-8,083	–	–
At 31 December	**34**	**464,250**	**39**	**303,083**

1) The exercise price has been adjusted to illustrate the 1:1 ratio between options and shares. The actual ratio is that each employee option gives the right to subscribe for 5 shares for programmes started before 2021. That is, the number of 81,250 (128,570) options outstanding gives the right to subscribe for 406,250 (643,750) shares.

During 2022, Readly granted a total of 249,000 employee options (198,000) to key personnel in the Group, with a subscription price of SEK 12.74 per share. 8,083 employee options lapsed in 2022. 79,750 employee options were cancelled with a weighted average price of SEK 43 per share.

Outstanding employee options at year-end:

Issue year	Programme	Vesting period	Termination date	Subscription period	Exercise price of shares[1]	Fair value [2]	Employee options 31/12/2022	Employee options 31/12/2021
2017	2017/2021	19/10/2017–31/12/2020	31/12/2020	01/01/2021–30/06/2021	31	45	–	–
2018	2018/2022	25/03/2019–30/06/2022	31/12/2020	30/06/2022–30/12/2022	33	22	–	8,083
2019	2019/2023	02/05/2019–01/01/2021	01/01/2021	30/04/2022–30/04/2023	33	16	45,000	45,000
2019	2019/2022	18/06/2019–30/06/2023	30/06/2023	01/07/2023–30/12/2023	33	24	36,250	45,000
2020	2020/2023	09/04/2020–30/06/2023	30/06/2023	01/07/2023–30/12/2023	33	26	–	10,000
2021	2021/2024	01/07/2024–15/12/2024	30/06/2024	01/07/2024–15/12/2024	53	4.44	137,000	195,000
2022	2022/2025	21/07/2025–31/12/2025	20/07/2025	21/07/2025–31/12/2025	13	0.81	249,000	–
Total							**464,250**	**303,083**

1) The exercise price has been adjusted to illustrate the 1:1 ratio between options and shares. The actual ratio is that each employee option gives the right to subscribe for 5 shares for programmes started before 2021. That is, the number of 81,250 (128,570) options outstanding gives the right to subscribe for 406,250 (643,750) shares.
2) Fair value is calculated as per the date of issue of options.

Fair value of granted employee options 2022
Fair value on the grant date includes the exercise price (SEK 12.74), the term of the option (3 years), the share price on the grant date (SEK 6.37), the expected volatility of the share price (43%), the expected dividend yield (12.7%), the risk-free interest (1.6%) over the term of the option and the correlation and volatility for a group of peer companies. The expected volatility of the share price is based on historic volatility (based on remaining term of the warrant), adjusted for the expected changes in future volatility based on available public information.

Costs for the employee options programme
The cost for the employee options programmes during the period and reported as a part of personnel costs amounted to SEK 0.3 million (0.3) excluding social security costs.

NOTE 8 Leases

Leased assets in Readly consist solely of office premises.

Group	2022	2021
Opening balance at 1 January	11,244	4,542
Additional leases	–	11,080
Depreciation	-3,271	-4,377
Closing balance at 31 December	**7,973**	**11,244**

Lease liabilities
For a term analysis of lease liabilities, see Note 2, *Financial risks*.

Amounts reported in the Income Statement

Group	2022	2021
Depreciation of right-of-use assets	-3,271	-4,377
Interest on lease liabilities	-538	-229
Costs for short-term leasing	-3,375	-1,201

Amount reported in the Cash flow statement

Group	2022	2021
Total cash flow attributable to leases	**-7,619**	**-5,807**

The cash flow above includes amounts for leases recognised as a lease liability and amounts paid for short-term leases.

NOTE 9 Other operating expenses

Group	2022	2021
Operating exchange rate losses	-10,040	-5,754
Total	**-10,040**	**-5,754**

NOTE 10 Financial income and expenses

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Interest income from Group companies	–	–	79	71
Interest income	159	645	26	–
Proceeds of liquidation	187	–	187	–
Revaluation of contingent considerations	20,838	–	–	–
Exchange rate differences	20,129	10,645	567	93
Total financial income	**41,312**	**11,291**	**859**	**164**
Interest expenses	-3,875	-7,224	-3	-32
Impairment of shares in subsidiaries	–	–	-152,220	-243,170
Change in value of derivatives	–	-3,965	–	-3,965
Discounting of contingent considerations	-971	–	-971	–
Exchange rate differences	-15,632	-9,973	-5,386	-30
Total financial expenses	**-20,479**	**-21,162**	**-158,580**	**-247,197**
Net financial items	**20,833**	**-9,871**	**-157,721**	**-247,033**

NOTE 11 Income tax

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Current tax	448	371	–	–
Deferred tax	-2,126	-169	–	–
Tax on profit for the year	**1,678**	**-202**	**–**	**–**

Reported profit/loss before tax:	-121,638	-219,399	-158,523	-436,504
Income tax calculated at the applicable tax rate, 20.6% (20.6%)	25,057	45,346	32 656	89,920
Tax effects of:				
Tax losses for which no deferred tax assets are reported	-21,826	-45,346	-1,058	-41,200
Tax effect of utilised losses	–	1,364	–	1,364
Tax effect of tax-exempt income	39	–	39	–
Tax effect of non-deductible expenses	-1,384	-430	-31,562	-50,116
Expenses to be deducted but not included in recognised earnings	-3	32	-3	32
Effect of foreign tax rates	-205	137	–	–
Other	–	-1,155	-71	–
Tax expense	**1,678**	**-202**	**–**	**–**

NOTE 12 Holdings and investments in subsidiaries

The Group had the following subsidiaries at 31 December 2022:

