ANNUAL REPORT & SUSTAINABILITY REPORT

2023

Readly

464,494

FULL-PAYING SUBSCRIBERS

HIGHER READING FIGURES

Our content portfolio has been read 160 million times

READLY'S PURPOSE

Unlocking a world of editorial content

LAUNCHING OF WEB AND AUDIO ARTICLES

Contents

Readly's Board of Directors and Group management are presented on the website https://corporate.readly.com.

In brief

European leader in digital subscriptions

Readly is a digital subscription service that offers users unlimited access to nearly 7,700 national and international magazines and newspapers.

464,494

Number of full-paying subscribers

Readly's biggest markets are Germany, the UK, Sweden and France.

1,200

Number of publishers

Readly signed around 90 new publishers during the year.

17

Number of languages

Readly is available in more than 50 countries.

7,694

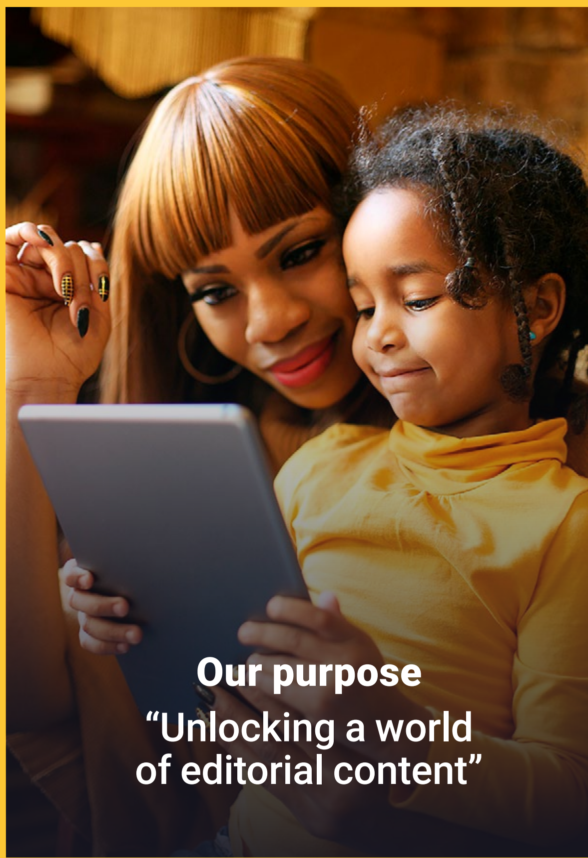
Number of titles

During the year, Readly added more than 1,000 new magazines and newspapers, including regional and local editions.

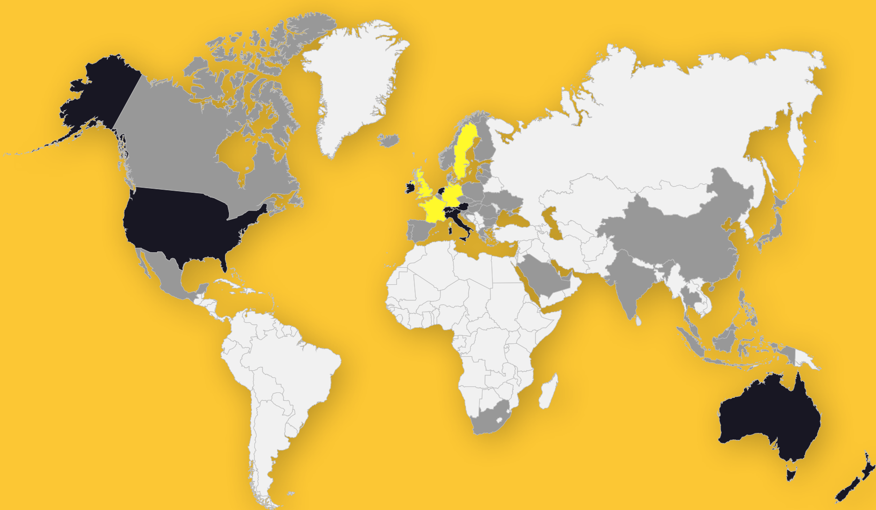
4.7

App rating

Highly rated by users.



Readly's presence



- Markets where we have offices: Germany, the UK, 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 available: 25 countries in Europe, 11 countries in Asia, and in Canada, Mexico and South Africa.

2023 in brief

14.4%
growth in revenue compared with 2022.

39.0%
gross margin compared with 34.3 per cent in 2022.

2.5%
adjusted EBITDA margin compared with -13.1 per cent in 2022.

READLY HAS today a leading position in its core markets of Germany, the UK, Sweden and France. Publishing agreements with German BurdaVerlag, Swedish Bonnier and French Reworld Media were signed during the year, creating new opportunities for growth. Overall, the content portfolio grew by around 10 per cent more titles.

PRODUCT DEVELOPMENT HAS largely been focused on improving the mobile user experience, with an emphasis on personalisation. Readly has focused on further strengthening KPIs such as the conversion rate, engagement and customer retention. Furthermore, we've enhanced the content by incorporating web articles, streamlining navigation to article content, and developing a more sophisticated recommendation engine. During the year, Readly's portfolio was read around 160 million times, equal to an increase of 11 per cent compared with last year. In total, users spent around 38 million hours in total on Readly.

DESPITE A DECREASE OF AROUND 18.6 PER CENT IN MARKETING INVESTMENTS compared with last year, the number of subscribers grew by 2.7 per cent. Branding and conversion campaigns were optimised for the markets that offer the highest returns relative to the expected lifetime value of subscribers. Price increases of 20–25 per cent were introduced on all markets with a good level of acceptance. As a result, strong improvements in earnings and good revenue growth were recorded during the year. In the third and fourth quarters, Readly was profitable at adjusted EBITDA level and therefore also for the full year 2023.

AT THE END OF THE YEAR, a revised strategy was developed for 2024–2025, with a clear agenda for continued product-led growth and an even stronger position as a European "all-you-can-read" leader. The emphasis on enhancing the mobile user experience is growing, aiming to boost usage frequency and appeal to an audience more inclined to pay for high-quality editorial content.

The overarching goal is to achieve robust margins and a stable cash flow in order to continue investing in product development for Readly.

KPIs, multi-year overview

Group (SEK thousand)	2023	2022	2020	2019	2018
FPS (full-paying subscribers), number	464,494	452,466	478,362	369,764	278,555
Total revenues	677,009	591,613	466,308	352,604	264,739
ARPU (average revenue per user), SEK	117	102	92	93	87
Gross profit	264,083	203,191	156,127	117,059	82,773
Gross profit margin, %	39.0	34.3	33.5	33.2	31.3
Gross contribution	185,263	106,417	-33,780	-38,155	-16,303
Gross contribution margin, %	27.4	18.0	-7.2	-10.8	-6.2
Operating profit/loss	-54,293	-142,471	-209,528	-189,775	-142,539
Operating margin, %	-8.0	-24.1	-44.9	-53.8	-53.8
Adjusted operating profit/loss	-28,347	-104,823	-204,943	-170,311	-138,123
Adjusted operating margin, %	-4.2	-17.7	-44.0	-48.3	-52.2
Profit for the year	-54,619	-119,960	-219,601	-197,424	-146,565
Earnings per share before and after dilution [1]	-1.4	-3.2	-5.9	-6.5	-5.9

Dividend policy

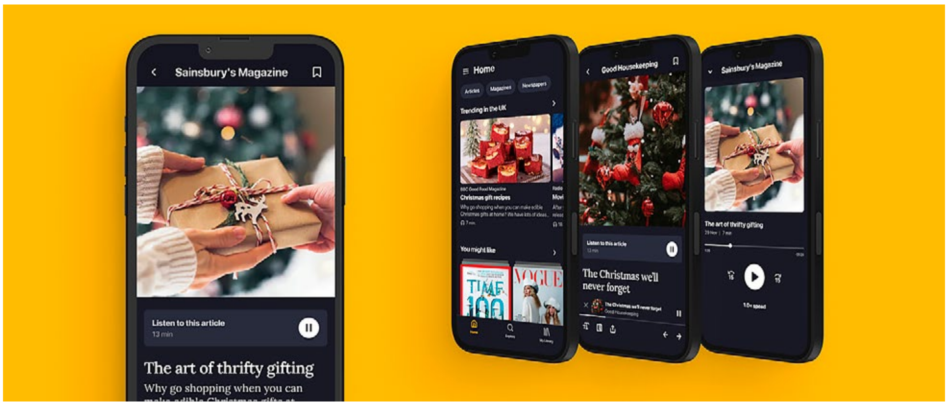
Readly's Board of Directors does not intend to propose a dividend in the short or medium term, but instead intends to use any cash flow generated for continued investment in the business. Each year the Board of Directors will evaluate the possibility of proposing a dividend after taking into consideration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

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 68–70.

Highlights of the year

Reading of articles

Readly subscribers have three different options for reading articles in mobile format: as part of a complete magazine, as a standalone article selected by our editorial team, or as part of a personalised feed of standalone articles according to chosen preferences and reading habits. In 2023, Content in mobile-friendly formmat grew by 116 per cent on Readly in 2023 compared with 2022.



Readly x Mastercard

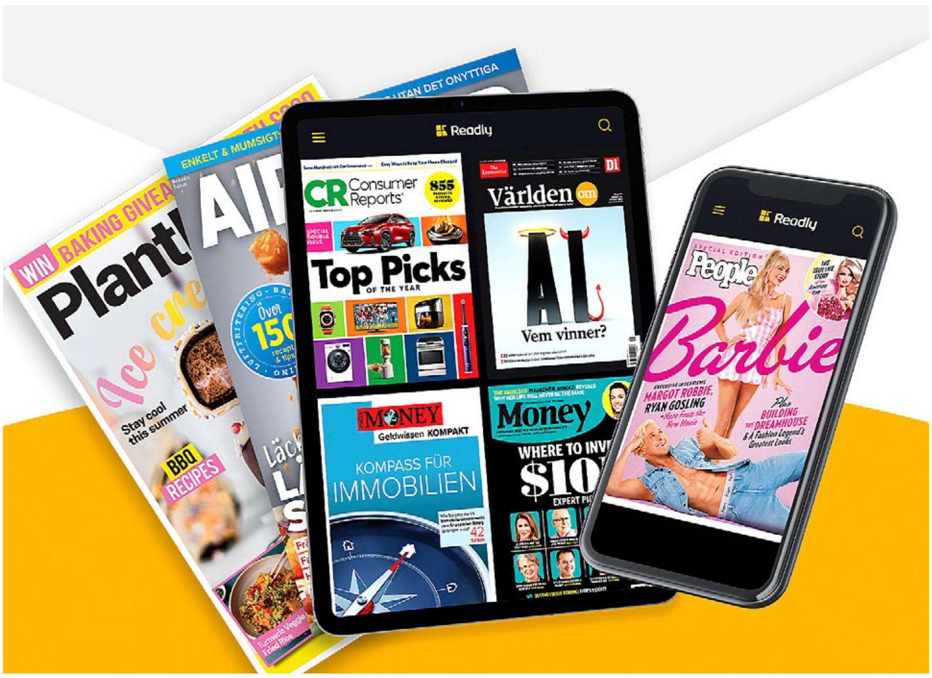
In the autumn, Readly launched its biggest ever partnership, with Mastercard, offering customers in 33 countries two months of free reading on Readly. For every new subscriber, Readly donates the equivalent of five trees to the Priceless Planet Coalition. Reading national and international magazines and newspapers in digital format has a lower climate impact than reading the printed alternative, especially if they are imported. One in five subscribers choose Readly for environmental reasons.

