



Continued results improvement and good revenue growth

- Revenue for the period totalled SEK 161.4 million (143.8), an increase of 12.2 per cent compared with the first quarter of 2022.
- The number of full-paying subscribers (FPS) declined 2.5 per cent to 453,631 (465,456) at the end of the quarter.
- Gross profit increased 19.9 per cent to SEK 58.5 million (48.8), corresponding to a gross profit margin of 36.3 per cent (34.0).
- The gross contribution margin for the period was 21.1 per cent (13.3).
- Adjusted operating result (EBITDA, excl. IAC) was SEK -9.2 million (-31.6), corresponding to an adjusted EBITDA margin of -5.7 per cent (-22.0).
- Adjusted operating result (EBIT, excl. IAC) was SEK -20.3 million (-37.4), corresponding to an adjusted operating margin of -12.6 per cent (-26.0).
- Operating result (EBIT) was SEK -33.5 million (-44.4), corresponding to an operating margin of -20.7 per cent (-30.9).
- Earnings per share were SEK -0.9 (-1.2) before and after dilution.

KEY DATA

SEKt, unless stated otherwise	Jan–Mar 2023	Jan–Mar 2022	YoY change, %
FPS (Full-paying subscribers), number	453,631	465,456	-2.5
Total revenue	161,382	143,816	12.2
ARPU (Average revenue per user), SEK	112	97	15.0
Gross profit	58,530	48,830	19.9
Gross profit margin, %	36.3	34.0	–
Gross contribution	34,025	19,174	77.5
Gross contribution margin, %	21.1	13.3	–
Operating result (EBIT)	-33,481	-44,421	24.6
Operating margin, %	-20.7	-30.9	–
Adjusted operating result (EBIT)	-20,342	-37,375	45.6
Adjusted operating margin, %	-12.6	-26.0	–
Net result for the period	-33,794	-45,193	25.2
Basic and diluted earnings per share, SEK	-0.9	-1.2	25.2

European leader in digital subscriptions

Readly is a digital subscription service that offers users unlimited access to more than 7,000 national and international magazines and daily newspapers.

We are currently the European leader in “all-you-can-read” subscriptions for digital magazines and daily newspapers with

subscribers in more than 50 countries. In collaboration with 1,200 publishers worldwide, Readly is digitalising the industry. Since September 2020, Readly’s shares are listed on Nasdaq Stockholm Small Cap.



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.

17

Number of languages

Readly is available in more than 50 countries.

453,631

Number of full-paying subscribers

During the quarter, the number of subscribers declined 2 per cent.

150m

Number of issues read

In 2022, issues were read for a total of approximately 150 million times on Readly.

7,000

Number of titles

In 2022, Readly added more than 1,260 new magazines and 220 daily newspapers, including regional and local editions.

1,200

Number of publishers

Readly signed 600 new publishers in 2022 and now collaborates with a total of 1,200 publishers.

4.7



App rating

High rating from users.

Continued results improvement and good revenue growth

We reported a quarter with good revenue growth and continued results improvement. Revenue increased 12.2 per cent to SEK 161.4 million (143.8) and ARPU increased significantly to SEK 112 (97), an increase of 15 per cent, largely as a result of the price increases that have been made. The number of full-paying subscribers decreased 2.5 per cent to 453,631 (465,456) compared with the year-earlier period but increased somewhat (0.3%) compared with the previous quarter. This is the second consecutive quarter with increased subscriber growth despite a significant decrease in investments in marketing of 17.4 per cent compared to the same quarter last year.

The gross profit margin was 36.3 per cent (34.0), which exceeded our long-term financial target of 35 per cent. The increase in the gross profit margin demonstrates Readly's capacity to create value and reinforces the credibility of our business model.

The gross contribution was 21.1 per cent (13.3), which was higher than for any previously reported quarter. The adjusted EBITDA margin improved to a record high -5.7 per cent (-22.0). This was the eighth consecutive quarter with an improved adjusted EBITDA margin.

Agreement signed with Europe's largest publisher and new strong commercial partnerships

We began the year by signing an agreement with one of Europe's largest publishers, BurdaVerlag, and expanded our catalogue with 39 German titles. Well-known magazines like Bunte, Focus and Instyle will strengthen important categories on our platform like Fashion & Beauty, Celebrity & Entertainment, News & Politics and Kids. The debut of these magazines on Readly has been very successful, with more than 400,000 issues read and two titles were among the ten most-read publications in Germany in March.

During the quarter we also welcomed 71 regional newspapers from the French publisher Publihebdos. The company represents 30 per cent of the regional weekly press in France and reaches 3.1 million readers every month. Overall, we added 239 new titles from 20 publishers to our content during the first quarter of 2023. By the end of the quarter our total portfolio of audio content amounted to 6,370 episodes from 55 different podcasts.

Moreover, we launched several new partnerships with well-known brands, such as the Austrian train operator Westbahn, the UK telecom company Curry's and the UK discount website for students, UNIDAYS.

Refining the personal recommendations

Our product development in articles and personal recommendations for these continues. We launched a new functionality to increase the amount of articles we have that are indexed by search engines, in order to increase the amount of organic traffic through this channel. We have seen promising initial results in the UK.

We are accelerating personalised article recommendations in all customer communication. We are continuing to refine and develop this recommendation system that will be an important part of increasing Readly's appeal.

On the path to profitability

During the first quarter, we continued to see results from measures taken and completed in 2022. Our contribution to sustainable growth through increased digitalisation in media is central and our progress and ambition is increasing all the time. We are ramping up the pace of our product development and expect to see increasing positive impact on both revenues and profitability. We are moving towards reaching positive EBITDA result in an isolated quarter already this year.