Name	Country of registration and activity	Percentage of ordinary shares directly owned by the Group (%) 31/12/2022	Percentage of ordinary shares directly owned by the Group (%) 31/12/2021
Readly AB	Sweden	100	100
Readly Books AB	Sweden	–	100
Readly Financial Instruments AB	Sweden	100	100
Readly GmbH	Germany	100	100
Readly UK Ltd	UK	100	100
Readly LLC	USA	100	100
Readly France SA	France	99.8	98.4

Parent company	2022	2021
Opening balance	**694,160**	**600,357**
Capital contributions	–	230,400
Acquisitions for the year	8,932	106,573
Impairment	-152,220	-243,170
Reversal of contingent considerations	-20,838	–
Closing balance	**530,035**	**694,160**

The parent company has participations in the following subsidiaries:

Company name	Registered office	Share of capital, %	Number of shares	Carrying amount 31/12/2022	Carrying amount 31/12/2021
Readly AB	Stockholm, Sweden	100	50,000	459,908	586,908
Readly Books AB[1]	Stockholm, Sweden	100	50,000	–	220
Readly Financial Instruments AB	Stockholm, Sweden	100	50,000	225	225
Readly GmbH	Berlin, Germany	100	25,000	235	235
Readly UK Ltd	London, UK	100	100	–	–
Readly LLC	Nevada, USA	100	–	–	–
Readly France SA	Paris, France	99.8	7,884,356	69,667	106,573

1) The company was liquidated in 2022

NOTE 13 Goodwill

Group	31/12/2022	31/12/2021
Opening carrying amount at 1 January	**70,744**	**–**
Acquisitions	–	68,933
Impairment losses	-27,000	–
Translation difference for the year	6,238	1,812
Closing carrying amount at 31 December	**49,982**	**70,744**
Carrying amount		
Cost	76,982	70,744
Accumulated impairment losses	-27,000	–
At 31 December	**49,982**	**70,744**

Goodwill by cash-generating unit

Group	31/12/2022	31/12/2021
Readly all you can read	–	–
Readly France	49,982	70,744
Total	**49,982**	**70,744**

Impairment testing of goodwill
Readly's recognised goodwill at 31 December 2022 amounted to SEK 50.0 million (70.7) and results from the acquisition of Readly France SA. During the year, net goodwill decreased by SEK 20.8 million due to impairment and currency effects.

Goodwill is, for impairment testing purposes, allocated to cash generating units. Goodwill is allocated on Readly "all you can read" 0 (0) and Readly France 50,0 (70,7). Carrying values of all cash-generating units are tested annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Based on the impairment test performed in the fourth quarter 2022 a total goodwill impairment of SEK 27 million has been recognized. The impairment tests reflect somewhat lower growth potential and higher Weighted Average Cost of Capital (WACC) for the group, which resulted in the need for impairment of goodwill related to Readly France.

The cash flows are based on the Readly France budget for 2023 and long-term projections for 2024–2026. The budgets and forecasts are based on the management's past experience. For cash flows beyond the forecast period, a growth rate of 2 (2) per cent per year has been assumed, which does not exceed the long-term growth rate of the market. Cash flows have been discounted by a weighted average cost of capital of 16.0 (10.8) per cent before tax.

NOTE 14 Other intangible assets

Group	Capitalised development expenditure 31/12/2022	31/12/2021
Opening carrying amount at 1 January	**40,559**	**21,925**
Purchases/internally developed	32,833	21,680
Acquisitions	–	2,950
Amortisation	-12,704	-5,606
Translation difference for the year	160	–
Impairment losses	-2,595	-390
Closing carrying amount at 31 December	**58,253**	**40,559**
Carrying amount		
Cost	126,645	93,652
Accumulated amortisation	-65,407	-52,703
Accumulated impairment losses	-2,985	-390
At 31 December	**58,253**	**40,559**

Parent company	Capitalised development expenditure 31/12/2022	31/12/2021
Opening carrying amount at 1 January	**1,064**	**1,392**
Purchases/internally developed	–	–
Amortisation	-327	-327
Closing carrying amount at 31 December	**737**	**1,064**
Carrying amount		
Cost	1,637	1,637
Accumulated amortisation	-900	-573
At 31 December	**737**	**1,064**

Group	Publishing contracts 31/12/2022	31/12/2021
Opening carrying amount at 1 January	**16,432**	**–**
Acquisitions	–	16,283
Amortisation	-3,474	-276
Translation difference for the year	1,286	425
Closing carrying amount at 31 December	**14,243**	**16,432**
Carrying amount		
Cost	17,994	16,708
Accumulated amortisation	-3,750	-276
At 31 December	**14,243**	**16,432**

Group	Customer contracts 31/12/2022	31/12/2021
Opening carrying amount at 1 January	**15,948**	**–**
Acquisitions	–	15,768
Amortisation	-2,922	-232
Translation difference for the year	1,269	412
Closing carrying amount at 31 December	**14,295**	**15,948**
Carrying amount		
Cost	17,449	16,180
Accumulated amortisation	-3,154	-232
At 31 December	**14,295**	**15,948**

Group	Trademarks 31/12/2022	31/12/2021
Opening carrying amount at 1 January	**7,740**	**–**
Acquisitions	–	7,669
Amortisation	-1,636	-130
Translation difference for the year	606	201
Closing carrying amount at 31 December	**6,709**	**7,740**
Carrying amount		
Cost	8,476	7,870
Accumulated amortisation	-1,766	-130
At 31 December	**6,709**	**7,740**

