



Readly Financial Update January – March 2025



Financial update

“The first quarter demonstrated strong revenue growth and improved profitability per user – a testament of the strength of our business model. Adjusted for currency effects and divestments, revenue increased by 15.8 per cent. The adjusted operating margin (EBITDA) amounted to 11.7 per cent and the adjusted EBITA margin increased to 8.1 per cent. Free cash flow amounted to SEK 12.9 million. With six consecutive quarters of positive adjusted operating results, we have now reached robust profitability”, says Philip Lindqvist, president and CEO of Readly.

1 JANUARY–31 MARCH 2025

- Revenue for the period totalled SEK 182.6 million (174.0), an increase of 5.0 per cent compared with the first quarter of 2024. Adjusted for divestments and FX effects the revenue growth was 15.8 per cent.
- The number of full-paying subscribers (FPS) decreased 7.0 per cent to 426,525 (458,670) compared to last year. Adjusted for divestments, the number of full-paying subscribers decreased 1.3 per cent to 426,525 (432,096) compared to last year.
- Gross profit increased 8.4 per cent to SEK 73.8 million (68.1), corresponding to a gross profit margin of 40.4 per cent (39.1).
- The gross contribution margin for the period was 26.7 per cent (28.1).
- Adjusted EBITDA (excl. IAC) was SEK 21.3 million (9.0), corresponding to an adjusted EBITDA margin of 11.7 per cent (5.1).
- Adjusted operating result (EBIT, excl. IAC) was SEK 14.3 million (1.3), corresponding to an adjusted operating margin of 7.9 per cent (0.7).
- Operating result (EBIT) was SEK 13.4 million (-0.4), corresponding to an operating margin of 7.3 per cent (-0.2).
- Earnings per share were SEK 0.2 (0.1) before and after dilution.
- Free cash flow was SEK 12.9 million (7.1).

Key data

| SEKt, unless stated otherwise | Jan–Mar 2025 | Jan–Mar 2024 | YoY change, % | Jan–Dec 2024 |
|---|--------------|--------------|---------------|--------------|
| FPS (Full paying subscribers), number | 426,525 | 458,670 | -7.0 | 427,227 |
| FPS, excluding divestments, number | 426,525 | 432,096 | -1.3 | 427,227 |
| Total revenue | 182,621 | 173,963 | 5.0 | 725,337 |
| Total revenue adjusted for divestments and FX | 182,621 | 157,729 | 15.8 | 691,493 |
| ARPU (Average revenue per user), SEK | 145 | 121 | 19.8 | 137 |
| Gross profit | 73,829 | 68,101 | 8.4 | 292,424 |
| Gross profit margin, % | 40.4 | 39.1 | 1.3 | 40.3 |
| Gross contribution | 48,850 | 48,814 | 0.1 | 209,750 |
| Gross contribution margin, % | 26.7 | 28.1 | -1.3 | 28.9 |
| Adjusted EBITDA (excl. IAC) | 21,307 | 8,955 | – | 62,987 |
| Adjusted EBITDA margin, % | 11.7 | 5.1 | 6.5 | 8.7 |
| Operating result (EBIT) | 13,379 | -369 | – | 31,338 |
| Operating margin, % | 7.3 | -0.2 | – | 4.3 |
| Adjusted operating result (EBIT) | 14,349 | 1,259 | – | 36,785 |
| Adjusted operating margin, % | 7.9 | 0.7 | 7.1 | 5.1 |
| Net result for the period | 9,150 | 2,312 | – | 100,449 |
| Basic and diluted earnings per share, SEK | 0.2 | 0.1 | – | 2.7 |
| Free cash flow | 12,908 | 7,087 | – | 58,418 |

Consolidated Income Statement

| SEKt | Note | Jan–Mar 2025 | Jan–Mar 2024 | Jan–Dec 2024 |
|--|------|----------------------|----------------|-------------------------|
| Net sales | | 182,503 | 173,949 | 722,128 |
| Other revenue | | 118 | 14 | 3,209 |
| Total revenue | | 182,621 | 173,963 | 725,337 |
| OPERATING EXPENSES | | | | |
| Publisher costs | | -108,791 | -105,862 | -432,913 |
| Other external costs | | -32,080 ³ | -31,529 | -126,073 ^{1 2} |
| Personnel costs | | -26,731 | -26,732 | -104,407 |
| Depreciation and amortisation | | -6,958 | -7,696 | -26,202 |
| Other operating expenses | | 5,319 | -2,514 | -4,405 |
| Operating result | | 13,379 | -369 | 31,338 |
| Loss on disposal of subsidiary | | – | – | -33,162 |
| Net financial items | | -4,170 | 2,203 | 8,539 |
| Result before tax | | 9,209 | 1,833 | 6,715 |
| Income tax | | -59 | 479 | 93,734 |
| Net result for the period | | 9,150 | 2,312 | 100,449 |
| Net result for the period attributable to the Parent Company shareholders | | 9,150 | 2,335 | 100,497 |
| Attributable to non-controlling interests | | – | -22 | -48 |
| Basic and diluted earnings per share | | 0.2 | 0.1 | 2.7 |
| Basic and diluted weighted average number of shares | | 37,904,738 | 37,904,738 | 37,904,738 |

1) Items affecting comparability associated with legal costs amount to SEK 1.9 million for the period January – December 2024.