Mats Brandt
President and CEO
Readly



Revenue and result

+12.2%

increase in total revenue compared with the year-earlier quarter.

+7.3%

increase in total revenue. (Currency-adjusted)

SEK 58.5m

in gross profit representing a gross profit margin of 36.3 per cent.

Percentage share of net sales broken down by geographic market for the period January-March 2023



38.5%

Germany

19.5%

UK

15.2%

Sweden

10.7%

France

16.1%

Other markets

Total revenue for the first quarter amounted to SEK 161.4 million (143.8), an increase of 12.2 per cent over the year-earlier quarter. Total revenue increased 7.3 per cent, adjusted for currency effects. The increase was primarily due to increased average revenue per user (ARPU) and continued good growth in Germany. The number of full-paying subscribers (FPS) declined 2.5 per cent to 453,631 (465,456) and was the result of adapted marketing investments focused on profitable lifetime value. The number of full-paying subscribers increased 0.3 per cent over the year-earlier quarter.

Of the core markets in Germany, the UK, Sweden and France, it was Germany and the UK that accounted for the majority of the growth in revenue. Revenue in Germany increased 23.4 per cent to SEK 60.9 million (49.4). Adjusted for currency effects, growth in Germany was 15.5 per cent. Growth in Germany was driven primarily by price increases. In the UK, revenue increased 12.8 per cent to SEK 30.9 million (27.4), and revenue in Sweden decreased -5.7 per cent to SEK 24.1 million (25.6). The decline in growth in Sweden was primarily driven by lower marketing costs compared with the year-earlier period and price increases that

began in Sweden during the quarter – in other words, their total effect has yet to be seen.

Adjusted for currency effects, growth in the UK was 11.5 per cent. Revenue from Readly France SA increased 8.0 per cent, totalling SEK 17.0 million (15.7) and accounting for 10.7 per cent of net sales. Other markets grew 12.0 per cent, totalling SEK 25.4 million (22.7) during the quarter and accounted for 16.1 per cent of net sales in the period. Of the other markets, it was mainly Switzerland and Austria that contributed to the increase. Revenue in Switzerland increased 46.8 per cent and revenue in Austria increased 15.6 per cent.

Gross profit improved 19.9 per cent to SEK 58.5 million (48.8), corresponding to a gross profit margin of 36.3 per cent (34.0). The increase in gross profit margin was mainly related to lower publisher costs in relation to total revenue. The gross contribution for the period was SEK 34.0 million (19.2), corresponding to a gross contribution margin of 21.1 per cent (13.3). The improved gross contribution margin was due primarily to a decrease in marketing costs compared with the year-earlier period, when investments in marketing were relatively high.

Publisher costs increased 8.3 per cent in the first quarter and totalled SEK -102.9 million (-95.0). The increase in publisher costs was driven by revenue growth. Personnel costs declined 8.5 per cent and totalled SEK -29.0 million (-31.7). Other external costs declined 4.2 per cent and totalled SEK -50.1 million (-52.2). The main reason for the decline in other external costs was that external consultants were, as according to plan, replaced with employees. The first quarter included extraordinary operating expenses of SEK -13.1 million, which pertained to transaction costs for the public cash offer. Total operating expenses increased 3.5 per cent to SEK -194.9 million (-188.2).

Adjusted operating result (EBITDA, excl. IAC) was SEK -9.2 million (-31.6), corresponding to an EBITDA margin of -5.7 per cent (-22.0). The first quarter was the eighth consecutive quarter with an improved adjusted operating result (EBITDA). The operating result (EBIT) improved 24.6 per cent to SEK -33.5 million (-44.4), corresponding to an operating margin of -20.7 per cent (-30.9).

Financial items

Net financial items for the quarter totalled SEK -0.8 million (-1.3), which comprised remeasurement of the earn-out consideration and exchange rate effects, which had a negative impact on cash and cash equivalents and on net financial items.

Income tax

Tax revenue for the period amounted to SEK 0,5 million (0,5) and comprised deferred tax relating to acquisitions. The Group has unutilised loss carryforwards of SEK 1,134 million (1,028) that are not carried in the balance sheet.

Net result for the period and earnings per share

The Group reported a net result for the period of SEK -33.8 million (-45.2), corresponding to earnings per share of SEK -0.9 (-1.2) before and after dilution.

Number of employees

The average number of staff including consultants was 137 (160) during the first quarter, of which the average number of employees was 111 (114).

Cash flow

Cash flow from operating activities before changes in working capital was SEK -22.3 million (-40.1). Cash flow from operating activities was SEK -15.6 million (-29.5), primarily due to improved results. The change in working capital was mainly attributable to higher publisher payables and improved sales during the first quarter.

Cash flow from investing activities was SEK -26.5 million (-6.9), of which SEK -10.0 million (-7.3) pertained to capitalised product development costs. Settlement of the earn-out consideration during the quarter amounted to SEK -16.1 million (0).

Cash flow from financing activities was SEK -2.4 million (-6.8). During the first quarter, amortisation of loans totalled SEK -1.7 million (-5.7) and lease liabilities SEK -0.7 million (-1.0).

31 MARCH 2023 (31 DECEMBER 2022)

Financial position

Cash and cash equivalents on 31 March 2023 amounted to SEK 144.1 million (188.7).

Capitalised development expenditure amounted to SEK 60.3 million (58.3), and other intangible assets, identified surplus value linked to acquisitions, totalled SEK 33.6 million (35.2). As of 31 March 2023, the Group recognised goodwill of SEK 51.0 million (50.0). Recognised goodwill relates to the acquisition of Readly France SA in 2021.

The Group's shareholders' equity as per 31 March 2023 amounted to SEK 58.5 million (90.6), representing equity per share of SEK 1.5 (2.4). The change in equity was mainly due to the net result for the period of SEK -33.8 million (-120.0) and exchange rate effects when translating foreign subsidiaries of SEK 1.7 million (9.2).