AI-generated audio articles

At the end of the year, new audio features were soft-launched in the app, to make the consumption of the 7,700 titles on the platform more accessible and convenient. The first phase was released for UK subscribers, who can switch on audio for selected articles and listen to text read by an AI-generated female or male voice.

– We strive to provide our readers with an increasing convenience level, enabling them to effortlessly access and enjoy captivating stories, intriguing articles, and thought-provoking editorials. Our goal is to boost user engagement and adding audio facilitates an easier and more flexible reading experience.

/Ranj Begley, Chief Content Officer, Readly.



Reading trends in 2023

During the year, reading increased significantly in categories such as Business & Finance (+22%), Lifestyle (+18%) and Food & Drink (+13%). The articles that attracted the most readers during the year included personal finance tips, low-cost recipes and reporting on royalty, mainly in Sweden and the UK. The magazines with the largest international audience were those with Barbie, portrayed by Margot Robbie, on the cover.

The average subscriber spent 8.6 hours a month reading digitally on the Readly app. A Readly subscriber opens an average of around 13 different titles a month.

We foresee an exciting path towards long-term profitability ahead of us

We reached important milestones in 2023 that strengthened Readly's position in the digital media landscape. We have consistently delivered revenue growth and improved margins. Most significantly, for the first time we were able to report a positive adjusted EBITDA for the full year, which is an important step towards achieving robust profitability.

Our focus on expanding our content portfolio of sought-after titles has been central to attracting new customers and increasing the value for existing subscribers. This year, new titles such as the German weekly magazine Focus, the Swedish daily newspaper Expressen, and the UK's New Scientist – the world's most popular weekly science and technology magazine – quickly became our most read titles. Offering a world-class content portfolio is always a top priority, and we are therefore pleased to have welcomed new strategic publishing partners this year, such as Bonnier News in Sweden, Reworld Media in France and Mediengruppe in Austria, which are all leaders in their respective markets. Our content initiatives this year have also included the launch of web articles. As part of a test phase, our UK subscribers have been given access to content taken from the online editions of selected titles. This content, which is updated daily, gives subscribers an even stronger incentive to visit Readly more often.

In 2023, we expanded our selection of standalone and mobile-friendly articles, to enable an even more personalised service, precise recommendations and relevant customer communications. This development allows us, among other things, to capture a wider and slightly younger audience, including people who don't necessarily own a tablet, or prefer to read on their mobile phones in different situations. We have also developed an AI-based audio feature that, during the current test phase, makes it possible for users to listen to articles while they are busy doing other things or on the go.

Commercial partnerships continue to be one of our key growth channels. Partnerships with brands such as McDonald's in the UK and Australia, Lidl in several European markets and Freenet in Germany have been particularly successful during the year, resulting in many new customers. We have launched our biggest ever partnership, with Mastercard, where cardholders in 33 countries are offered Readly. For every new subscriber, we donate money for the planting of five trees through the Priceless Planet Coalition.

We have optimised our marketing using a predictive model that estimates the expected lifetime value of new subscribers after gathering just a few days of behavioural data. This allows us to allocate the marketing budget more effectively and achieve more profitable growth. In 2023, we reduced our marketing costs by approximately 19 per cent and increased our subscriber base by almost 3 per cent compared with 2022.

For the next two years, 2024–2025, we have developed a new, more focused strategy with key focal areas, a clearer market positioning that capitalises on our unique strengths, and a new purpose – unlocking a world of editorial content. The strategy's emphasis is on effective product development, improving the mobile user experience and targeting target groups that are willing to pay for high quality editorial content. Our goal going forward is to achieve robust financial margins and cash flow, so that we can further invest in our product experience.

I am very proud of the combined efforts of our team. The course that we have set towards profitability and sustainable growth also reflects our goal of promoting the consumption of editorial content. Quality journalism is more important than ever in today's society, and giving more readers digital access to a variety of magazines and newspapers is what motivates us at Readly. We now see an exciting path ahead of us where, through new initiatives, we will move even closer towards long-term profitability.

Philip Lindqvist
CEO and President
Readly

Strategy

Readly's purpose to "unlock a world of editorial content" stands as a cornerstone of the 2024–2025 strategy. This guiding principle aligns with the company's focus on attracting an audience willing to invest in editorial content and seeking a modern, mobile user experience. Readly aims to empower consumers to discover and engage with diverse content, whether they're on the go, working out, or taking a reading break at home.

Over the years, Readly's values (being bold, saying it as it is and winning as a team) have laid the foundations for a culture of strong commitment, perseverance and adaptability. The company has succeeded in overcoming challenges and seizing opportunities in a constantly changing industry.

These are fundamental prerequisites for meeting the needs and expectations of a target group that demands a lot from subscription services.

Readly's strategic initiatives are focused on three key areas:

Prioritising the mobile experience
This means adapting and further developing the service to more effectively cater for the preferences of today's consumers. Given the increasing use of smartphones to consume content, the mobile user experience has become a central part of the strategy. Readly is continuing to invest in its portfolio of standalone, mobile-friendly articles to provide personalised content anytime, anywhere. This includes the development of AI-driven audio features that aim to make the consumption of editorial content on Readly more flexible.

Promoting the habit of using Readly
Frequent use of the service is essential for high conversion and customer retention rates. With its extensive range of magazines, and newspapers, Readly can be even more thoroughly integrated into subscribers' daily routines. Personalized recommendations enable trial users and full-paying subscribers to discover relevant editorial content through Readly's tailored customer communications.

Improving the platform's infrastructure
The platform will be made faster and more adaptable, for instance by refining the article interface (API) and working with publishers on standardised formats. This priority area will ensure that the platform operates more smoothly and efficiently. Improving the platform is also largely about providing a service that can be adapted to the needs of commercial partners and publishers.

Readly has redefined its target audience as "paying consumers of editorial content" who have an established willingness to read and pay for high quality journalistic content. The target audience is narrower than before and consists of individuals aged over 40 who are familiar with various magazines and newspapers. They represent around 15–20 per cent of households in Readly's core markets, making a total of around 10–15 million households. As Readly's current household penetration rate is around 2–3 per cent, there is still significant growth potential in this segment.

Readly will continue to provide a stable and growing source of income for the approximately 1,200 publishers on the platform. Thanks to Readly's digital reach, they are able to access a wider audience beyond their current customer segment and can reach out across different content formats.

The revised strategy also looks at ways of achieving greater efficiency within the organisation, including new working methods and shared responsibility for KPIs. Overall, Readly is well placed to achieve robust financial margins and a good cash flow, enabling continued investment in the product experience. This paves the way for long-term growth and increased competitiveness, and strengthens Readly's position as a European leader in the all-you-can-read category.

Ecosystem

Our business model

Readly's business model revolves around what we term our ecosystem, aiming to propel the digitalisation of the magazine and newspaper industry by offering a robust solution for all 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 a good possibility of converting the trial subscription into 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 partnerships are primarily being established, with the aim of driving even more cost-effective and stable growth.

Readly's subscribers

Readly offers a digital subscription service for magazines and newspapers where the subscribers gain unlimited access to the full content portfolio. Subscribers pay a monthly fee in advance, and are given access to thousands of national and international magazines and newspapers in one app.

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. Readly's subscription fees are a source of revenue for publishers, who can also increase their advertising revenue because of the increased reach.

Market

Industry trends and consumer behaviour in 2023

Readly is a 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.

Globally, the magazine and newspaper market consists of sales of both digital and physical editions, along with advertising space. Readly is focused on the digital sales market, which is expanding as demand from both consumers and advertisers increases. Sales of physical editions are decreasing, as with other media such as music and books. More publishers are joining Readly in order to meet the growing demand for digital content.

Global magazine and newspaper market by 2027, editions
By 2027, sales of digital editions are expected to account for 19 per cent of the total market for magazine and newspaper editions. The total market will amount to USD 79 billion. Including the value of advertising, the total market is expected to be worth around USD 125 billion by the same year[1].

GLOBAL TRENDS

Cost awareness:
In the magazine and newspaper industry, consumers have proven to be increasingly aware of costs due to economic uncertainty. This can be clearly seen in their tendency to choose more affordable digital alternatives over physical newspapers and magazines. More and more consumers are tending to look for subscriptions and offers that enable lower cost access to quality journalism.

Google & Meta versus publishers:
Publishers in the magazine and newspaper industry are working together to reduce their dependence on tech giants like Google and Meta. Their joint platforms aim to protect journalism against over-reliance on these platforms. In this way they ensure a fairer and more balanced distribution of revenues and control over their own content.

AI:
In the journalism sector, the introduction of artificial intelligence (AI) has enabled more efficient content management and the personalised distribution of news to readers. This means that newspapers and magazines can offer tailored news feeds and personalised articles, increasing their readers' engagement and interest.

Distrust and news fatigue:
Consumers' distrust and news fatigue is affecting their choice of news sources. Reduced engagement and selective consumption indicate that consumers are looking for credible and trustworthy sources. Magazines and newspapers therefore need to focus on offering a variety of quality journalism to build their audiences' trust. In Readly's 2023 global customer survey, 82 per cent of the respondents said that the spread of fake news worries them[2].

Generational differences in news consumption:
Differences in how different generations consume news mean that magazines and newspapers need to adapt their content and distribution channels. As younger generations tend to use interactive platforms and social media to access news, traditional media channels need to adapt to these preferences.

Sustainability:
In the newspaper and magazine industry, consumers are increasingly choosing digital alternatives to reduce their environmental impact. This means that magazines and newspapers need to consider sustainable distribution and production methods to respond to consumers' increasing focus on environmentally-friendly alternatives. This may include reducing paper use and investing in recyclable materials for printing and distribution. In Readly's global customer survey in 2023, 45 per cent of the respondents said that one of the benefits of reading magazines and newspapers digitally is that it is sustainable and environmentally friendly[2].

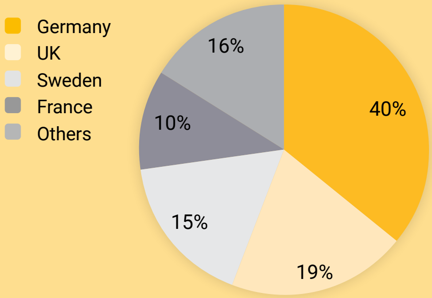
1) PwC Global Entertainment & Media Outlook 2023-2027
2) Readly customer survey, 5256 respondents, 1 Nov-7 Dec, 2023.

Readly's four core markets

Total readership revenue for magazines and newspapers in Germany, the UK, Sweden and France was estimated to be worth nearly USD 15 billion in 2023. The digital penetration rate is relatively low, but is expected to increase rapidly in the coming years[3].

Share of net sales by geographic market in 2023

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 2023.