NOTE 15 Property, plant and equipment

	Equipment, tools, fixtures and fittings	
Group	**31/12/2022**	**31/12/2021**
Opening balance at 1 January	**997**	**1,364**
Purchases	28	159
Acquisitions	–	31
Depreciation	-523	-558
Translation difference for the year	78	2
Closing balance at 31 December	**580**	**997**
Carrying amount		
Cost	3,738	3,631
Accumulated depreciation	-3,157	-2,634
At 31 December	**580**	**997**

NOTE 16 Other non-current assets

	Group		Parent company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Intra-group receivables	–	–	1,454	1,276
Deposits with payment providers	9,628	8,943	–	–
Rental deposits	245	354	–	–
Carrying amount	**9,874**	**9,297**	**1,454**	**1,276**

The fair value of non-current receivables is considered in all essential respects to correspond to the carrying amount.

NOTE 17 Financial instruments by category

Group	Amortised cost 31/12/2022	Fair value through profit or loss 31/12/2022	Total
Financial assets			
Other non-current assets	9,874	–	9,874
Trade receivables	7,673	–	7,673
Other current receivables	4,592	–	4,592
Accrued income	14,567	–	14,567
Cash and cash equivalents	188,706	–	188,706
Total financial assets	**225,412**	**–**	**225,412**
Financial liabilities			
Non-current lease liabilities	4,833	–	4,833
Long-term borrowings	11,197	–	11,197
Current lease liabilities	2,701	–	2,701
Short-term borrowings	6,988	–	6,988
Trade payables	44,569	–	44,569
Accrued expenses	112,771	–	112,771
Contingent considerations	–	26,170	26,170
Total financial liabilities	**183,059**	**26,170**	**209,229**

Group	Amortised cost 31/12/2021	Fair value through profit or loss 31/12/2021	Total
Financial assets			
Other non-current assets	9,297	–	9,297
Trade receivables	6,921	–	6,921
Other current receivables	3,037	–	3,037
Accrued income	9,849	–	9,849
Cash and cash equivalents	306,209	–	306,209
Total financial assets	**335,314**	**–**	**335,314**
Financial liabilities			
Non-current lease liabilities	7,107	–	7,107
Long-term borrowings	16,721	–	16,721
Current lease liabilities	3,266	–	3,266
Short-term borrowings	24,476	–	24,476
Trade payables	41,697	–	41,697
Accrued expenses	93,592	–	93,592
Contingent considerations	–	41,205	41,205
Total financial liabilities	**186,860**	**41,205**	**228,065**

For information about the measurement and accounting of long-term and short-term borrowings, please refer to Note 22. Readly has a financial liability for a contingent consideration related to the acquisition of Readly France SA, which is measured at fair value through profit or loss. The contingent consideration is measured according to level 3 of the fair value hierarchy, which means that the fair value has been determined using a measurement model whose significant inputs are based on unobservable data. The measurement is based on the discounted value of expected future cash flows. The fair value of other current receivables and liabilities reported at amortised cost corresponds to their carrying amounts, since the discounting effect is not considered to be significant. The fair value of other non-current receivables and liabilities reported at amortised cost is considered in all essential respects to correspond to their carrying amount.

NOTE 18 Trade receivables and other current assets

Group	31/12/2022	31/12/2021
Trade receivables	7,981	6,921
Other current receivables	4,592	3,037
Accrued income	14,567	9,849
Cash and cash equivalents	188,706	306,209
Less: provision for expected credit losses	-308	-305
Current assets – net	**215,538**	**325,711**

Owing to the short-term nature of the assets, the discounting effect is not considered to be significant, and the book value is considered to correspond to fair value. Thus, this is the maximum exposure.

The Group's risk exposure in foreign currency is considered to be low. Impairment losses attributable to current assets amount to SEK 0.3 million (0.3) at 31 December 2022, which in relation to total current assets corresponds to 0.14 per cent (0.09). Readly has historically had a low level of bad debts. As per the balance sheet date, no significant increase in credit risk has been determined to exist for any receivable. Such assessment is based on whether payments are 90 days past due or more, or if a significant decline of ratings occurs, resulting in a rating below investment grade.

NOTE 19 Prepaid expenses and accrued income

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid insurance premiums	90	389	65	61
Other prepaid expenses	7,352	8,446	333	137
Accrued subscription income	12,763	9,849	–	–
Total	**20,205**	**18,684**	**398**	**198**

NOTE 20 Cash and cash equivalents

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Bank balances	188,706	306,209	2,243	62,975
Total	**188,706**	**306,209**	**2,243**	**62,975**

NOTE 21 Equity

At 31 December 2022, the Group's share capital amounted to SEK 1,137,142 divided between 37,904,738 shares.

0 warrants were exercised in 2022. During the first quarter of 2021, 15,000 warrants were exercised for the subscription of 1:5 shares, resulting in an increase in equity of SEK 2.3 million.

The number of outstanding employee options at 31 December 2022 was 470,250 (306,750) for the option programmes subscribed to before 11 September 2020, with the right to subscribe for 1:5 ordinary shares.

The number of outstanding warrants at 31 December 2022 was 737,800 (994,734) for the option programmes subscribed to before 11 September 2020, with the right to subscribe for 1:5 ordinary shares.

Changes in share capital

The following table illustrates the changes in share capital of Readly International AB (publ) for the financial years 2020–2022. For the sake of comparison, all key ratios for earlier periods in the report have been recalculated for the 1:5 share split.

