



## Press release

5 December 2022

# Statement from the independent bid committee of Readly International AB (publ) in response to the public cash offer by Tidnings AB Marieberg, a subsidiary of Bonnier News Group AB

The independent bid committee of Readly International AB (publ) (“Readly” or the “Company”) **unanimously recommends that all shareholders accept the cash offer from Tidnings AB Marieberg (“Bonnie News”).**

This statement is made by the independent bid committee of Readly pursuant to section II. 19 of Nasdaq Stockholm’s Takeover Rules (the “**Takeover Rules**”).

## Background

Bonnier News, a wholly-owned subsidiary of Bonnier News Group AB, has today announced a public cash offer to the shareholders of Readly to tender their shares in Readly to Bonnier News (the “**Offer**”). Under the terms of the Offer, Bonnier News is offering SEK 12 in cash per Readly share, which values the issued share capital of Readly at approximately SEK 455 million<sup>1</sup>. The price per share in the Offer represents a premium of:

- 59.3 per cent in relation to the closing price of SEK 7.535 for Readly’s shares on Nasdaq Stockholm on 2 December 2022, which was the last trading day before the Offer’s publication;
- 70.0 per cent in relation to the volume-weighted average trading price of SEK 7.06 per share on Nasdaq Stockholm during the last 60 trading days prior to the announcement of the Offer; and
- 60.1 per cent in relation to the volume-weighted average trading price of SEK 7.49 per share on Nasdaq Stockholm during the last 120 trading days prior to the announcement of the Offer.

The acceptance period for the Offer is expected to commence on or about 8 December 2022 and expire on or about 13 January 2023. Bonnier News reserves the right to extend the acceptance period for the Offer and to postpone the settlement date.

The completion of the Offer is conditional upon, among other things, Bonnier News becoming the owner of more than 90 per cent of the total number of shares in Readly and receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, in each case on terms which, in Bonnier News’ opinion, are acceptable. Bonnier News reserves the right to waive, in whole or in part, one, several or all of the completion conditions set out for the Offer.

The Board of Directors of Readly has appointed an independent bid committee, which represents Readly in connection with the Offer. The independent bid committee consists of Patrick Svensk (Chairman), Nicolas Adlercreutz, Malin Strähle and Stefan Betzold. The board member Nathan Medlock, Partner at Zouk Capital

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<sup>1</sup> Based on all outstanding 37,904,738 shares in Readly.

LLP<sup>2</sup> (“**Zouk Capital**”), owning approximately 4.3 percent of the outstanding number of shares in Readly, did not participate in the independent bid committee’s preparations and resolution regarding the recommendation of the Offer.

The independent bid committee of Readly has, upon written request from Bonnier News, allowed Bonnier News to conduct a limited confirmatory due diligence review in connection with the preparations for the Offer. Except for information that was subsequently included in the Company’s Q3 2022 report, Bonnier News has not received any inside information regarding the Company in connection with the due diligence review.

Further information in relation to the Offer is available in Bonnier News’ offer press release from 5 December 2022, as well as in the offer document that Bonnier News will publish shortly before the beginning of the acceptance period. These documents will be available through a link at Bonnier News’ website for the Offer: [www.offer-to-read.com](http://www.offer-to-read.com).

The independent bid committee of Readly has engaged ABG Sundal Collier AB as financial advisor and Wigge & Partners Advokat KB as legal advisor in connection with the Offer.

As part of the independent bid committee’s assessment of the Offer, it has engaged BDO Corporate Finance (“**BDO**”) for a statement regarding the valuation of the Offer (a so-called “**Fairness Opinion**”). In the Fairness Opinion, which is attached as an appendix to this press release, BDO deems the Offer made to the shareholders to be fair from a financial point of view, based on the assumptions and considerations included in the statement. For the Fairness Opinion, BDO receives a fixed fee regardless of the size of the offer consideration, the degree of participation in the Offer and completion of the Offer.

### **The independent bid committee’s assessment of the Offer**

Since its inception in 2012, Readly’s core focus has been to build the category leader in all-you-can-read subscriptions for digital magazines with the vision “*to inspire millions of people to discover and enjoy the power of great editorial content from across the globe*”. Readly’s customers have unlimited access to around 7,500 magazines and newspapers from more than 1,200 publishers worldwide. During 2022, as stated in a press release 31 March 2022, Readly initiated a new strategy to increase revenues and reduce costs to further support the Company’s path to profitability. This strategy included, inter alia, an increased focus on investments in product development and innovation, further focus on established markets, and reallocated and reduced marketing spend.