Germany

The German magazine and newspaper market is marked by a strong tendency among consumers to buy single issues at the newsstands. This is an underlying factor as to why the total market, based on readership revenue for both print and digital, was worth a whopping USD 6.5 billion in 2023. In 2023, total digital readership revenue in Germany was estimated to be worth USD 273 million for magazines and USD 630 million for newspapers. This is equal to a digital penetration rate of 15 per cent for magazines and 13 per cent for newspapers.

In 2023, major German publishers experienced an increase in digital subscribers. Despite a rapidly growing user base, digital revenue has not been able to compensate for the decrease in print revenues. This has resulted in an overall decline in revenue in the newspaper and magazine industry.

Print vs Digital (USD million)	2023	2022
Magazines		
Print readership revenue	1,525	1,601
Digital readership revenue	273	261
% of total readership revenue	15.2%	14.0%
Digital CAGR 2027	3.2%	
Newspapers		
Print readership revenue	4,072	4,143
Digital readership revenue	630	594
% of total readership revenue	13.4%	11.1%
Digital CAGR 2027	4.1%	

UK

Even though the UK magazine market is smaller than in Germany, the digital share of readership revenue is larger and so the digital penetration rate is significantly higher. In 2023, total sales of digital editions in the UK were estimated to be worth USD 392 million, representing a digital penetration rate of 31 per cent. In 2023, the digital readership revenue from newspapers was estimated at USD 608 million, representing a digital penetration rate of 31 per cent.

In the UK, publishers have developed their digital business models to retain subscribers and increase revenue. Many of them plan to continue investing in digital audio and video content in the future.

Print vs Digital (USD million)	2023	2022
Magazines		
Print readership revenue	875	924
Digital readership revenue	392	390
% of total readership revenue	31.0%	29.7%
Digital CAGR 2027	0.1%	
Newspapers		
Print readership revenue	1,342	1,458
Digital readership revenue	608	578
% of total readership revenue	31.2%	28.4%
Digital CAGR 2027	4.5%	

3) PwC Global Entertainment & Media Outlook 2022-2027

Sweden

The total readership revenue for both print and digital in the Swedish magazine market was estimated at USD 171 million in 2023, with a digital penetration rate of 11 per cent. The market for digital magazine editions has a CAGR of around 4 per cent, meaning that the compound annual growth is expected to reach USD 22 million in 2027. In 2023, the digital readership revenue from newspapers was estimated at USD 410 million, representing a digital penetration rate of 23 per cent. 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 of consumers pay for digital news, while the corresponding figure for 20 comparable countries is 17 per cent.

Print vs Digital (USD million)	**2023**	**2022**
Magazines		
Print readership revenue	152	158
Digital readership revenue	19	18
% of total readership revenue	11.1%	10.2%
Digital CAGR 2027	3.5%	
Newspapers		
Print readership revenue	410	460
Digital readership revenue	125	114
% of total readership revenue	23.4%	19.9%
Digital CAGR 2027	7.5%	

France

France is the largest magazine market in Europe. The increase in the cost of raw materials for paper production has had a strong impact on the French market. The demand for digital alternatives has therefore increased among both consumers and publishers. In 2023, total sales of digital editions of magazines were estimated to be worth USD 759 million, representing a digital penetration rate of 32 per cent. Based on the compound annual growth rate, sales are expected to reach nearly USD 900 million in 2027. In 2023, the readership revenue from digital newspapers was estimated at USD 546 million, representing a digital penetration rate of 26 per cent.

Print vs Digital (USD million)	**2023**	**2022**
Magazines		
Print readership revenue	1,643	1,792
Digital readership revenue	759	720
% of total readership revenue	31.6%	28.6%
Digital CAGR 2027	4.9%	
Newspapers		
Print readership revenue	1,538	1,631
Digital readership revenue	546	498
% of total readership revenue	26.2%	23.4%
Digital CAGR 2027	8.3%	

Sustainability-Report

Sustainable digitalisation of magazines and newspapers

A word from the Chairman

I'm proud to highlight Readly's steadfast commitment to sustainability and the positive impact of unlimited access to editorial content. In an age marked by unprecedented changes, magazines and newspapers from across the globe remain devoted to delivering content that people can trust, that not only informs but also encourages critical thinking and enables a deeper understanding of pressing global issues.

Readly's efforts reflect the company's fundamental value of "winning as a team". In collaboration with publishers, partners and suppliers, knowledge and experiences have been exchanged, the climate footprint has been reduced and campaigns have been launched so that more subscribers can access journalism.

This year, the company has taken significant steps in its diversity, equity, and inclusion (DEI) initiatives. A dedicated DEI committee has been formed and relevant metrics are identified to monitor progress and outcomes. Fostering an environment where every individual thrives, is vital for Readly's ongoing development and growth.

Readly has also focused on further improving the user experience to make quality journalism more accessible. The release of audio functionality this year is a great example, allowing a more flexible way to consume the thousands of titles on the platform. This aligns perfectly with the sustainability goal of empowering subscribers.

It is the Board's responsibility to ensure that there is continuous improvement in ESG matters – I look forward to being part of Readly's sustainability journey going forward, striving for excellence and positive impact.

Jan Lund,
Chairman of the Board of Directors,
Readly

Readly's approach to sustainability

Through the digitalisation of the magazine and newspaper industry, Readly strives to have a positive impact on society and create long-term value. The journey towards sustainability is ongoing, and all stakeholders are invited to join Readly and jointly pave the way for a more sustainable digital landscape.

The results from Readly's 2023 user survey indicates that over a third of all subscribers express interest in learning further about Readly's sustainability initiatives. This parallels the growing trend among consumers who increasingly opt for sustainable brands.

Throughout the year, Readly has actively pursued a variety of long-term ambitions, leading to the successful achievement of eight out of the nine sustainability targets set for 2023.

This is Readly's fourth sustainability report, outlining the advancements in environmental, social, business ethics, and governance areas as the company strive for continuous progress.

Value chain and sustainability strategy

Our sustainability strategy is rooted in our purpose, focusing on three vital sustainability aspects where we can make a significant difference.

Value chain

Content creation
- Publishers' content creation
- Office electricity
- Business travel
- Service providers such as AWS

Distribution & develoment
- Inhouse and outsourced development as well as hosting
- Service providers
- Office electricity
- Business travel
- Production of mobiles and tablets

Use of products
- Use of Readly's product
- App stores to access the Readly app
- Use and disposal of user's mobiles/tablets

Disposal
- E-waste, office waste etc from Readly's operations
- Waste management of user's mobiles/tablets

Targets and ambitions

Through five tactics, we aim to achieve our targets and fulfil all long-term 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.

This strategic alignment serves as the cornerstone of our sustainability initiatives, ensuring coherence and adherence to accepted standards across all our markets.

Stakeholder input

We actively seek and welcome diverse perspectives from our stakeholders. Embracing varied viewpoints enables us to forge a more comprehensive understanding and harness collective experiences to drive informed decisions.

Collaboration

Recognizing the power of collective action, we actively engage with both internal and external stakeholders.

By fostering collaborative partnerships, we leverage collective expertise and capabilities to create a more significant and enduring impact within our ecosystem.

Commitment

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

Integration

Sustainability is ingrained throughout our business, playing a vital role in shaping how we operate and pursue our goals. It's an integral part of our everyday practices, guiding our decisions and actions.

Key areas

The work is focused on three key areas: providing responsible content, empowering readers and climate-friendly reading. Here are our long term ambitions for each area, our 2023 targets and results for each area:

Key areas	Long term ambitions	Targets 2023	Result
Provide responsible content	Distribute world class content from trusted sources and promote the significance of quality journalism.	40 % increase of new articles in mobile friendly format.	**116 %**
		Develop audio function for wider access to journalism	**Launched November**
		Conduct an annual user survey on misinformation attitudes	**Done in September**
Empower people	Inspire users to constantly discover new content and diversify their reading behaviour.	5 % increase of daily active usage DAU/MAU	**5 %**
		10 % increase in average engagement time	**12 %**
		4 editorial campaigns that focus on topics related to sustainability	**5 campaigns**
Contribute to climate friendly reading	Minimise Readly's environmental footprint.	10 % increase of emissions saved from digital reading on Readly	**10 %**
		Business travel emission intensity/employee not exceeding 2022 level	**7 %**
		Improve waste sorting across offices to include more waste categories	**4 additional categories**

Key areas

Provide responsible content

Readly offers subscribers access to a vast global range of editorial content, advocating for journalism's role in fostering a sustainable society and planet.

In 2023, the battle against fake news took on new dimensions. Deepfake technology and AI-generated text became increasingly prevalent, making it harder to distinguish genuine content from fabricated information sources[4]. Public awareness campaigns on media literacy witnessed a surge, empowering individuals to critically assess the information they encounter online and fostering a more discerning online community[5 6]. These developments underscored the challenge of navigating the digital landscape of fake news.

Readly ensures that all content on our platform is overseen by a publisher and an editor-in-chief responsible for operations, content, and policies. The content on our platform adheres to local laws, relevance to subscribers, and our content guidelines.

We're committed to countering disinformation, and our goal is to provide world-class content from trusted sources.

During 2023 we have grown our portfolio of newspapers across our core markets including daily newspapers Expressen, GT and Kvällsposten in Sweden, the main edition of the Österreich daily newspaper and 71 regional newspapers from the French publisher Publihebdos. We now present individual articles in a better way to simplify access to relevant reading of quality journalism, including curated and personalized content, advanced recommendations, and web articles. This selection features a mobile-friendly format that facilitates reading on the go. By the end of the year we soft-launched AI-driven audio functionality. Initially available for British subscribers, this feature allows the option to activate an audio player for selected articles, enabling listening via an AI-powered voice.

Targets for 2024

We've set a goal for a 5 per cent increase in the total number of newspaper issues read. Fake news may be more common in news reporting due to its focus on current events and controversial subjects. The fast-paced nature of news can also result in incomplete verification before publication. We will continue to roll out audio functionality across all our core markets to enable a more flexible format for consuming quality journalism. Our annual user survey about perceptions of fake news will also continue to highlight in social and earned media.

28%

of global respondents in Readly's user survey pay for news to access quality journalism, 30 % to support journalism, and 11 % to combat fake news. 86 % believe the spread of fake news will increase during the coming 2–3 years.

TARGETS, ACHIEVEMENTS AND LONG TERM AMBITIONS

Target achievements

In 2023, our goals included launching audio functionality for convenient access to quality journalism, successfully implemented in the UK as a start. We aimed for a 40 % increase in mobile-friendly articles and exceeded expectations, achieving a 116 % increase. This success was largely attributed to the addition of web articles from selected publishers. Additionally, we conducted a user survey across all markets to gauge attitudes towards misinformation, sharing results on social media to emphasize the importance of accessing trusted news sources.

Targets for 2024

- 5 % increase in the total amount of newspaper issues read.
- Continue to roll out audio functionality across all our core markets.
- Conduct a user survey about perceptions of fake news to highlight in social and earned media.

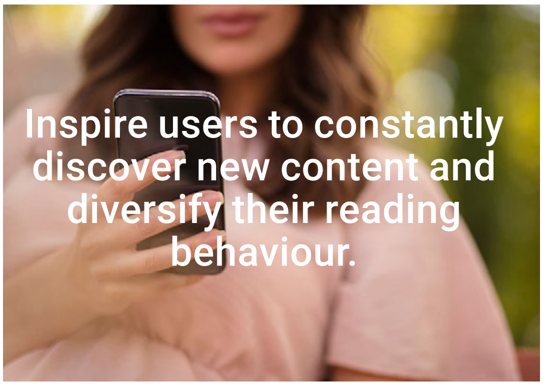
Long term ambitions

- 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.