Date	Transaction	Change in number of shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
02/07/2019	New issue	934,518	6,383,750	809,886	809,886
08/08/2019	New issue	8,908	6,392,658	1,336	811,222
25/09/2019	Set-off issue	41,086	6,433,744	6,163	817,385
03/04/2020	New issue[1]	22,100	6,455,844	3,315	820,700
03/04/2020	New issue	1,000	6,456,844	150	820,850
03/04/2020	New issue	350	6,457,194	53	820,902
26/06/2020	New issue	350,184	6,807,378	52,528	873,430
11/09/2020	Share split	23,291,464	30,098,842	–	873,430
21/09/2020	New issue	7,627,118	36,741,448	228,814	1,102,243
19/10/2020	New issue[1]	50,000	36,791,448	1,500	1,103,743
14/12/2020	New issue[1]	190,000	36,981,448	5,700	1,109,443
29/12/2020	New issue[1]	50,000	37,031,448	1,500	1,110,943
11/01/2021	New issue[1]	75,000	37,106,448	2,250	1,113,193
26/01/2021	New issue[1]	120,169	37,226,617	3,605	1,116,799
22/11/2021	New issue	678,121	37,904,738	20,344	1,137,142

1) Exercising of warrants

Other contributed capital

This item consists of equity from the owners as a result of new share issues and share-based payments.

Translation difference

This item consists of exchange rate effects from the translation of foreign subsidiaries.

Non-controlling interests

This item is the result of the acquisition of Readly France SA.

NOTE 22 Loans raised

Borrowing
On 7 May 2020, Readly AB was granted a new credit facility that expires on 1 January 2023 and carries a fixed annual interest rate of 10.75 per cent. The total utilised loan amount was EUR 5 million (SEK 49.5 million), while transaction costs for the loan amounted to SEK 1.9 million.

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. For further information about pledged assets attributable to the raised credit facility, see Note 26 (Pledged assets). In addition to Readly AB's credit facility, loans have also been raised by subsidiaries.

The fair value of the non-current liabilities has been calculated through use of cash flows discounted using the current borrowing rate.

	31/12/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Credit facility	18,185	17,906	41,198	44,948

There were no new borrowings in 2022. In 2021, newly raised loans increased by SEK 21.8 million, which was attributable to loans previously raised by the acquired company Readly France SA.

At 31 December 2022, the loan in Readly AB had been repaid, and all the collateral provided had been released as of 9 January 2023.

Sensitivity
For further information about the Group's exposure, see Note 2.

Reconciliation of liabilities attributable to financing activities

SEK thousand	01/01/2022	New leases	Newly raised loans (acquisitions)	Cash flow	Capitalised interest	Change in fair value	Exchange rate effects	31/12/2022
Lease liabilities	11,244	–	–	-3,271	–	–	–	7,973
Loans	41,198	–	–	-26,808	2,445	–	1,350	18,185
Reconciliation of liabilities attributable to financing activities	**52,442**	**–**	**–**	**-30,079**	**2,445**	**–**	**1,350**	**26,157**

SEK thousand	01/01/2021	New leases	Newly raised loans	Cash flow	Capitalised interest	Change in fair value	Exchange rate effects	31/12/2021
Lease liabilities	4,722	11,080	–	-4,378	–	–	–	11,244
Loans	35,250	–	21,820	-19,576	3,155	–	549	41,198
Derivatives	5,477	–	–	–	–	-5,478	–	–
Reconciliation of liabilities attributable to financing activities	**45,449**	**11,080**	**21,820**	**-23,954**	**3,155**	**-5,478**	**549**	**52,442**

NOTE 23 Deferred tax

Group	31/12/2022	31/12/2021
Deferred tax liability		
Intangible assets	9,343	10,632
Total	**9,343**	**10,632**

Group	31/12/2022	31/12/2021
Change in deferred tax		
At 1 January	**10,632**	**–**
Acquisitions	–	10,562
Recognised in profit or loss	-2,126	-169
Translation difference for the year	838	275
At 31 December	**9,343**	**10,632**

Tax loss carry forwards

Deferred tax assets are recognised for tax loss carry-forwards or other deductions to the extent it is probable that they can be utilised against future taxable profits. Unutilised tax loss carry forwards for which no deferred tax assets have been recognised amount to SEK 1,134 (1,028) million at 31 December 2022. The tax loss carry forwards do not expire at any time. The unutilised tax loss carry forwards pertain mainly to Sweden and Readly International AB and Readly AB. Given existing expansion plans, Readly has determined that the Group will likely report tax losses also in the coming years, and therefore, in accordance with IAS 12, no deferred tax asset is reported for these deficits.

NOTE 24 Other current liabilities

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
VAT liability	4,043	1,857	1,226	261
Employee withholding taxes and payroll taxes	4,051	3,172	1,318	488
Other current liabilities	133	926	–	–
Contingent considerations[1]	26,170	8,090	26,170	33,134
Total	**34,396**	**14,045**	**28,712**	**33,864**

The fair value of current liabilities corresponds in all essential respects to the carrying amount.

1) The contingent consideration is classified as a Group financial liability.
For more information, see Notes 17 and 29.

NOTE 25 Accrued expenses and deferred income

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Accrued compensation to publishers	112,771	93,592	–	–
Prepaid subscription income	28,544	26,289	–	–
Accrued salaries	6,039	3,856	5,574	3,825
Accrued holiday pay and social security contributions	6,795	6,266	1,196	688
Other accrued expenses	20,858	20,125	2,899	420
Total	**175,007**	**150,129**	**9,670**	**4,934**

NOTE 26 Pledged assets

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Pledged assets				
Chattel mortgages as collateral for bank guarantees	1,160	1,160	1,160	1,160
Shares in subsidiaries as collateral for credit facility[1]	123,188	222,689	460,143	587,143

1) In addition, pledged collateral also includes 100 per cent of the registered trademark Readly. At 31 December 2022, the loan amount had been repaid, and all the collateral provided had been released as of 9 January 2023.