Total liabilities amounted to SEK 284.1 million (292.5) as per 31 March 2023. The Group recognised an earn-out consideration of SEK 10.7 million (26.2). The decrease pertains to settlement of the earn-out consideration during the quarter. Deferred tax liability amounts to SEK 8.9 million (9.3), which arose in connection with the acquisition. Other liabilities mainly comprised of publisher payables and lease liabilities.

Total credit facilities amounted to SEK 16.7 million (18.2). The credit facility is entirely attributable to Readly France SA. Amortisation during the year totalled SEK 1.7 million.

Readly's primary strategic priority has historically been revenue growth. As a result of this, Readly reports negative earnings and cash flows for earlier periods. The company's updated strategy, announced in 2022, is focused on profitability and organic growth.

The company's strategy is to achieve 25 per cent total revenue growth between 2021 and 2024 (CAGR), a long-term gross profit margin of at least 35 per cent and to be profitable at an EBITDA level no later than 2025.

For further information, see the section Risks and uncertainties on page 10.

Market comments

Continued strong demand for media

The Swedish analysis company Mediavision released a report showing Swedish household’s media spending in 2022. Consumers spent SEK 685 per month on media in the past year, representing an increase of 8 per cent over 2021. Audio services increased the most, an entire 12 per cent, followed by video (9%) and text (5%)¹. Despite financially uncertain times, households are continuing to spend money on subscriptions, individual purchases, TV and TV on-demand. Readly is seeing the same trend in global churn figures, which were 18 per cent lower in Q1 than in the year-earlier quarter.

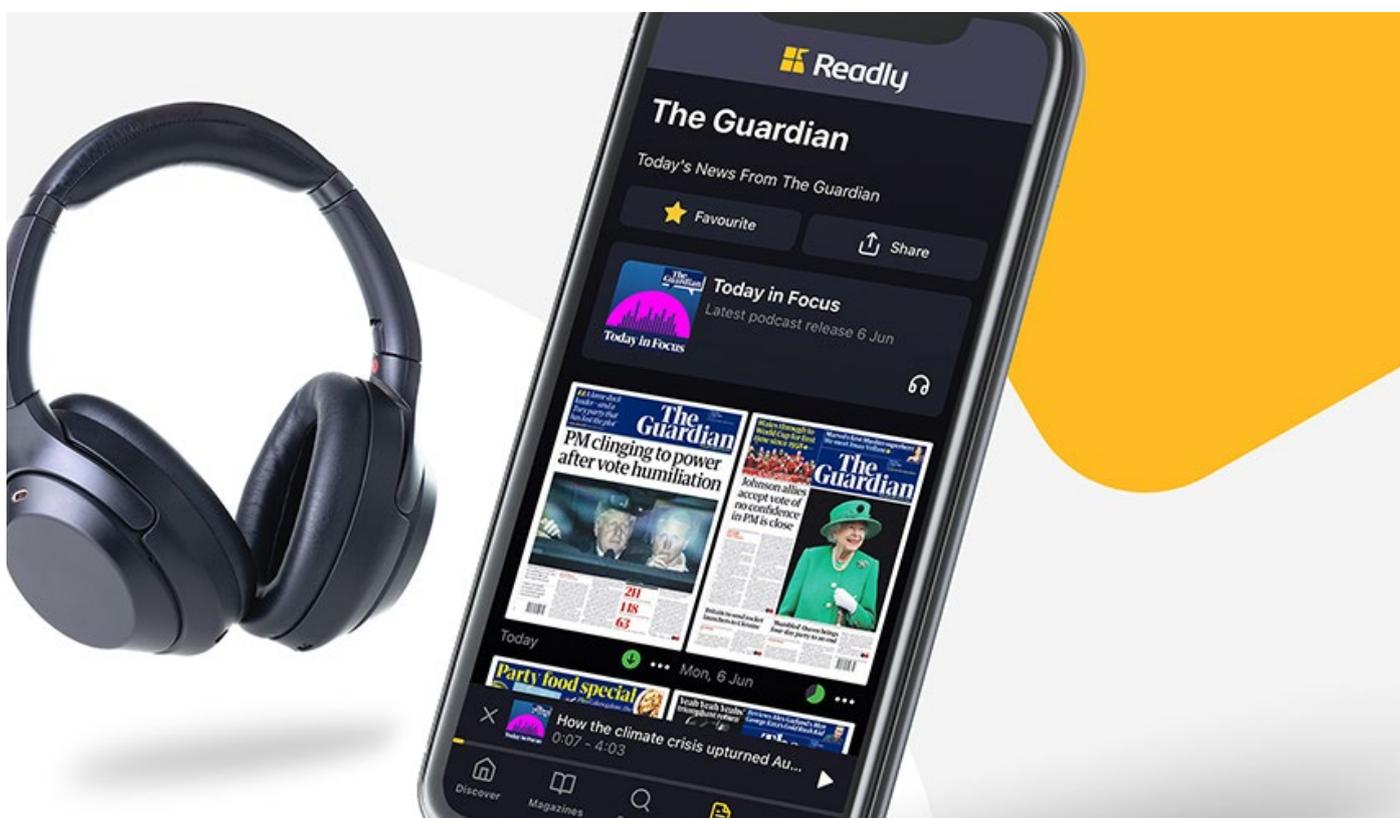
Kindle Newsstand shuts down

On 9 March, Amazon informed its customers that sales of magazines and daily newspapers through Kindle Newsstand would be shut down. Current subscriptions will expire in September. According to Amazon, following an assessment of “sales” they came to the decision to discontinue the service in order to cut costs.² There is speculation that the company wants customers

to sign up for Amazon Kindle Unlimited, a monthly subscription service that provides access to ebooks and audio books as well as a limited offering of magazines and daily newspapers.³ Readly is also Kindle-compatible. For example, for the first quarter of 2023, reading on Kindle accounted for approximately 3 per cent of total reading time on Readly.