4) https://www.theguardian.com/technology/2023/may/25/deepfakes-ai-concern-microsoft-brad-smith
5) https://apnews.com/article/microsoft-misinformation-twitter-facebook-youtube-media-literacy-1e086a5f9fc258ddb7391557b9f73401
6) https://www.theguardian.com/commentisfree/2023/feb/11/britons-gullible-fake-news-finland-misinformation

Empower people

Journalism empowers consumers by providing essential information, diverse perspectives, and critical insights. It equips individuals with knowledge to make informed decisions, understand societal issues, and engage actively.



Readly's editorial team curates and promotes relevant and engaging content, encouraging user interaction through various channels. We believe that quality journalism on Readly spurs individuals to take informed and sustainable actions.

One of our primary metrics for assessing reader empowerment is engagement rate, and we measure that inter alia through time spent on Readly.

In 2023, journalism remained essential in helping people navigate a rapidly changing world and publishers have tackled several crucial topics in their efforts to enlighten readers. Media attention surrounding Artificial Intelligence (AI) remains high, reflecting public interest in understanding its impact and potential applications. Examples are the June/July issue of New York Magazine – Inside the AI factory, the May issue of The Guarian Weekly – It's time to take our fears about AI seriously, and the August issue of Time Magazine Europe – AI by the People, for the People.

Lifestyle magazines like Vogue, Sports Illustrated and Vanity Fair have challenged ageism celebrating diversity and inclusivity by showcasing celebrities, such as Cher, 77 years, Martha Stewart, 82 years and Apo Whang-Od, 106 years, embracing the beauty of different generations. These publications redefine traditional beauty standards, breaking stereotypes, and encouraging confidence at any age.

The media attention surrounding female football has also seen a remarkable surge. This attention not only emphasises their skill and talent but also advocates for gender equality in sports. Major tournaments like the FIFA Women's World Cup have played a pivotal role in amplifying the presence of female footballers, paving the way for greater recognition and support for women's football across diverse audiences globally. Examples are the November issue of Elle Sweden featuring football goal keeper Zećira Mušović, or the July issue of Grazia featuring England's star defender, Jess Carter or the August issue of The Guardian Weekly about the unstoppable rise of women's football.

42%

of the respondents in Readly's user survey say that their consumtion of journalism has increased their level of knowledge and understanding.

85%

say it's important to them that their consumption of journalism is as diverse as possible.

The August issue of The Guardian Weekly.

The January issue of Sports Illustrated Germany.

The July issue of Grazia UK.

The November issue of Elle Sweden.

A selection of Readly's editorial campaigns during 2023

In 2023, Readly continued editorial campaigns, engaging users through diverse channels such as email and social media. Five distinctive campaigns addressed crucial themes and and garnered significant attention among subscribers.

Aligned with World Earth Day, the first campaign showcased content on sustainable living, inspiring readers to adopt greener habits for collective planet preservation. Mental Health Day received dedicated attention, destigmatizing mental health issues through articles on coping mechanisms and personal stories. Furthermore, Readly celebrated Pride Month with a campaign advocating LGBTQ+ community rights, emphasizing diverse perspectives and the ongoing struggle for inclusivity. Readly's campaign promoting lifelong learning and sustainable behaviour, encouraged users to pursue education and environmentally conscious living.

Finally, the last campaign focused on the International Day for the Elimination of Violence Against Women, condemning gender-based violence through powerful articles. Newsletters provided in-depth insights, encouraging users to delve into the issues.

Strengthen the joy of reading among children and young adults

Over the past few years Readly has actively participated in the Swedish "Reading break" campaign to promote reading amongst children and teenagers. To accompany this year's theme, kindness, Readly launched a partnership in support of the children's rights organisation Friends, to highlight the importance of reading in developing children's empathy and combating bullying.

Targets 2024

For 2024 our aim is a 5 per cent increase of how active new users are in their first 14 days of trying Readly. This will be achieved through creating more use cases, continuing on our path of audio functionality and helping users discover relevant content. We will also aim for an overall increased consumption of journalism among our existing users. The target is set on a 5 per cent increase in average engagement time (hours per month). Lastly, our editorial campaigns will continue to inspire users to stay on top of sustainability issues.

The mental health issue from the UK monthly, BBC Science Focus.

Focus, a popular Italian science magazine.

The German magazine Lebensart tells stories on the economic, environmental, and social aspects.

The Week Junior (UK) – added to the Readly platform during 2023.

TARGETS, ACHIEVEMENTS AND LONG TERM AMBITIONS

Target achievements

We aimed for a 5 % increase of daily active usage (DAU/MAU) which we accomplished. This means that the frequency of which Readly is used has been improved. We also set the target of a 10 % increase in average engagement time based on reading, and that was also fulfilled (12 %) which signifies that our subscribers spend more time exploring our content portfolio. Finally we planned for at least four editorial campaigns that focus on sustainability and we conducted five campaigns.

Targets for 2024

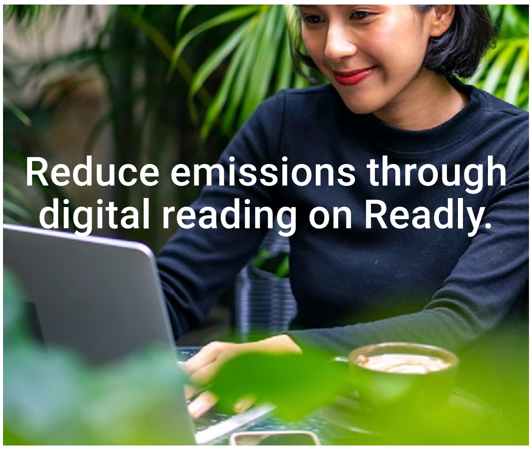
- 5 % increase of average active days during the two first weeks as trial (frequency).
- 5 % increase in average engagement time per FPS (volume).
- 4 editorial campaigns that focus on topics related to sustainability.

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.

Contribute to climate friendly reading

Readly combats global warming by reducing our environmental footprint and facilitating access to climate-focused journalism for our subscribers through digital reading.



CONTRIBUTE TO CLIMATE-FRIENDLY MAGAZINE AND NEWSPAPER READING THROUGH DIGITALISATION

Reading magazines and newspapers digitally can significantly reduce consumers' carbon footprint. This sustainability aspect is integral to our service, aligning with the preferences of environmentally-conscious consumers. Readly has conducted a study quantifying the reduced greenhouse gas emissions achieved by reading digital publications on our platform.

The study compares the carbon footprint of digital magazines and newspapers to their printed equivalents. 2023 findings reveal that reading digitally on Readly results in a 86 per cent reduction in greenhouse gas emissions compared to reading the print versions. We reduced CO_2 emissions by 18,200 tonnes, equivalent to the emissions from producing and recycling 280,000 iPhones – an 9.7 per cent increase from 2022. The main driver behind this improvement is increased issue reading. Avoiding paper production and printing are the top climate benefits of digital reading. Read the report here: https://corporate.readly.com/about-us/sustainability

MINIMISATION OF READLY'S ENVIRONMENTAL IMPACT

Readly's environmental impact is divided into four main areas; emissions from business travel, office energy use, emissions from data centres and servers, and waste management. The work of preventing and limiting the environmental impact is guided by our environmental policy that includes goals for each area with KPIs to measure our performance. Emissions from business travel and data centers are our largest sources of emissions, particularly scope 3 emissions. In an effort to reduce these emissions, Readly's travel guidelines do not permit the use of domestic flights.

Energy consumption at Readly's offices

We strive for low emissions per employee by minimizing energy usage through efficient devices and second-hand electronics. Compliance with environmental laws is ensured in all markets, and we're promoting renewable energy use among suppliers. In markets where Readly controls the choice of energy and electricity providers, the energy consumption consists of 79 per cent fossil free and 78 per cent renewable energy (heating, cooling, electricity). The decrease shown in scope 2 this year is due to updated emission factors, an increase of reneweble electricity and smaller office space in both Växjö and London.

Waste management in operations

In Readly operations, we focus on managing household, office, and electronic waste. Our aim is to minimize waste by emphasizing reuse and recycling. For example, new employees use equipment from previous users, and we prioritize digital alternatives while reducing packaging and single-use items. Electronic waste is responsibly disposed of at designated collection sites. During 2023, organic waste sorting initiatives commenced in Stockholm, Växjö, and Berlin.

Energy use by servers and data centres

We aim to positively impact IT system suppliers, advocating for energy-efficient and upgraded technologies. Readly stores content externally on Amazon Web Services' (AWS) servers in Ireland, powered by renewable wind energy. While AWS doesn't disclose emissions data, our external data storage significantly contributes to Readly's CO_2 emissions and power consumption. In 2023 we managed to reduce the amount of data we store in AWS S3 by approximately 125 TB.

71%

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[7].

7) User survey, 6 Nov - 1 Dec, 2023. 6,000 respondents across SE, DE, UK, NL, US, IT and AU

Targets for 2024

We are committed to further reducing emissions through digital reading on Readly. We also want to encourage and nudge employees towards sustainable business travel by showcasing successful cases of colleagues choosing international train travel. Additionally, we plan to establish new partnerships with other commercial brands that share a focus on environmental initiatives.

Readly scope 1, 2 and 3 emissions

GHF Emissions, tonnes CO_2eq	2023	2022	2021
Scope 1 – Direct emissions	**0**	**0**	**0**
No company-owned cars or other direct emissions	0	0	0
Scope 2 – Indirect emissions	**9.4**	**19.9**	**N/A**
Location-based electricity + heating and cooling	9.4	19.9	N/A
Scope 3 – Other emissions	**32.6**	**32.4**	**6.4**
Business travel by air	31.0	29.8	6.4
Business travel by rail	0.004	0.001	0.04
Hotel nights	1.6	2.6	N/A

The business travel by air numbers for 2022 has been restated in accordance with new information from the travel provider.

Emission intensity generated from business travel in 2021–2023

Travel emission, tonnes CO_2eq/employee	2023	2022	2021
Business travel emission intensity	0.29	0.27	0.07

Energy intensity generated from Readly's offices 2021–2023

Total energy intensity (MWh/employee)	2023	2022	2021
Electricity	0.4	0.5	0.4
Heating	0.8	0.9	1.1
Cooling	0.1	0.1	0.1
Total	**1.3**	**1.5**	**1.6**

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.

TARGETS, ACHIEVEMENTS AND LONG TERM AMBITIONS

Target achievements

In 2023 we set the goal of a 10 % increase of emissions saved from digital magazine and newspaper consumption. The result was an increase of 9.7 %. We also implement our environmental policy further so that emissions from business travel would not exceed 2022 levels. We unfortunately saw a 7 % increase. One of our 2023 goals was also to improve waste sorting across Readly's offices to include more categories. Organic waste is now sorted for the first time in Stockholm, Berlin and Växjö.

Targets for 2024

- 10 % increase of emissions saved from digital reading on Readly.
- 3–5 successful cases of employees opting for international train travel.
- Launch 1–2 partnerships with environmental efforts as joint theme.