2) Items affecting comparability attributable to the divestment of Ready France amount to SEK 3.5 million for the period January – December 2024.

3) Items affecting comparability associated with legal costs amount to SEK 1.0 million for the period January – March 2025.

Group Balance Sheet

| SEkt | Note | Jan–Mar 2025 | Jan–Mar 2024 | Jan–Dec 2024 |
|--------------------------------------|------|--------------|--------------|--------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Total non-current assets | | 151,364 | 150,350 | 154,598 |
| Current assets | | | | |
| Total current assets | | 148,106 | 149,031 | 139,198 |
| TOTAL ASSETS | | 299,470 | 299,382 | 293,796 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Total equity | | 78,644 | 40,426 | 70,068 |
| Non-current liabilities | | | | |
| Total non-current liabilities | | 768 | 15,583 | 1,088 |
| Current liabilities | | | | |
| Total current liabilities | | 220,058 | 243,373 | 222,640 |
| TOTAL EQUITY AND LIABILITIES | | 299,470 | 299,382 | 293,796 |

Condensed Consolidated Cash-Flow Statement

| SEkt | Note | Jan–Mar 2025 | Jan–Mar 2024 | Jan–Dec 2024 |
|--|------|--------------|--------------|--------------|
| Cash flow from operating activities before changes in working capital | | 19,444 | 6,629 | 60,469 |
| Change in working capital | | -2,260 | 4,733 | 14,332 |
| Cash flow from operating activities | | 17,184 | 11,361 | 74,802 |
| Cash flow from investing activities | | -4,280 | -10,897 | -1,284 |
| Cash flow from financing activities | | -266 | -1,973 | -70,344 |
| Total cash flow | | 12,638 | -1,508 | 3,173 |
| Cash and cash equivalents at the beginning of the period | | 105,416 | 102,858 | 102,858 |
| Exchange rate differences related to cash and cash equivalents | | -3,502 | 2,059 | -616 |
| Cash and cash equivalents at the end of the period | | 114,552 | 103,409 | 105,416 |

Other

Significant events during the period

There are no significant events during the reporting period.

Significant events after the end of the period

There are no significant events after the end of the period.

Other

On 25 July 2023, the founders of Readly France SA (former Toutabo SA) filed a lawsuit towards Readly International AB (publ). The lawsuit essentially concerns the earn-out considerations which were agreed upon during the acquisition. One financial seller of Readly France joined the lawsuit on 9 October 2023. The total claim in the lawsuit amounts to SEK 18 million. The company's assessment is that the earn-outs that have been paid out are correct why no further provisions have been recognized in the Group's financial statements.

On 24 May 2024, the founders of Readly France SA filed another lawsuit referring to their bonus agreements. The total claim amounts to SEK 6 million. The company's assessment is that no further payment should be made why no provision has been recognised in the Group's financial statements.

Forecast

Readly does not issue any forecasts.

Auditor's review

This financial update has not been audited or reviewed by the company's auditors.

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 2024 Annual Report, pages 50–55.

Contacts

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The Readly share is listed on Nasdaq First North Growth Market and FNCA Sweden AB is the company's Certified Advisor. For more information please visit <https://corporate.readly.com>

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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 the key performance indicators that relate 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, income tax and the depreciation/amortisation and impairment of property, plant and equipment and intangible assets. | Used as an alternative measure of operating profit that is not affected by historical investments and their accounting treatment, nor by items affecting comparability. |
| EBITDA margin | EBITDA divided by total revenue. | Used as an alternative measure of the business's profitability. |
| Equity per share | Shareholders' equity in relation to the number of shares outstanding at the end of the year. | A measure used by investors, analysts and the Group management to evaluate the Group'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 FPS 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 years, 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/loss for the year after tax in relation to the average number of shares outstanding during the year. | A measure used by investors, analysts and the Group management to assess the value of the company's outstanding shares. |
| Operating profit (EBIT) | Operating revenue less operating expenses. | A measure of the company's operating profit/loss before interest and tax that is used by investors, analysts and company management to evaluate the company's profitability. |
| Operating margin | Operating profit/loss relative to operating expenses. | A profitability measure used by investors, analysts and company management to evaluate the company's profitability. |
| Total operating expenses | Total expenses excluding interest expenses and tax costs. | Used as a measure of the Group's total expenses regardless of the effect of other operations, items affecting comparability between periods, and financing and corporate tax. |
| Total revenue growth | Increase in total revenue compared with the preceding year. | Used as a measure of growth in the Group's total revenue. |
| Gross contribution | Gross profit excluding marketing costs. | A measure of the company's gross profit after marketing costs used by investors, analysts and company management to evaluate the company's profitability. |
| Gross contribution margin | Gross contribution divided by operating revenue. | A profitability measure used by investors, analysts and company management to evaluate the company's profitability. |
| Free cash flow | Operating cash flow after changes in working capital, cash flow from investments in property, plant and equipment and intangible assets, interest received/paid, paid tax and interest on lease liabilities in accordance with IFRS 16. | Free cash flow is a measure of the cash flow generated by the Group from its operations and investments. |