Advertising and reader revenue remain the most important revenue sources for publishers

In the World Press Trends Outlook 2022–2023 report from World Association of News Publishers, 167 leaders in the newspaper industry shared their opinions about the future. More than half of those asked said that they were “pessimistic” about the coming 12 months. Publishers are facing difficult conditions due to several challenges, including high levels of inflation and rising paper and print costs. Advertising and reader revenue remain the most important revenue sources, accounting for 48 and 36 per cent of their total earnings, respectively.⁴



1) <https://www.mediavision.se/2023/03/15/mediavision-positiv-utsikt-for-den-svenska-prenumerationsmarknaden>
 2) <https://www.theverge.com/2023/3/16/23643735/amazon-kindle-newsstand-print-magazine-newspaper-subscriptions-ending>
 3) <https://www.makeuseof.com/why-we-think-amazon-getting-rid-magazine-newspaper-subscriptions/>
 4) <https://whatsnewinpublishing.com/publishers-brace-for-a-period-marked-by-uncertainty-yet-there-are-causes-for-optimism-wan-ifra/>

Other

Significant events during the period

On 1 January 2023, Matti Zemack took on the role as Chief Technology Officer (CTO) and as a member of the senior management team. He replaced Frederik Blauenfeldt Jeppsson who acted as interim CTO and member of the senior management team.

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

On 26 January 2023, Tidnings AB Marieberg announced an increase in the price for the public cash offer to SEK 14.40 per share and that the acceptance period was further extended to 9 February 2023.

On 13 February 2023, Tidnings AB Marieberg announced the outcome of the public cash offering, corresponding to 63.7 per cent of the share capital and votes in Readly. Tidnings AB Marieberg announced that the acceptance period was further extended to 23 February.

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

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

On 27 March 2023, Tidnings AB Marieberg announced the final outcome of the public cash offer that had been extended to 23 March 2023. The outcome amounted to 75.4 per cent of the share capital and votes in Readly.

On 15 February 2023, The Board of Directors resolved to reschedule the Annual General Meeting to 13 June 2023. The Annual General Meeting was originally planned to be held on 10 May 2023.

Significant events after the end of the period

The Board of Directors issued a notice on 3 April 2023 for an Extraordinary General Meeting on 26 April 2023, with the primary agenda item of electing a new Board.

Related-party transactions

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

Readly has not had any material related-party transactions other than what is stated in Note 7 on pages 87–90, and Note 27 on page 102, of the 2022 Annual Report.

Forecast

Readly does not issue any forecasts regarding future performance.

The situation in Ukraine

The situation in Ukraine had no material financial impact on Readly during the interim period.

Risks and uncertainties

Readly has a global service offering and is exposed to a number of risks and uncertainties. Readly categorises its risks and uncertainties as follows: Financial risks, business risks, legal and compliance risks, and strategic risks.

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

Business risks

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

Financial risks

Readly reports sizeable losses and negative cash flows as a consequence of the company's continued substantial investments in marketing activities and other activities aimed at achieving growth. Meticulous planning and control of Readly's capital requirement is required.

If the company does not succeed with its growth strategy or achieve its financial targets, a capital requirement may arise. If this were to occur, a shareholder base is required with available financial resources to be able to support further growth through additional capital contributions. Should new share capital or external borrowing not be available for Readly in connection with a possible future need, 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.

Legal risks

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.

Parent Company

Readyly International AB (publ) is the Parent Company of the Group. The Parent Company's function is to provide services to other companies in the Group and manage shares in subsidiaries. The Parent Company's expenses pertain mainly to personnel costs for parts of the senior management team and costs for external consultants related to central Group functions.

Financial performance in the first quarter of 2023

Revenue for the year totalled SEK 6.9 million (10.1) and pertained entirely to services provided to subsidiaries as well as to brands. The Parent Company reported a loss for the period of SEK -10.0 million (-0.8), of which net financial items totalled SEK -0.5 million (-1.9). Net financial items for the period mainly comprised the remeasurement of the earn-out consideration.

Financial position as of 31 March 2023 (31 December 2022)

Cash and cash equivalents on 31 March 2023 amounted to SEK 1.3 million (2.2).

Shares in subsidiaries amounted to SEK 530.0 million (530.0) as per 31 March 2023.

Equity in the Parent Company amounted to SEK 399.3 million (409.3). The change is due to the net result for the period.

Readyly International AB (publ) shares for the period January–March 2023 (31 December 2022)

As per 31 March 2023 the Parent Company's share capital amounted to SEK 1,137,142, apportioned among 37,904,738 shares. Employee stock options outstanding as per 31 March 2023 totalled 464,250 (464,250), of which options subscribed before the share split with subscription rights to 1:5 shares. Warrants outstanding as per 31 March 2023 totalled 737,800 (737,800), of which options subscribed before the share split with subscription rights to 1:5 shares.

Related-party transactions

Readyly International AB (publ) conducts transactions with related parties (subsidiaries) on a continuous basis, consisting of internal group services. All transactions are conducted on market terms. Readyly has not had any material related-party transactions other than what is stated in Note 7 on pages 87–90, and Note 27 on page 102, of the 2022 Annual Report.