NOTE 27 Related parties

Readly International AB is the highest parent company in the Group. Other related parties are all subsidiaries in the Group and senior executives in the Group, i.e., the Board of Directors and Company management, and their family members.

Board members and senior executives have related parties that use the parent company's services, which are purchased on normal commercial terms on business grounds. The services do not amount to significant sums. For other remuneration for related parties, see Note 7, *Employee remuneration, etc.*

The following transactions were conducted with related parties

Sales of products and services:

Parent company	31/12/2022	31/12/2021
Readly AB	32,562	30,413
Readly Books AB	60	80
Readly Financial Instruments AB	80	80
Readly GmbH	531	639
Readly UK Ltd	971	1,263
Readly LLC	80	193
Readly France SA	685	107
Total	**34,969**	**32,775**

Sales of services to subsidiaries consist of the use of trademarks and administrative fees for the Group-wide expenses that are invoiced to the parent company, as well as the services performed by personnel employed in the parent company, which pertain to the entire Group.

Receivables and liabilities at year-end resulting from sales and purchases of products and services:

Parent company	31/12/2022	31/12/2021
Receivables from subsidiaries:		
Readly AB	16,040	26,964
Readly Books AB	–	225
Readly Financial Instruments AB	325	225
Readly GmbH	322	816
Readly UK Ltd	194	187
Readly LLC	373	293
Readly France SA	–	107
Total receivables from subsidiaries	**17,254**	**28,816**

Loans to related parties

Parent company	31/12/2022	31/12/2021
Loans to Readly GmbH		
At the beginning of the year	**968**	**781**
Interest expenses	71	65
Exchange rate differences	32	122
At year-end	**1,072**	**968**
Loan to Readly UK Ltd		
At the beginning of the year	**414**	**380**
Interest expenses	17	15
Exchange rate differences	-130	19
At year-end	**301**	**414**

The Group has no provisions for bad debts attributable to related parties. Nor has the Group recognised any expenses pertaining to bad debts for related parties during the period. No collateral is pledged for the receivables. Receivables from related parties mainly pertain to invoicing for Group-wide services in the parent company and have indefinite durations. Liabilities to related parties largely originate from pledged, but not yet paid shareholders' contributions and have indefinite durations.

The loans to Readly GmbH & Readly UK Ltd have indefinite terms with an annual interest rate of 6 per cent. The loans are not pledged and are paid in cash.

NOTE 28 Other non-cash items

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Share-based remuneration, employee stock option programme	246	151	246	151
Translation difference	906	-2,575	–	–
Provisions	-931	–	–	–
Other non-cash items	–	304	–	–
Total	**222**	**-2,120**	**246**	**151**

NOTE 29 Acquisitions

Acquisitions in 2022
No acquisitions were made in 2022.

Summary of acquisitions in 2021
On 2 November 2021, Readly International AB acquired 98.4 per cent of Toutabo, one of France's leading subscription services and owner of the digital subscription service ePresse. The acquisition strengthens Readly's leading position in Europe and gives it access to a leading French portfolio. The establishment in France will benefit from Toutabo's leading position, local expertise and strong relationships with publishers and commercial partners, combined with Readly's tech resources, product development experience, global reach and ability to drive growth.

The acquisition price totalled EUR 10.2 million, corresponding to SEK 102.5 million. EUR 4.1 million (SEK 41.2 million) of the total acquisition price consist of the expected future contingent consideration for the years 2022-2024. The contingent consideration is conditional on meeting specific targets relating to user numbers, publishing agreements and commercial partnership agreements and may total a maximum of EUR 4.1 million. The measurement of the contingent consideration is based on the discounted value of expected future cash flows. The remaining purchase price was paid upon closing and consisted of a EUR 4.0 million cash consideration and, in part, newly issued shares. The fair value of the 678,121 shares issued as part of the contingent consideration amounted to SEK 21.3 million and they were issued at a price of SEK 31.48 per share, corresponding to the volume-weighted average price on Nasdaq Stockholm during the 20 trading days preceding, but not including, 5 October 2021.

The issue of consideration shares for the acquisition increases the number of shares in Readly from 37,226,617 to 37,904,738. Transaction costs of SEK 0.1 million directly attributable to the share issue have been recognised as a deduction from equity.

Since the acquisition date, Toutabo has contributed SEK 11.9 million to net sales and had a SEK 0.1 million impact on the profit for the year. If the acquisition had been completed on 1 January 2021, the company would have contributed SEK 68.2 million to net sales and reduced the profit for the year by SEK 5.5 million.

Details of the purchase price, net assets acquired and goodwill:

Purchase price:	
Cash and cash equivalents	39.9
New issue	21.3
Conditional purchase price	41.2
Total purchase price	**102.5**

According to the preliminary acquisition analysis, the assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
Property plant and equipment and intangible assets	3.4
Intangible assets: Publishing contracts	16.3
Intangible assets: Customer contracts	15.8
Intangible assets: Trademarks	77
Trade and other receivables	16.1
Cash and cash equivalents	32.6
Trade and other payables	-24.3
Loans	-21.8
Deferred tax liability	-10.5
Total identifiable assets acquired	**35.6**
Non-controlling interests	-1.7
Goodwill	68.9
Purchase price	102.5

Goodwill
In the acquisition analysis, goodwill amounts to SEK 68.9 million. The goodwill generated by the acquisition is attributable to synergy effects and is due to the fact that the Group's position in the current market for the acquisition is expected to be strengthened, and to the knowledge accumulated in the acquired company. This goodwill is not considered to be tax deductible in the event of a future impairment.