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.

Our employees

Readly's success lies in our joint passion for unlocking a world of editorial content.

Our team at Readly
We are a dedicated team of about 140 people, passionate about our product and proud of our extensive portfolio. Everyone who has joined Readly is actively shaping the future of magazines and newspapers.

During the year, we reorganized our workforce to enhance Readly's competitive position, involving a reduction of around 17 positions, including consultants. That also resulted in merging the product and tech departments.

We have also updated our purpose and vision statement into one purpose statement – "Unlocking a world of editorial content". By facilitating access to varied editorial perspectives, people are empowered to explore, stay informed and feel entertained, fostering a broader understanding of the world and ways to enjoy and take care of it.

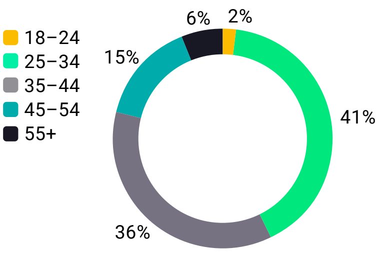
Promote diversity, equity and inclusion (DEI)
With users from over 50 countries and an equal gender distribution, it's important that we have a workforce that understands how our service can best meet the breadth of customer needs and behaviors. According to our internal anonymous DEI survey, 53 per cent of our employees say that they come from an international background. Over the years, we have recruited with a focus on 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. We now face the challenge of recruiting more women to our tech organisation, where men are still over-represented.

The internal DEI survey this year 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.

We have also conducted an educational session for hiring managers about unbiased recruitment. This enables us to create even more diverse and inclusive teams which we believe is key for our business success.

For the third consecutive year, Readly has earned a spot on All-Bright's green list due to our gender-equal management team. This year we're also more proud than ever as we came 3rd in competing for the Allbright Award – thanks to our internal dedication such as forming a DEI committee.

Age distribution (headcount)

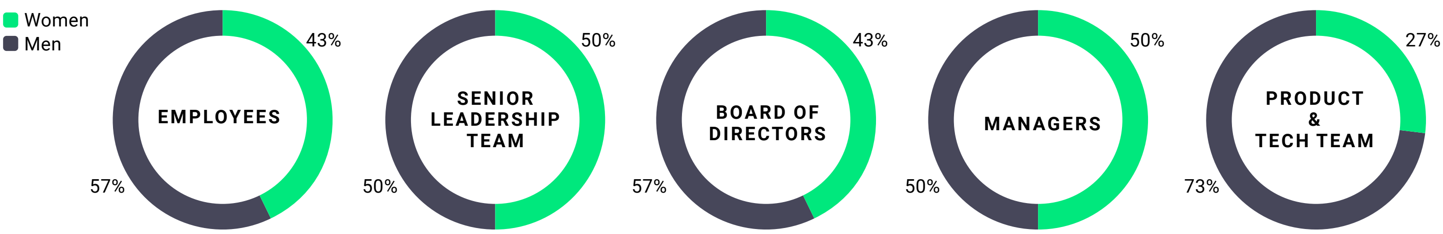


Employee statistics

Number of employees (headcount)	139*
Average number of FTEs	134.4
Sales per avg FTE (SEK m)	5.0
Operating result per avg FTE (SEK m)	-0.4
Employee turnover (voluntary), %	14
Share of employees with international background, %	53

* of whom 27 are consultants

Gender breakdown



We have implemented a new DEI policy which complements our Code of Conduct's focus on diversity and equal opportunity, and aligns with our Work Environment policy's efforts to prevent discrimination.

Our measures encompass a harassment-free and accommodating workplace for all needs. We prioritize equal opportunities in hiring, promotions and skills development. We ensure there is no disadvantage in connection with parental leave and allow flexible work hours to achieve work-life balance. Managers are committed to non-discriminatory practices, fostering respect among colleagues. Annual risk assessments are conducted, addressing discrimination risks, and corrective measures are implemented. Salary mappings are conducted annually.

Readly's Whistleblower system is available for reporting suspected violations of laws, policies, or the Code of Conduct. Regarding work-related conflicts or grievances, it is advised to resolve issues internally, primarily with the manager, CPO or in cases directly with the CEO. The reporting process involves an external platform, &frankly, allowing anonymity for whistleblowers. Upon submission, a case number is provided, and updates are communicated via email or phone. In 2023, we had zero reported cases of suspected violations. According to Readly's internal survey 92 per cent feel safe to report misconduct to their manager, the CPO or CEO. 89 per cent feel safe to use Readly's secure channel for anonymous whistleblowing.

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, have in 2023 participated in an educational series of seminars and group discussions about transformational leadership. The aim is to raise awareness about the rapid shifts in our industry and how to equip each team with strategies to navigate both challenges and opportunities effectively. In 2023, we held Readly Lab Days and Hackathons to inspire our product and tech teams to innovate and collaborate.

We prioritize equality and well-being in our workplace, ensuring our working terms and conditions align with market standards. This includes competitive pay, pensions, insurance, and flexible work hours.

In early 2024, Readly hosted a meetup in Stockholm, marking the first time employees from all five offices were brought together.

Safeguard ethical relations

We foster strong relationships with stakeholders and prioritise a transparent, trustworthy culture through high ethical standards.

Upholding high business ethics and countering corruption
At Readly, our professional conduct fosters lasting relationships outlined in our Code of Conduct. We encourage stakeholder confidence in raising concerns, promoting accountability and a culture where employees thrive. Ensuring a safe, supportive workplace is crucial, especially in our flexible work settings, where identifying and reporting misconduct can be challenging. In 2023, we recorded zero cases of corruption or breaches of our Code of Conduct. By the end of the year, we introduced a new whistleblowing system from a third party which enables anonymous and secure reporting of any concerns or misconduct, further strengthening our commitment to fostering a transparent and accountable work environment.

Data security on Readly's platform
Protecting user data, including login details, payment information, and personal data, is paramount for Readly. Any data loss incident would have severe repercussions for our readers, partners, employees, and our business, making it a top priority. Alongside safeguarding sensitive information, it is essential to minimise operational disruptions and that we are well-equipped for unforeseen events. Our measures align with pertinent aspects of the ISO 27001 information security standard and industry best practices.

Careful handling of personal information
In upholding customer integrity and handling personal data, our commitment is to ensure our readers trust us with their information. Our privacy policy, provided to users upon registration, details the collected data and its purposes. It's consistently available on our website. For instance, collected information helps optimize our service and personalize user experiences. Upon request or when data serves no purpose, we erase or anonymize it. We don't sell personal data but share aggregated, anonymous information with a few recipients, as outlined in our privacy policy.

We maintain internal processes to honour user rights, including responding to personal data access requests. All third parties accessing user data sign agreements (Data Processor Agreement) to safeguard and prevent unauthorised use. Our continuous updates to technical solutions and internal procedures align with the EU's GDPR and related data protection regulations. We regularly review our privacy policy to ensure compliance.

In 2023 we have received GDPR requests of information which we have addressed by using the new routines and processes from 2022. These routines and processes have worked efficiently and satisfactorily.

During the year, we have 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. Our Supplier Code of Conduct has been reviewed and updated. A link to our whistleblower system is also available on our corporate website.

Our supply chain

Sustainability governance

Our sustainability governance model aims for effective efforts and sustainable outcomes for stakeholders.

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 and DEI committee
These committees follow up specific efforts and goals and plan activities to adhere to policies, guidelines and strategy.

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

Strong business resilience

In 2023, we carefully considered macroeconomic trends and industry shifts when formulating the strategy for the nextcoming two years. We have effectively addressed challenges such as economic slowdowns, consumer financial constraints, and evolving regulations on data protection and consumer privacy. The ongoing digitalization of consumer behaviors, particularly the shift towards mobile content consumption, has led us to enhance our technological capabilities and optimize the mobile experience on Readly. Sustainability has a continuous central focus. Through proactive measures and strategic partnerships, we strengthened our commitment to sustainability and are currently aligning with new regulations. 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. Read more about how we are managing risks in our risk assessment chapter.

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 Senior Leadership Team. During 2023, we have adopted a DEI policy.

During 2023 our Code of Conduct (CoC) was reviewed, updated and presented to the whole company. 80 per cent of all staff have signed off that they have read and understood our Code of Conduct, Employee Handbook and Work Environment Policy. Readly has implemented the COSO[9] internal audit framework to ensure reliable reporting, compliance, risk minimisation and prevention of fraud.

9) 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 2023'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 state as "not collected" can be provided upon request. The indicators that are N/A are not applicable to our business.

Indicator	Metric	Impact
1. GHG emissions (tonnes CO_2eq)	Scope 1 GHG emissions	0
	Scope 2 GHG emissions	9.43
	Scope 3 GHG emissions	32.6
	Total GHG emissions	42.0
2. Carbon footprint	Carbon footprint (investors)	N/A
3. GHG intensity	GHG intensity (Scope 1+2+3)/(€M revenue)	0.69
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 per centage of total energy sources	76%
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	p. 22-23
12. Unadjusted gender pay gap	Average unadjusted gender pay gap	4.0%
13. Board gender diversity	Average ratio of female to male board members, expressed as a per centage 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 2023 financial year, with sustainability data from 2023. 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, which are the following; 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. The materiality analysis will be updated according to CSRD during 2024.

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[10] based on information from suppliers and estimates where data is not available[11]. The figure regarding business travel by air in the annual sustainability reports of 2022 was incorrect due to an identified data error.This has now been recalculated.

This is Readly's fourth annual sustainability report.

Sustainability definitions

Headcount:
Headcount refers to the actual number of individuals employed by an organisation, regardless of the number of hours they work or their employment status.

FTE (Full-Time Equivalent):
FTE takes into account the number of hours that each employee works, and expresses it as a full-time equivalent. It represents the number of full-time employees that an organisation has, regardless of whether those employees actually work full-time or part-time.

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10) www.ghgprotocol.org

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
The responsibility for the statutory sustainability report for the year 2023 lies with the board of directors, ensuring its preparation 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 25 March 2024

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 2023.

Significant events during the year

On 1 January, Matti Zemack took up the position of Chief Technology Officer and member of the Group Executive Board. He replaced Frederik Blauenfeldt Jeppsson.

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

On 13 February, Tidnings AB Marieberg announced the outcome of the offer, which amounted to 63.7 per cent of the share capital and votes in Readly. The acceptance deadline was extended to 23 February and then to 7 March on 22 February.

On 9 March, Tidnings AB Marieberg completed the offer for Readly International AB (publ) shares and became the owner of 65.8 per cent of its shares. The acceptance period was extended to 23 March. On 27 March 2023, the outcome of the offer was announced, which amounted to 75.4 per cent of the share capital and votes in Readly.

On 26 April, the Extraordinary General Meeting elected Mikael Antonsson, Carolina Brandtman, Laurent Kayser, Jan Lund, Veronica Selin and Jesper Wikberg as new Board members together with existing Board member Malin Stråhle. Jan Lund was elected as the new Chairman of the Board. The previous Board members were dismissed.

On 8 May, a new Nomination Committee was appointed, whose members were selected on the basis of ownership as of 31 March 2023.