Consolidated Income Statement

SEKt	Note	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Net sales	2	158,290	140,698	580,740
Other revenue		3,092	3,119	10,873
Total revenue		161,382	143,816	591,613
OPERATING EXPENSES				
Publisher costs		-102,852	-94,986	-388,422
Other external costs		-50,054 ¹	-52,232 ²	-164,182 ³
Personnel costs		-29,002	-31,697 ²	-117,314
Depreciation and amortisation		-11,178	-5,779	-54,126
Other operating expenses		-1,778	-3,544	-10,040
Operating result		-33,481	-44,421	-142,471
Net financial items		-830	-1,269	20,833
Result before tax		-34,310	-45,690	-121,638
Income tax		517	497	1,678
Net result for the period		-33,794	-45,193	-119,960
Net result for the period attributable to the Parent Company shareholders		-33,769	-45,142	-119,883
Attributable to non-controlling interests		-24	-52	-77
Basic and diluted earnings per share		-0.9	-1.2	-3.2
Basic and diluted weighted average number of shares		37,904,738	37,904,738	37,904,738

1) Items affecting comparability associated with the public cash offer amount to SEK 13.1 million.

2) Items affecting comparability associated with the Group restructuring and integration of Toutabo SA amount to SEK 7.0 million.

3) Items affecting comparability associated with the acquisition and integration of Toutabo SA amount to SEK 4.6 million.

Consolidated Statement of Comprehensive Income

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Net result for the period	-33,794	-45,193	-119,960
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations	1,679	1,218	9,215
Other comprehensive income for the period	1,679	1,218	9,215
Total comprehensive income for the period	-32,115	-43,975	-110,745
Total comprehensive income attributable to the Parent Company shareholders	-32,170	-43,950	-110,717
Total comprehensive income attributable to non-controlling interests	56	-25	-29

Consolidated Statement of Changes in Financial Position

SEKt	Note	31 March 2023	31 March 2022	31 Dec 2022
ASSETS				
Non-current assets				
Goodwill		51,005	71,516	49,982
Other intangible assets		93,972	83,822	93,501
Property, plant and equipment		462	917	580
Right-of-use assets		3,275	10,332	7,973
Other non-current assets	3	10,454	8,963	9,874
Total non-current assets		159,168	175,550	161,910
Current assets				
Trade receivables		13,862	11,040	7,673
Other current assets		25,508	17,859	24,797
Cash and cash equivalents		144,057	264,863	188,706
Total current assets		183,428	293,762	221,176
TOTAL ASSETS		342,595	469,312	383,086
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the Parent Company shareholders	4	58,423	156,059	90,552
Equity attributable to non-controlling interests		61	1,679	5
Total equity		58,484	157,738	90,557
Non-current liabilities				
Lease liabilities		1,632	6,551	4,833
Other financial liabilities	3	–	8,608	–
Deferred tax liabilities		8,904	10,230	9,343
Long-term borrowings	5	9,925	15,334	11,197
Provisions		2,592	3,526	2,558
Total non-current liabilities		23,052	44,248	27,930
Current liabilities				
Other financial liabilities	3	10,683	34,375	26,170
Trade payables		45,700	36,624	44,569
Lease liabilities		1,602	3,081	2,701
Short-term borrowings	5	6,805	20,705	6,988
Other current liabilities		196,270	172,540	184,169
Total current liabilities		261,060	267,326	265,598
TOTAL EQUITY AND LIABILITIES		342,595	469,312	383,086

Consolidated Statement of Changes in Equity

SEKt	Share capital	Other contributed capital	Translation difference	Retained earnings (including net result for the year)	Total	Non-controlling interests	Total equity
Opening balance 1 January 2023	1,137	1,182,624	12,244	-1,105,453	90,552	5	90,557
Net result for the period	–	–	–	-33,769	-33,769	-24	-33,794
Other comprehensive income	–	–	1,599	–	1,599	80	1,679
Total comprehensive income	–	–	1,599	-33,769	-32,170	56	-32,115
Transactions with owners							
Share-based remuneration	–	42	–	–	42	–	42
Total transactions with owners	–	42	–	–	42	–	42
Closing balance 31 March 2023	1,137	1,182,666	13,843	-1,139,222	58,423	61	58,484

SEKt	Share capital	Other contributed capital	Translation difference	Retained earnings (including net result for the year)	Total	Non-controlling interests	Total equity
Opening balance 1 January 2022	1,137	1,182,091	3,080	-986,295	200,013	1,704	201,714
Net result for the period	–	–	–	-45,142	-45,142	-52	-45,193
Other comprehensive income	–	–	1,192	–	1,192	26	1,218
Total comprehensive income	–	–	1,192	-45,142	-43,950	-25	-43,975
Transactions with owners							
Transaction costs for issues	–	-14	–	–	-14	–	-14
Share-based remuneration	–	12	–	–	12	–	12
Total transactions with owners	–	-1	–	–	-1	–	-1
Closing balance 31 March 2022	1,137	1,182,090	4,269	-1,031,437	156,059	1,679	157,738

Consolidated Statement of Cash Flows

SEkt	Note	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Operating result (EBIT)		-33,481	-44,421	-142,471
Depreciation and amortisation		11,178	5,779	54,126
Other items not affecting liquidity		640	-20	222
Interest received		85	–	92
Interest paid		-478	-1,272	-2,713
Paid tax		-274	-172	-509
Cash flow from operating activities before changes in working capital		-22,329	-40,107	-91,254
Change in working capital		6,730	10,568	28,529
Cash flow from operating activities		-15,599	-29,539	-62,725
Investments in intangible and tangible assets		-9,981	-7,291	-32,861
Investments in financial assets		-456	423	192
Settlement of earn-out consideration		-456	–	–
Cash flow from investing activities		-26,511	-6,868	-32,669
Transactions with non-controlling interests	4	–	–	-945
Transaction costs for issues		–	-14	-14
Warrants		–	–	300
Repayment of lease liabilities		-699	-1,027	-3,706
Repayment of loans		-1,684	-5,735	-26,808
Cash flow from financing activities		-2,383	-6,776	-31,172
Total cash flow		-44,493	-43,183	-126,566
Cash and cash equivalents at the beginning of the period		188,706	306,209	306,209
Exchange rate differences related to cash and cash equivalents		-156	1,837	9,063
Cash and cash equivalents at the end of the period		144,057	264,863	188,706