Acquisition-related costs
Acquisition-related costs not directly attributable to the share issue amounted to SEK 4.0 million and relate to fees paid to external legal counsel and consultants. The costs have been included in other external costs in the consolidated statement of income and other comprehensive income. There were no business combinations in the financial year 2020.

NOTE 30 Events after the end of the reporting period

On 1 January 2023, Matti Zemack took up the position of Chief Technology Officer and member of the Group Executive Board. He replaces Frederik Blauenfeldt Jeppsson, who was acting CTO and a member of the Group Executive Board.

On 11 January 2023, Tidnings AB Marieberg announced that the acceptance period for the public cash offer to the shareholders of Readly International AB (publ) had been extended to 3 February 2023.

On 26 January 2023, Tidnings AB Marieberg announced the increasing of the public cash offer price to SEK 14.40 per share and that the acceptance period had been further extended to 9 February 2023.

On 13 February 2023, Tidnings AB Marieberg announced the outcome of the cash offer, which amounted to 63.7 per cent of the share capital and votes in Readly. Tidnings AB Marieberg announced that the acceptance deadline had been further extended to 23 February.

On 22 February 2023, Tidnings AB Marieberg announced that the acceptance period for the public cash offer to the shareholders of Readly International AB (publ) had been extended to 7 March 2023.

On 9 March 2023, Tidnings AB Marieberg announced that they completes the recommended cash offer to the shareholders of Readly International AB (publ) and thereby becomes the owner of 65.8 per cent of the shares. The acceptance period is extended until 23 March 2023.

On 27 March 2023, Tidnings AB Marieberg announced the outcome of the cash offer, which was extented to 23 March 2023. The outcome amounted to 75,4 per cent of the share capital and votes in Readly.

NOTE 31 Proposed appropriation of the parent company's profit

At the disposal of the Annual General Meeting:	
Loss brought forward	-614,492,777
Share premium reserve	1,181,169,642
Profit for the year	-158,523,284
SEK	**408,153,581**

The Board of Directors proposes that profits be appropriated as follows:	
To be carried forward, SEK	**408,153,581**

KPIs

The Group presents certain performance measures in the annual report that are not defined by IFRS. The Group believes that these Alternative Performance Measures (APMs) provide valuable, complementary information to investors and Group management, as they allow evaluation of the Group's financial performance and financial position. Since not all companies calculate performance measures in the same way, these are not always comparable with measures used by other companies. These performance 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 are therefore defined on page 106 of this report.

SEK thousand, unless otherwise stated	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
FPSs (full-paying subscribers), number	452,466	478,362	369,764	278,555	213,910
Total revenues	591,613	466,308	352,604	264,739	195,950
Total revenue growth, %	26.9	32.2	33.2	35.1	54.3
ARPU[1] (Average revenue per user), SEK	102	92	93	87	86
Gross profit[1]	203,191	156,127	117,059	82,773	58,319
Gross profit margin[1], %	34.3	33.5	33.2	31.3	29.8
Gross contribution[1]	106,417	-33,780	-38,155	-16,303	-15,439
Gross contribution margin[1], %	18.0	-7.2	-10.8	-6.2	-7.9
EBITDA[1]	-88,345	-197,373	-179,869	-134,618	-100,752
EBITDA margin[1], %	-14.9	-42.3	-51.0	-50.8	-51.4
Operating profit/loss	-142,471	-209,528	-189,775	-142,539	-106,976
Operating margin, %	-24.1	-44.9	-53.8	-53.8	-54.6
Operating profit/loss adjusted for items affecting comparability [1]	-131,823	-204,943	-170,311	-138,123	-106,976
Operating margin adjusted for items affecting comparability [1], %	-22.3	-44.0	-48.3	-52.2	-54.6
Total operating expenses	-734,084	-675,836	-542,378	-407,278	-302,926
Profit for the year	-119,960	-219,601	-197,424	-146,565	-107,980
Items affecting comparability	-10,648	-4,585	-19,464	-4,416	–
Net margin, %	-20.3	-47.1	-56.0	-55.4	-55.1
Cash flow from operating activities	-62,725	-165,470	-154,044	-114,634	-64,514
Average number of employees	144	89	71	55	44
Key data per share					
Earnings per share before and after dilution[2], SEK	-3.2	-5.9	-6.5	-5.9	-5.5
Equity per share before and after dilution[2], SEK	2.4	5.4	12.5	2.2	2.1
Weighted number of shares outstanding before and after dilution[2], number	37,904,738	37,327,803	30,466,591	24,739,268	19,585,810
Number of shares outstanding at year-end [2], number	37,904,738	37,904,738	37,031,448	27,246,160	22,323,600

1) For the reconciliation of alternative performance measures, see pages 107–108.
2) The number of shares has been adjusted in comparative periods to the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 106.