On 30 May, the resignation of CEO Mats Brandt was announced. The Board appointed Philip Lindqvist as the new CEO, effective 31 May 2023. The Annual General Meeting on 13 June re-elected the current Board of Directors.

On 27 June, the Board decided to list the company's shares on Nasdaq First North Growth Market and delist the shares from Nasdaq Stockholm. At the same time, Readly decided to stop publishing financial targets.

On 10 August, the Extraordinary General Meeting approved publishing agreements with Bonnier News AB and Bonnier Publications International AS, and an advertising agreement with Bonnier News AB.

On 25 October, the product and technology departments were merged. 17 employees and consultants left the company, including Chief Product Officer Tomas Montan. Matti Zemack became the new Chief Product and Technology Officer.

On 31 October, Nasdaq Stockholm declared that Readly met the listing requirements for First North Growth Market. The first day of trading was 20 November 2023.

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 about the business

Readly's purpose of "unlocking a world of editorial content" is a guiding principle and the company aims to empower consumers to explore and engage with a wide selection of magazines and newspapers. The company was established in 2012 and is a market leader in its category in Europe when it comes to digital magazine and newspaper services. Readly is available in 50 markets.

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 players, which offer, for example, purchases of individual digital articles or unlimited reading of one 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 magazine and newspaper market 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 the market for the sale of digital editions. Owing to financial challenges and digital trends, publishers are having to seek revenue streams from other sources than printed magazines and 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.

Readly also helps publishers to reach a wider audience, which can lead to higher advertising revenue as reach increases. 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 magazines or newspapers, including to people who are in a geographic location where the publisher's editions are not physically available.

Revenue, expenses and profit

Total revenue amounted to SEK 677.0 million (591.6), an increase of 14.4 per cent compared with the previous year. The increase was mainly due to positive currency effects and to a higher average revenue per user. The number of full-paying subscribers increased by 2.7 per cent to 464,494 (452,466), despite lower marketing costs, which was the result of adjusted marketing activities with a focus on profitable lifetime value. Adjusted for currency effects and VAT, total revenue growth was 7.4 per cent compared with the previous year. Total operating expenses decreased by 0.4 per cent to SEK -731.3 million (-734.1). This decrease was mainly attributable to lower other external costs together with depreciation and amortisation.

Liquidity and financial position

Cash and cash equivalents amounted to SEK 102.9 million (188.7). The Group recognised goodwill of SEK 49.8 million (50.0) at 31 December, which relates to the acquisition of Readly France SA. Total liabilities amounted to SEK 259.6 million (292.5) at 31 December. The estimated contingent consideration related to the acquisition of Readly France SA totalled SEK 11.3 million (26.2). This decrease is attributable to the payment of a contingent consideration. The Group's shareholders' equity amounted to SEK 34.7 million (90.6) at 31 December 2023, representing equity per share of SEK 0.9 (2.4). The change in equity is mainly due to the loss for the period.

Cash flow

Cash flow from operating activities before changes in working capital was SEK -9.3 million (-91.3). The change in working capital of SEK -15.4 million (28.5) was impacted by higher operating liabilities related to publishers and higher trade receivables. Cash flow from investing activities totalled SEK -48.6 million (-32.7), of which SEK -32.9 million (-32.8) related to capitalised product development costs. Cash flow from financing activities was SEK -10.5 million (-31.2). Debt repayments amounted to SEK 6.7 million (26.8) at 31 December 2023. Repurchases of employee options and warrants totalled SEK 1.6 million (-).

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 industry, and to maintain this position, the Group will continue to invest in research and development (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 68 set out how Readly defines its KPIs and the purpose of each KPI. On pages 69–70, supplementary information is provided that can be used to determine all the KPIs.

Employees

The average number of people working for the company, including consultants, was 134 (144), of which the average number of employees was 109 (111).

Significant risks and uncertainties

Readly's activities, like all business activities, are associated with risks in various areas. From time to time, Group companies may be involved in disputes that are not deemed to have a material impact on the Group. The reporting of disputes, tax audits and legal proceedings is subject to critical estimates and judgements. Readly's risks are described in more detail on pages 30–34, 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 in the foreseeable future. The foreseeable future extends at least, 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 the available information and assumptions about the future. Furthermore, the Board of Directors and CEO continuously monitor circumstances that may affect the validity of the going concern assumption, for which the most critical risk is access to funding. The Board of Directors and CEO believe that, after the measures implemented, the company's existing working capital and available financing opportunities are sufficient to meet the requirements of the going concern assumption.

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.

Proposed appropriation of profit or loss

At the disposal of the Annual General Meeting:

Loss brought forward	-773,016,061
Share premium reserve	1,179,920,246
Profit/Loss for the year	-6,356,866
SEK	**400,547,319**

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

To be carried forward, SEK	**400,547,319**

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

Multi-year overview

Group (SEK thousand)	2023	2022	2021	2020	2019
FPS (full-paying subscribers), number	464,494	452,466	478,362	369,764	278,555
Total revenues	677,009	591,613	466,308	352,604	264,739
ARPU (average revenue per user), SEK	117	102	92	93	87
Gross profit	264,083	203,191	156,127	117,059	82,773
Gross profit margin, %	39.0	34.3	33.5	33.2	31.3
Gross contribution	185,263	106,417	-33,780	-38,155	-16,303
Gross contribution margin, %	27.4	18.0	-7.2	-10.8	-6.2
Operating profit/loss	-54,293	-142,471	-209,528	-189,775	-142,539
Operating margin, %	-8.0	-24.1	-44.9	-53.8	-53.8
Adjusted operating profit/loss	-28,347	-104,823	-204,943	-170,311	-138,123
Adjusted operating margin, %	-4.2	-17.7	-44.0	-48.3	-52.2
Profit for the year	-54,619	-119,960	-219,601	-197,424	-146,565
Earnings per share before and after dilution [1]	-1.4	-3.2	-5.9	-6.5	-5.9

The earnings per share have been adjusted in comparison periods for the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 67.

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.

Strategic risks are related to overall objectives whose purpose is compliance with and the supporting of the Group's mission or vision. These risks are commonly identified in discussions related to the company's strategic plan or strategic initiatives. Risks are managed through measures that limit their impact as well as the likelihood that they will arise.

Operational risks are related to the effectiveness of operating activities, which also includes earnings and profitability. Such risks are identified mainly through process reviews and business monitoring. 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. The finance function is responsible for the testing and evaluation of relevant controls as well as performing forecasts and cash flow analyses.

Sustainability risks relate to Readly's preventive management of ESG, health and safety, business conduct and personal data management risks. By establishing policies, clarifying responsibilities and integrating sustainability in our operations, we aim to maintain high standards and create value.

Readly's risk management aims to ensure good control of the Group's aggregate risk exposure and effective, systematic and value-creating management of opportunities and risks in its 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 on and informed about Readly's risk policy, as well as 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 2023, risk meetings were held with the Group management to identify the most significant risks for the respective areas. The results of these meetings were then coordinated, supplemented and analysed in order to later decide which risks and measures to prioritise.

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

Assessment and prioritisation

The size of the risks identified is estimated using 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 helps to decide on the risk's significance and prioritisation and the response to the risk.

Management

The choice of management is determined based on the risk assessment and existing controls. This may, for example, include monitoring methods, the implementation of additional controls to reduce the risk, or changing procedures and processes. An important part of Readly's risk management is the designation of risk owners for prioritised risks. The risk owners are responsible for ensuring that measures for managing the respective risks are taken 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 Readly's legal counsel. They compile information on, coordinate and develop the Group's risk management, after which the results are reported to the Group Executive Board and the Board of Directors. The Group's most significant risks and the measures for managing them are reported at least twice a year to the Audit Committee.

Strategic risks

HIGH PACE OF TECHNOLOGICAL CHANGE	
Description of risk:	**Risk management:**
The digital magazine market is characterised by a high pace of technological change. The Group's ability to foresee technological development and the market's needs, 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 that it operates in, the Group Executive Board closely monitors changes in the market, the expectations of publishers and subscribers, and technological development. Product development is a key part of Readly's strategy, and the Board of Directors and management are therefore careful to ensure that decisions about 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 this 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 existing and new markets. The publishers themselves may 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 a loss of market share for Readly. Readly's competitors may adopt an aggressive pricing strategy to capture market share. There is also a risk of Readly misjudging 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, attractive offerings for both subscribers and publishers. The Group regularly monitors the offering with regard to publishers' and subscribers' perceptions of the product's accessibility and range 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 players.

PRODUCT DEVELOPMENT	
Description of risk:	**Risk management:**
If Readly failed to establish a sustainable and effective product development strategy, this could lead to a misallocation of resources to 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 on skills development in order to develop its business and achieve set goals. Readly continually works, through its Remuneration Committee, to establish long-term incentives for key personnel and to offer remuneration to the management and other employees that is in line with the going rate in the market. The company also conducts regular employee surveys to identify focal 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 newspaper 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 in retaining and expanding the number of publisher partners is an increased user base, which generates increased publisher revenues and provides access to data analytics. 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 to develop and strengthen its offering for publishers. Readly has a long-term goal of being a reliable source of revenue for publishers and offering first-class, data-based insights to enable the continued development of quality content that consumers are interested in. By being a digital player 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 that the publishers themselves cannot reach through their own distribution. Readly invests continually 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 to 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 change. 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 analytics departments promotes the effective use of resources and contributes to long-term value growth. Readly is also working on broadening its channels in an effort to reduce its dependence on individual marketing channels. This particularly entails a stronger focus on partnerships, with the aim of reaching new target groups and broadening the base of new customers acquired. Continued investment in higher brand awareness is contributing to higher organic growth, which is further reducing dependence on individual channels. As Readly continues to grow, resources are also being added in the form of new employees with skills that a vital 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 ongoing financial obligations in time. Readly has historically reported substantial losses and negative cash flows as a consequence of the company's continued substantial investments in product development and marketing activities aimed at generating long-term growth. In recent years, Careful planning and control of Readly's capital requirements are needed to reduce this risk. If the Group does not succeed with its strategy a need for further capital may arise. If this were to occur, a shareholder base with available financial resources would be required to be able to support further investments 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. Readly has large shareholders that are financially strong and which conduct long-term planning for their investments.

CURRENCY RISK

Description of risk:	Risk management:
Readly is active internationally and is therefore exposed to currency fluctuations, primarily relating to euros (EUR) and pounds sterling (GBP), but also US dollars (USD), Australian dollars (AUD) and Swiss francs (CHF). The Group's sales to external customers are made in local currencies, while the Group has costs in the form of the remuneration paid to publishers, often in the same currencies, which creates a natural hedge for transactions in its operating activities. The Group's most significant currency risks arise in the translation of balance sheet items in foreign currencies.	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 risen by 14 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 2023, an impairment loss of SEK 0.2 million (152.2) was recognised for shares in subsidiaries, and SEK 0 million (27) for goodwill, with a value adjustment of SEK 0 million (19.9) 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.

RISKS RELATED TO COPYRIGHT

Description of risk:	Risk management:
The copyrighted material that Readly distributes through its service is occasionally infringed, leading to the subsequent unauthorised sale of the material on pirate sites. This leads to a risk of reduced revenues for both the publishers affected and Readly, as customers may choose such sites at the expense of Readly's service, as well as reduced trust in Readly on the part of publishers, which may ultimately lead to publishers wanting to end their partnership with Readly.	Readly has a special working group that continuously works on the protection of copyrighted material. This protection is achieved by making technical access to the material more difficult, by taking action against suspicious user behaviour, and by taking action against the pirate sites themselves.