Condensed Parent Company Income Statement and Statement of Comprehensive Income

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
OPERATING REVENUE			
Net sales	6,902	10,054	35,370
OPERATING EXPENSES			
Other external costs	-14,362	-4,352	-16,625
Personnel costs	-1,952	-4,511	-19,149
Depreciation	-82	-82	-327
Other operating expenses	-7	-5	-70
Operating result	-9,501	1,104	-802
Net financial items	-505	-1,933	-157,721
Result after financial items	-10,006	-828	-158,523
Result before tax	-10,006	-828	-158,523
Income tax	-	-	-
Net result for the period	-10,006	-828	-158,523

Net result for the period corresponds to the Parent Company's comprehensive income for the period.

Condensed Parent Company Balance Sheet

SEKt	Note	31 March 2023	31 March 2022	31 Dec 2022
ASSETS				
Non-current assets				
Intangible assets		655	982	737
Participations in Group companies		530,035	694,160	530,035
Receivables from Group companies		1,475	1,286	1,454
Total non-current assets		532,164	696,429	532,225
Current assets				
Trade receivables		30	–	–
Receivables from Group companies		4,180	11,791	4,083
Tax receivables		154	290	100
Other receivables		611	1,085	398
Cash and cash equivalents		1,290	12,222	2,243
Total current assets		6,265	25,388	6,823
TOTAL ASSETS		538,429	721,817	539,048
EQUITY AND LIABILITIES				
Restricted equity		1,137	1,137	1,137
Unrestricted equity		398,190	565,315	408,154
Equity		399,327	566,452	409,291
Non-current liabilities				
Non-current liabilities to Group companies		51	96	51
Other non-current liabilities	3	–	8,608	–
Total non-current liabilities		51	8,704	51
Current liabilities				
Trade payables		609	1,091	1,289
Liabilities to Group companies		107,282	96,760	90,034
Other current liabilities	3	31,162	48,811	38,383
Total current liabilities		139,052	146,662	129,706
TOTAL EQUITY AND LIABILITIES		538,429	721,817	539,048

Notes

NOTE 1 Accounting policies

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

This report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable stipulations of the Swedish Annual Accounts Act and should be read in the same context as the 2022 Annual Report. The most significant accounting policies used in preparing this report are described in Note 1 on pages 76–82 of the 2022 Annual Report.

Changes in IFRS and amendments and interpretations of existing standards that took effect on 1 January 2023 have not given rise to any changes in the reporting of the Group's financial performance or position. In addition, the same accounting policies and bases of calculation used in the 2022 Annual Report have been applied in preparing the financial statements in this report, except as stated below.

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

NOTE 2 Revenue from contracts with customers

Distribution of net sales by service

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Ready's digital magazine service	151,194	135,102	533,576
Other sales revenue	7,096	5,595	27,164
Total	158,290	140,698	580,740

Net sales by geographic region

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Germany	60,907	49,356	210,910
Sweden	24,131	25,582	96,842
UK	30,861	27,534	114,067
France	16,983	15,729	66,250
Rest of world	25,408	22,676	92,670
Total	158,290	140,698	580,740

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Total revenue	161,382	143,816	591,613
YoY change, %	12.2	41.2	26.9
of which:			
– organic growth, %	7.3	35.1	9.9
– currency effects & VAT, %	4.9	-9.4	5.7
– acquisitions, %	–	15.4	11.2

NOTE 3 Fair value of financial instruments

Ready has a financial liability relating to the earn-out consideration attributable to the acquisition of Toutabo that is measured at fair value through profit or loss. The earn-out consideration is subject to certain targets being met in terms of number of users, publisher agreements and commercial partnership agreements and may amount to a maximum of EUR 4.1 million.

The calculation of fair value is based on level 3 of the fair value hierarchy, which entails that fair value has been determined on the basis of a measurement model in which the material input data is based on unobservable inputs. Measurement was performed based on the discounted value of estimated future cash flows.

SEKm	
Opening balance 1 January 2023	26.2
Value adjustment	0.4
Restatement effect	0.2
Settled during the year	-16.1
Closing balance 31 March 2023	10.7

The fair value of current receivables and liabilities recognised at amortised cost corresponds to their carrying amounts, since the discounting effect is not considered to be significant. The fair value of non-current receivables and liabilities reported at amortised cost is deemed in all essential respects to correspond to their carrying amount. For further information on financial assets and liabilities, and their classification, refer to Note 17 of the 2022 Annual Report.

NOTE 4 Equity

As per 31 March 2023, the Group’s share capital amounted to SEK 1,137,142 apportioned among 37,904,738 shares.

Employee stock options as per 31 March 2023 totalled 464,250 (464,250), where option programmes subscribed for prior to September 2020 entitled subscription for ordinary shares at a ratio of 1:5. Warrants outstanding as per 31 March 2023 totalled 737,800 (737,800), where option programmes subscribed for prior to September 2020 entitled subscription for ordinary shares at a ratio of 1:5.

Changes in share capital

The following table illustrates the changes in share capital of Ready International AB (publ) for the 2021–2023 financial years.