Definitions of Key Performance Indicators and calculations

KPIs	Definition	Purpose
Number of shares	Number of shares after 1:5 share split	To improve comparisons, all key performance indicators pertaining to the number of shares for earlier years are calculated based on the number of shares after the 1:5 share split.
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 years, and financing and corporate tax.
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 relative to the number of shares outstanding at the end of the year.	A measure used by investors, analysts and Group management to evaluate the Company's financial position.
Full-paying subscribers (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.
Average revenue per user (ARPU)	Total revenue divided by the number of FPSs in the corresponding month.	This measure is used to identify the share of total revenue that is attributable to each full-paying subscriber.
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 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 periods, and financing and corporate tax.
Net margin	Profit for the year divided by total revenue for the year	Used as an alternative measure of the business's profitability.
Earnings per share	Profit for the year after tax relative to the average number of shares outstanding during the year.	A measure used by investors, analysts and Group management to evaluate the value of the Company's outstanding shares.
Operating profit/loss (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 Group management to evaluate the Company's profitability.
Operating margin	Operating profit/loss relative to operating expenses.	A profitability measure used by investors, analysts and Group management to evaluate the Group'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 corporate tax.
Total revenue growth	Increase in total revenue compared with the preceding period.	Used as a measure of growth in the Company's total revenue.
Gross contribution	Gross profit less operating marketing expenses.	A measure of the Company's gross profit after marketing costs used by investors, analysts and Group management to evaluate the Group's profitability.
Gross contribution margin	Gross contribution divided by operating revenue.	A measure of profitability used by investors, analysts and Group management to evaluate the Group's profitability.

Reconciliation of KPIs

Gross profit and gross profit margin

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Total revenues	591,613	466,308	352,604	264,739	195,950
Publisher costs	-388,422	-310,181	-235,545	-181,966	-137,632
Gross profit	**203,191**	**156,127**	**117,059**	**82,773**	**58,319**
Gross profit margin, %	**34.3**	**33.5**	**33.2**	**31.3**	**29.8**

EBITDA and EBITDA margin

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
EBITDA	-88,345	-197,373	-179,869	-150,459	-100,752
Total revenues	591,613	466,308	352,604	264,739	195,950
EBITDA margin, %	**-14.9**	**-42.3**	**-51.0**	**-50.8**	**-51.4**

Equity per share

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Weighted number of shares outstanding[1]	37,904,738	37,327,803	30,466,591	24,739,268	19,585,810
Total equity	90,557	201,714	381,904	54,773	41,680
Equity per share (SEK)	**2.4**	**5.4**	**12.5**	**2.2**	**2.1**

Net margin

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Profit for the year	-119,960	-219,601	-197,424	-146,565	-107,980
Total revenues	591,613	466,308	352,604	264,739	195,950
Net margin, %	**-20.3**	**-47.1**	**-56.0**	**-55.4**	**-55.1**

Operating profit/loss and operating margin

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Total revenues	591,613	466,308	352,604	264,739	195,950
Total operating expenses	-734,084	-675,836	-542,378	-407,278	-302,926
Operating profit/loss	**-142,471**	**-209,528**	**-189,775**	**-142,539**	**-106,976**
Operating margin, %	**-24.1**	**-44.9**	**-53.8**	**-53.8**	**-54.6**

1) The number of shares has been adjusted in comparative periods to the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 106.

Adjusted for items affecting comparability

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Operating profit/loss (EBIT)	-142,471	-209,528	-189,775	-142,539	-106,976
Items affecting comparability					
Costs related to the IPO of Readly International AB (publ)	–	–	19,464	4,416	–
Transaction and integration costs relating to the acquisition of Readly France SA	9,693	4,585	–	–	–
Transaction costs for the public cash offer	955	–	–	–	–
Impairment of goodwill	27,000	–	–	–	–
Operating profit/loss adjusted for IAC	**-104,823**	**-204,943**	**-170,311**	**-138,123**	**-106,976**
Total revenues	**591,613**	**466,308**	**352,604**	**264,739**	**195,950**
Operating margin adjusted for IAC	**-17.7**	**-44.0**	**-48.3**	**-52.2**	**-54.6**

Total revenue growth

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Total revenues	591,613	466,308	352,604	264,739	195,950
Total revenue growth, %	**26.9**	**32.2**	**33.2**	**35.1**	**54.3**

Total operating expenses

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Publisher costs	-388,422	-310,181	-235,545	-181,966	-137,632
Marketing costs	-96,774	-189,906	-155,213	-99,076	-73,757
Other external costs	-67,408	-62,862	-65,010	-57,229	-37,035
Personnel costs	-117,314	-94,977	-76,022	-58,833	-44,775
Depreciation and amortisation	-54,126	-12,155	-9,905	-7,921	-6,224
Other operating expenses	-10,040	-5,754	-682	-2,253	-3,503
Total operating expenses	**-734,084**	**-675,836**	**-542,378**	**-407,278**	**-302,926**

Gross contribution and gross contribution margin

SEK thousand	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2018
Total revenues	591,613	466,308	352,604	264,739	195,950
Publisher costs	-388,422	-310,181	-235,545	-181,966	-137,632
Marketing costs	-96,774	-189,906	-155,213	-99,076	-73,757
Gross contribution	**106,417**	**-33,780**	**-38,155**	**-16,303**	**-15,439**
Gross contribution margin, %	**18.0**	**-7.2**	**-10.8**	**-6.2**	**-7.9**

Assurance

The consolidated accounts and annual accounts have been prepared in accordance with the International Financial Reporting Standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and in accordance with generally accepted accounting principles, and gives a fair overview of the Group's and parent company's financial position and results of operations. The directors' report for the Group and for the parent company gives a true and fair view of the Group's and the parent company's operations, position and profit or loss, and of the principal risks and uncertainties that the parent company and its subsidiaries face. The annual accounts and consolidated accounts were, as stated below, approved for publication by the Board of Directors on 30 March 2023. The Group's consolidated statement of comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on 13 June 2023.