In assessing the merits of the Offer, the independent bid committee has considered the long-term growth prospects of the Company as described above as well as the risks and challenges associated with executing on its strategy.

The independent bid committee has evaluated the Offer using methods normally used for evaluating public offers for listed companies, including Readly’s valuation in relation to comparable listed companies and comparable transactions, premiums in previous public offers, equity analysts’ expectations regarding Readly and the independent bid committee’s view on Readly’s long-term value based on expected future cash flows. The independent bid committee has also taken into account that the Offer comprises cash consideration, which, subject to completion of the Offer, provides Readly’s shareholders with an opportunity to realise value in cash at a meaningful premium to traded prices of the Readly share.

In the assessment of the Offer, the independent bid committee has considered the Fairness Opinion by BDO, according to which the Offer is deemed fair for Readly’s shareholders from a financial point of view, based on the assumptions and considerations included in the statement.

***Against this background, the independent bid committee deems the Offer to be fair from a financial point of view and unanimously recommends the shareholders of Readly to accept the Offer.***

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<sup>2</sup> Through Cleantech Europe II Luxembourg Sarl, a fund controlled by Zouk Capital LLP.

## Effects on Readly and its organisation

According to the Takeover Rules, the Board of Directors or the independent bid committee shall, based on what Bonnier News has stated in the announcement of the Offer, provide its understanding of the effect that the execution of the Offer will have on Readly, particularly with regards to employment, and its understanding of Bonnier News' strategic plans for Readly and the subsequent effects these could have on employment and the locations in which Readly operates.

Bonnier News has in this respect stated the following concerning the employees and management group in Readly:

*“Bonnier News Group's strategy for the integration of Readly involves continued development and investments in the Company's platform to offer subscribers an enhanced user experience through a combination of its own content and content from publishing partners. The combination of own-produced content and an outstanding platform enables synergy effects and will become central to attracting new subscribers as well as maintaining the existing reader base over time. In order to utilise the potential that exists in Sweden and the Nordic region through Bonnier News Group's offering, the future strategy will focus on Sweden and the Nordic market, under the Readly brand. This will enable a sustainable profitable business model based on the combined strengths of Bonnier News Group's and Readly's brands and offerings.*

*Bonnier News has identified some overlapping functions in the Nordics and some personnel effects may be expected. As part of a large and growing employer in the Swedish media market, with a continuous need for recruitment to support its ongoing digital transformation and given the intended development of Readly's platform, Bonnier News is hopeful that it will be able to offer positions to employees in Readly affected by the integration of the Nordic business. However, it is only after a potential completion of the Offer that it may be decided which actions will be taken and the effects they may have on Readly's management and employees.*

*In order to facilitate and secure the continued success on markets outside the Nordic region, Bonnier News has entered into an agreement with Cafeyn Group ("Cafeyn"), a diversified media group primarily offering digital subscription services for unlimited access to a wide range of media, magazines and newspapers, with the intention that Cafeyn becomes the owner of the non-Nordic businesses of Readly, conditional upon the completion of the Offer. Bonnier News' assessment is that Cafeyn's reach and presence in, among others, France, the Netherlands, Italy, the UK, and a growing presence in North America and who, as Readly, has long experience from the digital transformation of the publishing industry, will be able to provide the right conditions and scale to ensure the success for Readly's businesses outside the Nordic region, including the preservation of the trademark Readly where it is strategically motivated.*

*The agreement between Bonnier News and Cafeyn constitutes a framework where the starting point is that Readly's business and employees within the Nordic operation, including the technical platform, will be owned and operated by Bonnier News. The non-Nordic business, including employees and subscribers in those markets, would become part of Cafeyn. As stipulated in the agreement between Bonnier News and Cafeyn, Bonnier News will license the platform to Cafeyn for Readly's non-Nordic business over a transition period. The planning of the final structure for the transfer, as well as any decisions on specific measures for the integration, will be made in close cooperation between the parties, based on a careful evaluation of the complete information which will be available only after the Offer has been completed.”*

The independent bid committee assumes that this description is correct and has in the relevant aspects no reason to have a different perception of these matters.

This statement shall, in all respects, be subject to and interpreted in accordance with Swedish law. Disputes in connection with this statement shall exclusively be decided in a Swedish court of law.

Stockholm, 5 December 2022

Readly International AB (publ)

The independent bid committee

**For more information, please contact:**

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*This is information that Readly International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the above listed contact person, on 5 December 2022 at 07:45 CET.*