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 ability to utilise these loss carry forwards. In 2023, Readly was acquired by Tidnings AB Marieberg. Its loss carry forwards may be reduced as a result of the acquisition. The parent company Readly International AB invoices the subsidiaries within the Group based on their actual use of resources. In some previous financial years, up to and including 2018, such resource use and therefore invoicing did not include all the subsidiaries within the Group. The Swedish Tax Agency has said in a position statement that parent companies must invoice all the subsidiaries within their Groups for a full VAT deduction to be allowed. However, the case law from the Administrative Court of Appeal suggests that resource-based invoicing should be accepted. The questioning by the Swedish Tax Agency of some of the company's deductions for losses or VAT cannot be ruled out, 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.

Sustainability risks

RISKS RELATED TO ESG COMPLIANCE	
Description of risk:	**Risk management:**
Interest in environmental, social and governance (ESG) issues is growing among legislators, regulators, investors and other stakeholders. New local and international ESG laws and regulations have begun to be introduced, with specific reporting requirements. This entails the need for further investment and the implementation of new methods and reporting processes, while increasing the risks related to compliance and potential penalties. The targets set require continuous investment and public opinion of our sustainability strategy may potentially affect our reputation and brand. Our ability to pursue certain initiatives or reach our targets may also depend on external partnerships with third parties or providers of specific services. It may also be affected by limited innovation capacity and/or financial constraints. Understanding this ongoing process is crucial if we are to navigate the changing landscape of ESG considerations, and ensure that our sustainability efforts are in line with both regulatory and stakeholder expectations.	Maintaining policies and measurable targets, and providing mandatory training for employees in the relevant sustainability areas. Carrying out audits of suppliers to maintain standards. Allocating responsibility for different sustainability aspects and setting targets widely within the organisation, by setting up internal committees, for example. The sustainability strategy and the setting of targets are integrated in the overall business strategy. Marketing Readly in a responsible way, meaning that certain channels and partnerships are excluded because they are contrary to Readly's values and supplier code. Making sustainability aspects, such as the climate benefits of digital reading, visible in customer communications. In 2024, a materiality analysis in line with the CSRD will be conducted to identify the key ESG risks affecting Readly's financial performance.

HEALTH AND SAFETY	
Description of risk:	**Risk management:**
Ensuring a safe and healthy workforce is an important part of our sustainability efforts. We recognise the link between a healthy work environment and our collective success. This understanding is reflected in our commitment to addressing both the physical and psychological aspects of workplace conditions. A poor work environment may manifest itself in physical factors such as excessive noise, poor ergonomics and inadequate ventilation and/or lighting. Psychological aspects, such as destructive leadership, elevated stress levels and unprofessional or unethical behaviour, may also contribute to an unhealthy workplace. The consequences affect employee morale, productivity and creative thinking, which may lead to absenteeism, with the resulting financial fallout. By actively taking up these challenges, we not only prioritise our employees' well-being, but also strengthen the foundations for a resilient and sustainable organisation.	Readly's health and safety policy promotes a safe and healthy workplace for all employees, complies with Swedish legislation and is in line with international practice. The policy clarifies the different areas of responsibility, while the CEO oversees and delegates responsibilities to managers and employees, with an emphasis on cooperation to achieve a safe work environment. Important parts of the policy include the active involvement of workplace safety representatives, regular risk assessments, safety inspections, ongoing training and proactive measures against discrimination. The guidelines emphasise a collaborative approach whereby all employees contribute to maintaining a safe work environment. The policy provides explicit instructions for reporting incidents, handling emergencies and dealing with addiction-related issues. Readly has also established detailed protocols for combatting harassment, discrimination and demeaning conduct, underlining the company's zero tolerance attitude to such behaviour. The policy reflects Readly's commitment to creating a workplace in which every individual is able to thrive in a safe and inclusive environment.

BUSINESS CONDUCT

Description of risk:	Risk management:
Poor business conduct includes financial crime such as bribery, corruption, kickbacks, theft, fraud and counterfeiting. Financial market crime includes insider trading, the unauthorised disclosure of inside information and market manipulation. It can also consist of breaches of internal regulations, such as the company's code of conduct and policies. This can lead, for example, to reputational damage, consumer boycotts, fines or imprisonment, with the resulting financial consequences.	Readly's code of conduct summarises the company's values, principles and desired behaviour to ensure high ethical standards and legal compliance. Readly takes corporate responsibility seriously and has adopted guidelines to prevent unethical behaviour, both internally and externally. Readly has introduced a reporting process for whistleblowers that is available to employees and managed by a third party. Readly also has a supplier code of conduct and a content policy that clearly outlines the ethical guidelines for the magazines and newspapers distributed through the platform.

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, for example, of 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 them and is thus important for maintaining continued partnerships 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 or legislation in any of the markets in which Readly operates could prohibit the sharing of anonymised data with publishers, which could negatively affect 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 the collection, processing and storage of personal data, security and customers' rights. This includes ensuring risk management, making strategic decisions and making sure that the processing of personal data is in compliance with the law and internal requirements. Various functions within the Group work actively to continuously improve systems and processes, update security and ensure thorough incident management, and thereby ensure that customers' personal data is processed and protected in a responsible manner. Continuous reporting is carried out on the subject with the support, for example, of a framework for internal controls of data protection.

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. During the year, an application was made for a change of listing and on 15 November approval was received for admission to trading on Nasdaq First North Growth Market. The first day of trading on Nasdaq First North Growth Market was 20 November 2023. At 31 December 2023, 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 that they own and represent, with no restriction on their voting rights.

Shareholders

At year-end, the company had 2,678 shareholders (8,202). Readly's largest shareholder was Bonnier. The ten largest shareholders controlled a total of 95.3 per cent of the capital and votes at 31 December 2023.

Developments during the year

During the year, Readly's share price rose by 19 per cent compared with the OMXSGI, which rose by 13 per cent during the same period. The closing price on 29 December was SEK 14.02 per share, corresponding to a market capitalisation of SEK 531 million. The average daily share turnover during the year was 45,837.

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 investment 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. The Board intends to propose that no dividend be paid for the financial year 2023.

Shareholder information

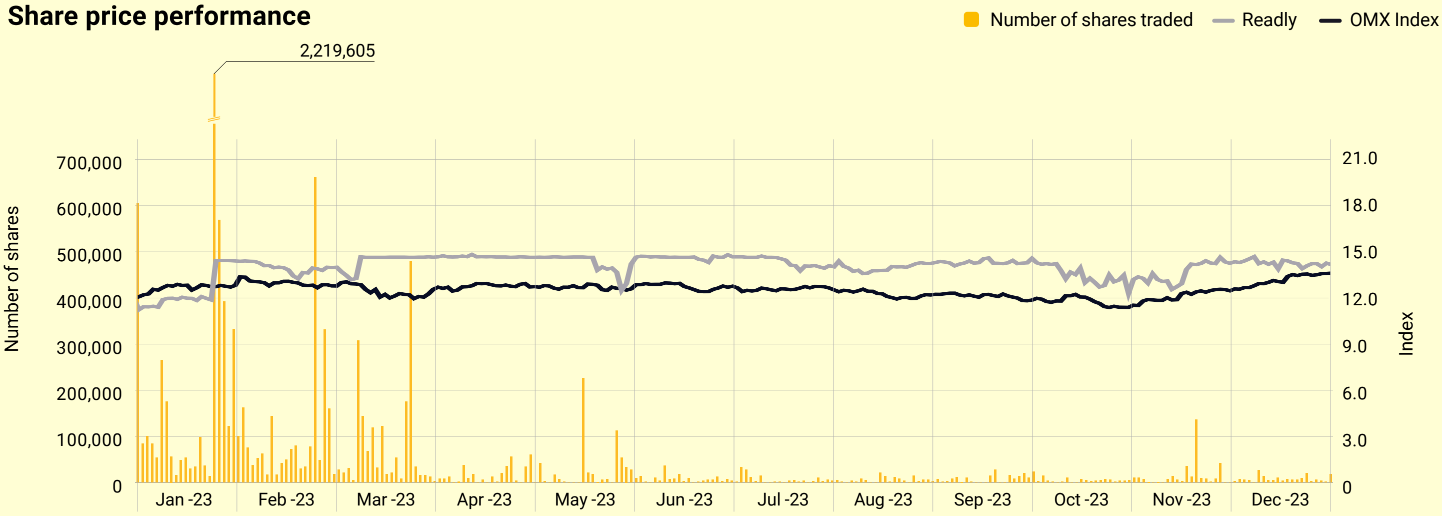
The Annual General Meeting of Readly International AB (publ) will be held on 15 May 2024, at 2 p.m. A notice is published in Dagens Industri and the Swedish Official Gazette. The notice and information published prior to the meeting is available at corporate.readly.com

Largest shareholders at 31 Dec 2023	Total number of shares	% of total number of shares
Bonnier	29,746,504	78.5
Clearstream Banking SA	2,829,580	7.5
Harry Klagsbrun	1,886,447	5.0
Commerzbank AG	580,270	1.5
CBLDN Israel Bank	281,839	0.7
Joachim Birgersson	253,674	0.7
UBS Switzerland AG	210,329	0.6
Avanza Pension	130,236	0.3
Six Sis AG	124,876	0.3
David Hadari	92,318	0.2
Subtotal 10 largest shareholders	**36,136,073**	**95.3**
Others	1,768,665	4.7
Total number of shares	**37,904,738**	**100.0**

Number of shares per country	Number of shares	Share of votes and capital, %
Sweden	32,109,179	84.71
Luxembourg	2,829,580	7.46
Germany	580,270	1.53
Switzerland	335,205	0.88
UK	281,839	0.74
Total	**36,136,073**	**95.32**

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

Share price performance



On 5 December 2022, Tidnings AB Marieberg, a wholly-owned subsidiary of Bonnier News Group AB, made a public cash offer to Readly's shareholders to transfer all their shares in Readly to Bonnier News. The acceptance period for the offer was six weeks from the date of the offer and explains the high turnover for the share at the end of January 2023.