Date	Transaction	Change in No. of shares	Total No. of shares	Change in share capital, SEK	Total share capital, SEK
11 Jan 2021	New issue (exercised employee stock options)	75,000	37,106,448	2,250	1,113,193
26 Jan 2021	New issue (exercised warrants Kreos)	120,169	37,226,617	3,605	1,116,799
22 Nov 2021	New issue (non-cash issue upon acquisition)	678,121	37,904,738	20,344	1,137,142

NOTE 5 Significant estimations and assessments

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

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

Going concern

Readly’s financial statements have been prepared in accordance with the accounting policies that apply for a going concern assumption, that is, that Readly will have the ability to continue conducting its business during the foreseeable future. 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 company’s ability to continue operating. To be able to make this assessment in a correct manner, consideration must be given to all available information and assumptions about the future. Further, the Board of Directors and CEO continuously monitor circumstances that may affect the assessment of the validity of the going concern assumption, where the most critical risk is access to funding. Since Readly is in a phase of growth, the Group continues to report significant losses.

This may lead to strained liquidity and a need to secure long-term funding for the Group.

The Board of Directors and CEO believe that, after implemented measures, the company’s existing working capital with available funding opportunities is sufficient in order for the going rate assumption to be considered to have been met.

Tax loss carryforwards

Unutilised tax loss carryforwards for which no deferred tax asset has been recognised amounted to SEK 1,134 million (1,028) as per 31 March 2023. Since in the coming years, Readly will prioritise growth over profitability, the Board has determined that the Group will likely continue to report tax loss carryforwards also in the coming year, and thus in accordance with IAS 12, no deferred tax asset is reported for these deficits.

Fair value measurement of earn-out considerations

The fair value of earn-out considerations are calculated based on the terms and conditions of the agreements contracted in connection with acquisitions. The earn-out consideration is subject to certain targets being met in terms of number of users, publisher agreements and commercial partnership agreements. Outcomes may differ from estimates and could thus affect valuations. This could affect the company’s future performance and financial position.

For further information on estimations and assessments, please refer to Readly’s 2022 Annual Report, Note 3 on page 85.

Key Performance Indicators

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

financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures shall therefore not be regarded as a replacement for the measures defined in accordance with IFRS. The tables below present certain measures that are not defined in IFRS, and they are therefore defined on page 24 of this report.

SEKt, unless stated otherwise	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
FPS (Full-paying subscribers), number	453,631	465,456	452,466
Total revenue	161,382	143,816	591,613
Total revenue growth, %	12.2	41.2	26.9
ARPU ¹ (Average revenue per user), SEK	112	97	102
Gross profit ¹	58,530	48,830	203,191
Gross profit margin ¹ , %	36.3	34.0	34.3
Gross contribution ¹	34,025	19,174	106,416
Gross contribution margin ¹ , %	21.1	13.3	18.0
EBITDA ¹	-22,303	-38,643	-88,345
EBITDA margin ¹ , %	-13.8	-26.9	-14.9
Operating result	-33,481	-44,421	-142,471
Operating margin, %	-20.7	-30.9	-24.1
Adjusted operating result (excl. IAC) ¹	-20,342	-37,375	-104,823
Adjusted operating margin (excl. IAC) ¹ , %	-12.6	-26.0	-17.7
Total operating expenses	-194,863	-188,237	-734,084
Net result for the period	-33,794	-45,193	-119,960
Items affecting comparability	-13,138	-7,047	-10,648
Net margin, %	-20.9	-31.4	-20.3
Cash flow from operating activities	-15,599	-29,539	-62,725
Average number of employees	111	114	144
KPI data per share			
Basic and diluted earnings per share, SEK	-0.9	-1.2	-3.2
Basic and diluted equity per share, SEK	1.5	4.2	2.4
Weighted number of shares outstanding, basic and diluted	37,904,738	37,904,738	37,904,738
Number of shares outstanding at end of the period	37,904,738	37,904,738	37,904,738

1) For reconciliation of APMs, see pages 25–26.

Key Performance Indicator development

SEKt, unless stated otherwise	2023		2022				2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
FPS (Full-paying subscribers), number	453,631	452,466	446,861	447,196	465,456	478,362	435,372	420,135	397,071
Total revenue	161,382	156,566	147,132	144,099	143,816	134,751	118,861	110,813	101,883
Total revenue growth, %	12.2	16.2	23.8	30.0	41.2	36.6	27.3	32.8	32.0
ARPU, SEK	112	109	103	97	97	95	93	91	91
Gross profit	58,530	57,530	48,060	48,771	48,830	45,138	39,829	37,292	33,868
Gross profit margin, %	36.3	36.7	32.7	33.8	34.0	33.5	33.5	33.7	33.2
Gross contribution	34,025	34,800	25,330	28,971	19,174	5,576	-11,449	-11,539	-16,367
Gross contribution margin, %	21.1	22.2	17.2	20.1	13.3	4.1	-9.6	-10.4	-16.1
Operating result	-33,481	-49,264	-20,604	-28,182	-44,421	-50,341	-47,993	-54,285	-56,908
Operating margin, %	-20.7	-31.5	-14.0	-19.6	-30.9	-37.4	-40.4	-49.0	-55.9
Adjusted operating result	-20,342	-21,309	-20,490	-25,650	-37,375	-45,755	-47,993	-54,285	-56,908
Adjusted operating margin, %	-12.6	-13.6	-13.9	-17.8	-26.0	-34.0	-40.4	-49.0	-55.9
Net result for the period	-33,794	-28,905	-19,021	-26,840	-45,193	-49,443	-52,500	-58,193	-59,465

