



Press release

16 February 2023

Strong revenue growth, record high margins and on the path to profitability

Readly International AB (publ) presents a fourth quarter with strong revenue growth and improved results. Quarter-on-quarter, the number of full-paying subscribers increased by 1.3 per cent to 452,466 (446,861) and year-on-year the full-paying subscribers decreased by 5.4 per cent (478,362). Total revenue increased by 16.2 per cent to SEK 156.6 million (134.8). Gross profit increased by 27.5 per cent to SEK 57.5 million (45.1), corresponding to a gross margin of 36.7 per cent (33.5). Adjusted for items affecting comparability totaling SEK 28 million, of which SEK 1 million attributable to EBITDA, the EBITDA margin improved to -7.7 per cent (-30.7) and the operating margin to -13.6 per cent (-34.0) for the quarter. The gross contribution improved to SEK 32.9 million (5.6), corresponding to a positive gross contribution margin of 21.0 per cent (4.1).

– We are satisfied with a good end to 2022, showing strong revenue growth, record high margins and that we are well on our way to profitability. Despite lower investments in marketing, we also delivered a quarter in which Readly again shows growth in the number of paying subscribers. Looking at the full year, we had a turnover of SEK 592 million, which is an increase of 27 percent. We are aware of the challenges that the current macroeconomic climate might lead to. But our financial goals remain and we are in a good position to continue implementing our strategy and achieve profitability. We look forward to 2023 where our accelerated product development will deliver even greater value to our subscribers, publishers and partners, says **Mats Brandt, President and CEO at Readly**.

1 October - 31 December 2022

- Revenue for the period totaled SEK million 156.6 (134.8), an increase by 16.2 per cent compared to the fourth quarter 2021.
- Quarter-on-quarter, the number of full-paying subscribers increased by 1.3 per cent to 452,466 (446,861). Year-on-year the full-paying subscribers decreased by 5.4 per cent (478,362).
- Gross profit increased by 27.5 per cent to SEK 57.5 million (45.1), corresponding to a gross margin of 36.7 per cent (33.5).
- The gross contribution margin for the period was 21.0 per cent (4.1).
- Adjusted operating result (EBITDA) (excl. IAC) was SEK -12.1 million (-41.4), corresponding to an operating margin of -7.7 per cent (-30.7).
- Adjusted operating result (EBIT) (excl. IAC) was SEK million -21.3 (-45.8), corresponding to an operating margin of -13.6 per cent (-34.0).
- Operating result (EBIT) was SEK -49.3 million (-50.3), corresponding to an operating margin of -31.5 per cent (-37.4).
- Net financial items for the quarter amounted to SEK 20.1 million (1.0), which partly consisted of a value adjustment of the earn-out consideration related to the acquisition of Readly France SA. The value adjustment had a positive impact on net financial items of SEK 20.5 million. In addition, net financial items consisted of interest expenses and exchange rates.
- Earnings per share were SEK -0.8 (-1.3) before and after dilution.

1 January - 31 December 2022

- Revenue totaled SEK million 591.6 (466.3), an increase of 26.9 per cent compared to 2021.
- The number of full-paying subscribers (FPS) decreased by 5.4 per cent to 452,466 (478,362) at the end of December.

- Gross profit increased by 30.1 per cent to SEK 203.2 million (156.1), corresponding to a gross margin of 34.3 per cent (33.5).
- The gross contribution margin for the year was 18.0 per cent (-7.2).
- Adjusted operating result (EBITDA) (excl. IAC) was SEK -77.7 million (-192.8), corresponding to an operating margin of -13.1 per cent (-41.3).
- Adjusted operating result (EBIT) (excl. IAC) was SEK -104.8 million (-204.9), corresponding to an operating margin of -17.7 per cent (-44.0).
- Operating result (EBIT) was SEK -142.5 million (-209.5), corresponding to an operating margin of -24.1 per cent (-44.9).
- Net financial items amounted to SEK 20.8 million (-9,9) which partly consisted of a value adjustment of the earn-out consideration related to the acquisition of Readly France SA. The value adjustment had a positive impact on net financial items of SEK 19.9 million. In addition, net financial items consisted of interest expenses and exchange rates.
- Earnings per share were SEK -3.2 (-5.9) before and after dilution.
- The board of directors is proposing to the annual general meeting that no dividend should be paid to shareholders.

Significant events during the period

- On 5 December 2022, Tidnings AB Marieberg, a subsidiary to Bonnier News Group AB, published a public cash offer of SEK 12 per share to the shareholders of Readly International AB (publ). Also on 5 December 2022, Readly's independent bid committee announced its recommendation to the shareholders of Readly International AB (publ) to accept the offer. The acceptance period for the offer commenced on 8 December 2022 and concluded on 13 January 2023.

Significant events after the end of 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 of the price in 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 price public cash offer which amounted to approximately 63,7 per cent of the share capital and the voting rights in Readly. Bonnier News has now decided to further extend the acceptance period up to and including 23 February 2023.

Q4 presentation today at 9:00 CET

Readly published its year-end-report 2022 on 16 February at 07:30 CET. The report will be presented in an audio cast and tele conference at 09.00 CET the same day. Mats Brandt, CEO and Johan Adalberth, CFO, will present the report and answer questions. The presentation will be held in English.

To listen to the conference by phone, please call:

Pincode for all participants: 3528646#

SE: +46 8 505 163 86

UK: +44 20 319 84884

For other country participants, please use the US number:
US: +1 412 317 6300

Follow the presentation live on: [link to webcast](#)

Report and presentation will be available for download on:

<https://corporate.readly.com/investors/financial-reports-and-presentations/>

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About Readly

Readly is the European category leader for digital magazines. The company offers a digital subscription service where customers have unlimited access to 6,900 national and international magazines - all in one app and at a fixed monthly fee. Readly has subscribers in 50 countries and content available in 17 different languages. In collaboration with around 1,200 publishers worldwide, Readly is digitising the newspaper and magazine industry. In 2022, revenues amounted to SEK 592 million. The Readly share is listed on Nasdaq Stockholm. For more information, please visit <https://corporate.readly.com>.