Stockholm, 30 March 2023

Patrick Svensk
Chairman of the Board

Nicolas Adlercreutz
Board Member

Nathan Medlock
Board Member

Malin Stråhle
Board Member

Stefan Betzold
Board Member

Mats Brandt
CEO

Our audit report was submitted on 30 March 2023

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Readly International AB (publ), corporate identity number 556912-9553

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Readly International AB (publ) for the year 2021 except for the corporate governance statement on pages 55–59. The annual accounts and consolidated accounts of the company are included on pages 42–109 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 55–59. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

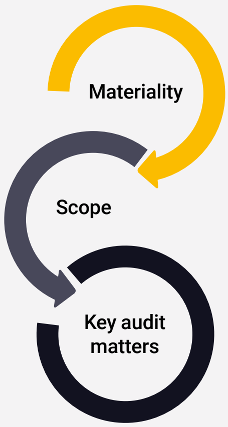
Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
Vi har utfört revisionen enligt International Standards on Auditing (ISA) We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach
Overview



Overall materiality: 6 mSEK, which corresponds to about 1% of net sales

Completeness in revenue recognition

Valuation of goodwill and shares in subsidiaries

Audit scope
Readly provides a subscription service where their customers get unlimited access to content (in magazine information) from several publishers. The company is in a development phase and has a strategy with a focus on growth and profitability. The business is transaction-intensive and the IT platform Readly Core is self-developed.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. We particularly considered the areas where the CEO and the board made subjective judgments, for example important accounting estimates that have been made based on assumptions and forecasts about future events, which are inherently uncertain. As with all audits, we have also taken into account the risk of the board and the CEO overriding the internal control, and considered, among other things, whether there is evidence of systematic deviations that have given rise to the risk of material inaccuracies as a result of irregularities.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Group materiality: SEK 6 million (SEK 5 million)
How we determined it: 1% of netsales
Justification of the choice of materiality: We chose net sales as a benchmark because we believe that this is the value that users most often assess the Group on the basis of, as Readly is in a development phase with a pronounced growth and profitability strategy. Net sales are also a generally accepted benchmark and the 1 per cent level is considered in auditing standards to be an acceptable quantitative materiality level.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above 650 kSEK as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT TOOK INTO ACCOUNT THE KEY AUDIT MATTER
Completeness in revenue recognition Readly describes its accounting principles related to revenue recognition on page 77 of this document. Readly's net sales amounted to 581 mSEK for 2022. Revenues consist of a large number of smaller transactions. Readly is dependent on its self-developed IT platform Readly Core in terms of accounting for its revenues. In proprietary systems with high transaction intensity, there is an increased inherent risk of errors. The risk that the completeness of the revenue would be incorrect has been considered as a particularly important area in our audit as the development of the revenue is of great importance to the users of the financial statements.	The most significant audit efforts that we carried out in this area include: • Review of selected controls in the revenue process, for example with regard to IT general controls for Readly Core, integration between payment systems and Readly Core. Data analyses and sample audit that sales information matches between Readly Core, the general ledger for accounting and the financial reporting. • Data analyses and sample audit that sales information matches between Readly Core, the general ledger for accounting and the financial reporting.
Valuation of goodwill and shares in subsidiaries Readly describes its accounting principles related to goodwill and shares in subsidiaries on pages 79, 80 and 82 of this document. The value of reported assets is subject to management's assessment and assumptions. The risk that the valuation of goodwill and shares in subsidiaries would be incorrect has been considered as a particularly significant area in our audit as the value of reported assets is essential for the group's and parent company's results and financial position.	The most significant audit efforts that we carried out in this area include: • Obtained and reviewed Readly Group's model for impairment testing to assess mathematical correctness of the model and reasonableness of assumptions made. • Checking the reasonableness of the applied discount rate. • Carrying out sensitivity analyzes where the effects of changes in assumptions and assessments are analyzed to identify particularly sensitive ones. • Review that disclosure requirements according to IAS 36 Impairments have been provided in the annual report.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–42 and 114–116. The Board of Directors and the Managing Director are responsible for this other information.

The other information also consists of a remuneration report that we obtained before the date of this audit report. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director's
The Board of Directors and the Managing Directors are responsible for

the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's review of management and proposals for disposition of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Readly International AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director's
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Directors have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Readly International AB (publ) for the financial year 2022.

Basis for Opinions
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Readly International AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director's
The Board of Directors and the Managing Directors are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Directors determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation that the Esef report has been prepared in a vaild XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the group's profit and loss, balance sheet and equity statements, cash flow analysis and notes in the Esef report has been marked with iXBR in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 55–59 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Readly International AB (publ) by the general meeting of the shareholders on the 10 May 2022 and has been the company's auditor since the 2013.

Stockholm 30 March 2023

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Our history

The idea behind Readly was born on a sun lounger in Cyprus in the spring of 2012 when Readly's founder, Joel Wikell, was on holiday with his family.

The newspapers and magazines he had carried with him were quickly read several times. But the streamed music in his headphones never ran out.

That raised the idea of an app with unlimited access to digital magazines. The first line of code was written by three developers late one evening in Växjö the same year, and in 2013 Readly was launched in Sweden.


Readly
HIST
NATIONAL GEOGRAPHIC
Lucrezia Borgia
Is haar duistere reputatie terecht?
Magna Graecia
Rijke kolonies in Zuid-Italië
Dodenboek
Rituelen voor het hiernamaals
Geis
ANYA TAYLOR-JOY HOLLYWOOD ROYALTY
NEW REGAL STYLE
THE BAG
THE GOWNS
THE JEWELS
VOGUE'S GUIDE TO RADIANT SKIN

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