Definitions of Key Performance Indicators and calculations

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE
Gross profit	Revenue less publisher costs.	Used as a measure of the core business's operating profit, regardless of the effect of other operations, items affecting comparability between periods, and financing and company tax.
Gross profit margin	Gross profit/loss divided by revenue.	Used as a measure of the core business's profitability, regardless of the effect of other operations.
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, or by items affecting comparability.
EBITDA margin	EBITDA divided by total revenue.	Used as an alternative measure of the business's profitability.
Equity per share	Equity in relation to the number of shares outstanding at the end of the period.	A measure used by investors, analysts and company management to evaluate the company's financial position.
Full-paying subscriber (FPS)	A subscriber who pays 51 per cent or more of the ordinary price for a subscription.	This measure is used to identify the subscribers who pay the full price for the service.
Average revenue per user (ARPU)	Subscriber revenue on monthly basis divided by the outgoing 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 different periods.
Marketing costs	External marketing costs related to customer acquisition, campaigns and similar marketing activities.	Used as a measure of marketing costs, regardless of the effect of other operations, items affecting comparability between periods, and financing and company tax.
Net margin	Net result for the period divided by total revenue for the period.	Used as an alternative measure of the business's profitability.
Organic growth	Growth that the company achieves itself through its own sales, i.e., not through acquisitions.	Used as a measure of growth in the company's total revenue.
Earnings per share	Net result for the period after tax in relation to the average number of shares outstanding during the period.	A measure used by investors, analysts and company management to evaluate the value of the company's shares outstanding.
Operating result (EBIT)	Operating revenue less operating expenses.	A measure of the company's operating result before interest and tax that is used by investors, analysts and company management to evaluate the company's profitability.
Operating margin	Operating result in relation to operating expenses.	A profitability measure that is used by investors, analysts and company management to evaluate the company's profitability.
Growth in total revenue	Increase in total revenue compared with the preceding period.	Used as a measure of growth in the company's total revenue.
Total operating expenses	Total expenses excluding interest expenses and tax costs.	Used as a measure of the Group's total expenses regardless of the effect of other operations, items affecting comparability between periods, and financing and company tax.
Gross contribution	Gross profit excluding marketing costs.	A measure of the company's gross profit after marketing costs used by investors, analysts and company management to evaluate the company's profitability.
Gross contribution margin	Gross contribution divided by operating revenue.	A profitability measure that is used by investors, analysts and company management to evaluate the company's profitability.

Reconciliation of KPIs

Gross profit & Gross profit margin

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Total revenue	161,382	143,816	591,613
Publisher costs	-102,852	-94,986	-388,422
Gross profit	58,530	48,830	203,191
Gross profit margin, %	36.3	34.0	34.3

EBITDA and EBITDA margin

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
EBITDA	-22,303	-38,643	-88,345
Total revenue	161,382	143,816	591,613
EBITDA margin, %	-13.8	-26.9	-14.9

Equity per share

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Weighted number of shares outstanding	37,904,738	37,904,738	37,904,738
Total equity	58,484	157,738	90,557
Equity per share (SEK)	1.5	4.2	2.4

Net margin

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Net result for the period	-33,794	-45,193	-119,960
Total revenue	161,382	143,816	591,613
Net margin, %	-20.9	-31.4	-20.3

Operating result and operating margin

SEKt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Total revenue	161,382	143,816	591,613
Total operating expenses	-194,863	-188,237	-734,084
Operating result	-33,481	-44,421	-142,471
Operating margin, %	-20.7	-30.9	-24.1

Adjusted operating result (excl. IAC)

SEkt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Operating result (EBIT)	-33,481	-44,421	-142,471
Items affecting comparability			
Restructuring, and transaction and integration costs upon acquisition of Readly France SA	–	7,047	9,693
Transaction costs for the public cash offer	13,138	–	955
Impairment of goodwill	–	–	27,000
Adjusted operating result (excl. IAC)	-20,342	-37,375	-104,823
Total revenue	161,382	143,816	591,613
Adjusted operating margin (excl. IAC), %	-12.6	-26.0	-17.7

Growth in total revenue

SEkt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Total revenue	161,382	143,816	591,613
Total revenue growth, %	12.2	41.2	26.9

Total operating expenses

SEkt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Publisher costs	-102,852	-94,986	-388,422
Marketing costs	-24,505	-29,656	-96,774
Other external costs	-25,549	-22,576	-67,408
Personnel costs	-29,002	-31,697	-117,314
Depreciation and amortisation	-11,178	-5,779	-54,126
Other operating expenses	-1,778	-3,544	-10,040
Total operating expenses	-194,863	-188,237	-734,084

Gross contribution & Gross contribution margin

SEkt	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Total revenue	161,382	143,816	591,613
Publisher costs	-102,852	-94,986	-388,422
Marketing costs	-24,505	-29,656	-96,774
Gross contribution	34,025	19,174	106,416
Gross contribution margin, %	21.1	13.3	18.0

Supplementary information

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Financial calendar

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

This information is information that Readly International AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons above at 7:30 a.m. CEST on 25 April 2023.

Annual General Meeting

13 Jun 2023

Interim report Jan–Jun 2023

17 August 2023

Interim report Jan–Sep 2023

9 November 2023

Year-end report and fourth quarter

interim report 2023

8 February 2024

Auditor's review

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

Publication

The interim information provided on pages 2–11 constitutes an integral part of this financial report.

Legal disclaimer

Due to the nature of its business, Readly is exposed to certain risks that may affect its earnings or financial position to a lesser or greater extent. These risks can be categorised as financial risks, business risks, legal and compliance risks, and strategic risks. Management's general view of the risks that the business may be affected by has not changed compared with the description provided in the most recently published annual report. For a detailed description of the company's risks, please refer to Readly's 2022 Annual Report, pages 45–51.

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

Signatures

The CEO gives his assurance that the interim report provides a fair view of the Parent Company's and the Group's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Parent Company and the companies that are part of the Group.

Stockholm, 25 April 2023

Mats Brandt
President and CEO



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