Financial information

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

Consolidated income statement

SEK thousand	Note	2023	2022
Net sales	4	663,066	580,740
Other revenues	5	13,943	10,873
Total revenues		**677,009**	**591,613**
Publisher costs		-412,926	-388,422
Other external costs	6	-135,791	-164,182
Personnel costs	7	-124,890	-117,314
Depreciation, amortisation and impairment	8, 14, 15	-45,298	-54,126
Other operating expenses	9	-12,397	-10,040
Total operating expenses		**-731,302**	**-734,084**
Operating profit/loss		**-54,293**	**-142,471**
Profit/loss from financial items			
Financial income	10	12,080	41,312
Financial expenses	8, 10	-14,623	-20,479
Net financial items		**-2,543**	**20,833**
Profit/loss before tax		**-56,836**	**-121,638**
Tax	11, 23	2,218	1,678
Profit for the year		**-54,619**	**-119,960**
Profit for the year attributable to the parent company shareholders		**-54,930**	**-119,883**
Profit for the year attributable to non-controlling interests		**312**	**-77**
Earnings per share before and after dilution		-1.4	-3.2
Average number of shares before and after dilution		37,904,738	37,904,738

Consolidated statement of comprehensive income

SEK thousand	Jan-Dec 2023	Jan-Dec 2022
Profit for the year	-54,619	-119,960
Items that may be reclassified to profit or loss		
Exchange rate differences on the translation of foreign operations	8	9,215
Other comprehensive income for the year	**8**	**9,215**
Comprehensive income for the year	**-54,610**	**-110,745**
Comprehensive income attributable to the parent company shareholders	**-55,020**	**-110,717**
Comprehensive income attributable to non-controlling interests	**410**	**-29**

Consolidated balance sheet

SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	13	49,841	49,982
Other intangible assets	14	84,717	93,501
Total intangible assets		**134,558**	**143,483**
Property, plant and equipment			
Property, plant and equipment	15	159	580
Total property, plant & equipment		**159**	**580**
Right-of-use assets			
Right-of-use assets	8	2,636	7,973
Total right-of-use assets		**2,636**	**7,973**
Financial assets			
Other non-current assets	16	9,761	9,874
Deferred tax assets	23	19	–
Total financial assets		**9,780**	**9,874**
Total non-current assets		**147,132**	**161,910**
Current assets			
Trade receivables	18	14,449	7,673
Other current receivables	18	6,162	4,592
Prepaid expenses and accrued income	18, 19	23,651	20,205
Cash and cash equivalents	20	102,858	188,706
Total current assets		**147,120**	**221,176**
TOTAL ASSETS		**294,252**	**383,086**

Consolidated balance sheet cont.

SEK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,137	1,137
Other contributed capital		1,181,374	1,182,624
Translation difference		12,154	12,244
Retained earnings (including profit for the year)		-1,160,383	-1,105,453
Equity attributable to the parent company shareholders		**34,282**	**90,552**
Equity attributable to non-controlling interests		**415**	**5**
Total equity	21	**34,697**	**90,557**
LIABILITIES			
Non-current liabilities			
Lease liabilities	17, 22	1,856	4,833
Long-term borrowings	17, 22	5,001	11,197
Deferred tax liabilities	23	6,690	9,343
Provisions		1,968	2,558
Total non-current liabilities		**15,516**	**27,930**
Current liabilities			
Lease liabilities	17, 22	851	2,701
Other financial liabilities	17	11,330	26,170
Short-term borrowings	17, 22	6,440	6,988
Trade payables	17	34,003	44,569
Current tax liabilities		1,689	936
Other current liabilities	24	8,481	8,226
Accrued expenses and deferred income	25	181,244	175,007
Total current liabilities		**244,039**	**264,598**
Total liabilities		**259,555**	**292,529**
TOTAL EQUITY AND LIABILITIES		**294,252**	**383,086**

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 2023	**1,137**	**1,182,624**	**12,244**	**-1,105,453**	**90,552**	**5**	**90,557**
Profit for the year	–	–	–	-54,930	-54,930	312	-54,619
Other comprehensive income	–	–	-90	–	-90	98	8
Total comprehensive income	–	–	**-90**	**-54,930**	**-55,020**	**410**	**-54,610**
Transactions with owners							
Share-based payments	–	-485	–	–	-485	–	-485
Repurchasing of warrants	–	-764	–	–	-764	–	-764
Total transactions with owners	–	**-1,249**	–	–	**-1,249**	–	**-1,249**
Closing balance at 31 December 2023	**1,137**	**1,181,374**	**12,154**	**-1,160,383**	**34,282**	**415**	**34,697**

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	-11, 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 payments – 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**

Also see Note 21.

Consolidated cash flow statement

SEK thousand	Note	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss (EBIT)		-54,293	-142,471
Depreciation, amortisation and impairment		45,298	54,126
Other non-cash items	28	-1,526	222
Interest received		1,703	92
Interest paid		-1,575	-2,713
Paid tax		1,077	-509
Cash flow before changes in working capital		**-9,317**	**-91,254**
Changes in trade receivables		-6,776	-1,058
Changes in operating receivables		-5,017	-2,914
Changes in trade payables		-10,566	2,872
Changes in operating liabilities		6,922	29,629
Cash flow from operating activities		**-24,754**	**-62,725**
Payment of contingent considerations		-16,074	–
Investments in intangible assets and property, plant and equipment	14, 15	-32,890	-32,861
Investments in financial assets	16	407	192
Cash flow from investing activities		**-48,557**	**-32,669**
Transactions with non-controlling interests		–	-945
Transaction costs for share issues		–	-14
Warrants		–	300
Repurchasing of employee options		-863	–
Repurchasing of warrants		-764	–
Repayment of lease liabilities		-2,234	-3,706
Repayment of loans		-6,688	-26,808
Cash flow from financing activities		**-10,550**	**-31,172**
Total cash flow		**-83,860**	**-126,566**
Cash and cash equivalents at the beginning of the year		188,706	306,209
Exchange rate differences related to cash and cash equivalents		-1,988	9,063
Cash and cash equivalents at the end of the year		**102,858**	**188,706**

Parent company income statement

SEK thousand	Note	2023	2022
Net sales		34,017	35,048
Other revenues		11	321
Total revenues		**34,028**	**35,370**
Other external costs	6	-17,704	-16,625
Personnel costs	7	-21,087	-19,149
Depreciation, amortisation and impairment	14	-327	-327
Other operating expenses		-34	-70
Total operating expenses		**-39,152**	**-36,172**
Operating profit/loss		**-5,125**	**-802**
Profit/loss from financial items			
Financial income and similar profit/loss items		1,913	859
Financial expenses and similar profit/loss items		-3,146	-158,580
Net financial items	10	**-1,232**	**-157,721**
Profit/loss after financial items		**-6,357**	**-158,523**
Profit/loss before tax		**-6,357**	**-158,523**
Tax on profit for the year	11	–	–
Profit for the year		**-6,357**	**-158,523**

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

Parent company balance sheet

SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure	14	409	737
Total intangible assets		**409**	**737**
Financial assets			
Shares in subsidiaries	12	529,121	530,035
Receivables from Group companies	16	1,180	1,454
Total financial assets		**530,301**	**531,488**
Total non-current assets		**530,711**	**532,225**
Current assets			
Receivables from Group companies	27	1,446	4,083
Tax receivables		65	100
Prepaid expenses and accrued income	19	383	398
Cash at bank and in hand	20	4,359	2,243
Total current assets		**6,252**	**6,823**
TOTAL ASSETS		**536,963**	**539,048**

SEK thousand	Note	31 Dec 2023	31 Dec 2022
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		1,179,920	1,181,170
Accumulated profit/loss		-773,016	-614,493
Profit for the year		-6,357	-158,523
Total non-restricted equity		**400,547**	**408,154**
Total equity	21	**401,684**	**409 291**
Non-current liabilities			
Liabilities to Group companies		51	51
Total non-current liabilities		**51**	**51**
Current liabilities			
Trade payables		429	1,289
Liabilities to Group companies	27	109,675	90,034
Other current liabilities	24	13,538	28,712
Accrued expenses and deferred income	25	11,585	9,670
Total current liabilities		**135,228**	**129,705**
Total liabilities		**135,279**	**129,757**
TOTAL EQUITY AND LIABILITIES		**536,963**	**539,048**

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 2023	**1,137**	**1,181,170**	**-773,016**	**409 291**
Net profit and comprehensive income for the year	–	–	-6,357	-6,357
Transactions with shareholders in their role as owners	–	–	–	–
Share-based payments	–	-485	–	-485
Repurchasing of warrants	–	-764	–	-764
Total transactions with owners	–	**-1,249**	–	**-1,249**
Closing balance at 31 December 2023	**1,137**	**1,179,920**	**-779,373**	**401,684**

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 payments – 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**

Also see Note 21.

Parent company cash flow statement

SEK thousand	Note	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss (EBIT)		-5,125	-802
Depreciation and amortisation		327	327
Other non-cash items	28	378	246
Interest received		96	162
Interest paid		-2	-252
Paid tax		35	94
Cash flow before changes in working capital		**-4,289**	**-223**
Changes in operating receivables		14,716	11,843
Changes in trade payables		-860	-464
Changes in operating liabilities		9,338	-63,242
Cash flow from operating activities		**18,904**	**-52,087**
Acquisitions of subsidiaries		914	-8,932
Payment of contingent considerations		-16,074	–
Cash flow from investing activities		**-15,160**	**-8,932**
Transaction costs for share issues		–	-14
Warrants	21	–	300
Repurchasing of employee options		-863	–
Repurchasing of warrants		-764	–
Cash flow from financing activities		**-1,627**	**287**
Total cash flow		**2,116**	**-60,733**
Cash at bank and in hand at the beginning of the year		2,243	62,975
Cash at bank and in hand at the end of the year		**4,359**	**2,243**

Notes

NOTE 1 Accounting policies

Readly International AB (publ) is a public limited liability company domiciled in Sweden, with its registered office in Stockholm. The address of the head offices is Gjörwellsgatan 30, 112 60 Stockholm. The consolidated financial statements for 2023 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 25 March 2024. 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 15 May 2024.

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.

Judgements and estimates in the financial statements
Preparing the financial statements in accordance with IFRS requires the use of some critical accounting estimates. The company management must also make judgements and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements.

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.

Judgements made by the company management in the application of IFRS that have a significant impact on the financial statements, and estimates made that may entail significant adjustments to the financial statements for subsequent years, are more fully described in Note 3.

Changes in accounting policies due to new or amended IFRS
IFRS standards issued or amended in 2023 have not had a material impact on the Group's financial statements.

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

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

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

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

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

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

Contingent considerations are liabilities and are recognised at fair value at the acquisition date. Subsequent changes in fair value are recognised in financial income or expenses. 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 were incurred. In cases where an acquisition does not relate to 100 per cent of the subsidiary, non-controlling interests are created. 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 into 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 payments in such transactions and from the restatement of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognised in the income statement.

Note 1. Cont.

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 profit and financial position of all Group companies that have a functional currency other than the presentation currency are translated into 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 happens 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 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, for example, of one month's free subscription.

Most of the Group's contracts with customers are for 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 straight-line 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.

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 taxable profit for the period 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 in situations in which the applicable tax regulations are subject to interpretation. When deemed appropriate, the management makes provisions for the amounts expected to be paid to the tax authorities.

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 through 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 when 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 management 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 for 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. Changes in fair value are recognised in financial income or expenses.

(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 the 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.

Note 1. Cont.

Derecognition of financial liabilities
Financial liabilities are derecognised from the statement of financial 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
Provisions for expected credit losses – general method
The Group applies a rating-based method to assess the expected credit losses based on the probability of default, expected loss and default exposure. Each counterparty is assessed. The Group has defined a 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 an assessment is based on whether payments are 60 days or more past due, or whether a significant rating downgrade has occurred, resulting in a rating below investment grade. The financial assets subject to provisions 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 at counterparty level, combined with other known information and forward-looking factors, to assess expected credit losses. Initially credit risk is assessed at counterparty level. The Group writes off a receivable when there is no longer any expectation of receiving payment and after active measures to collect payment have concluded.

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 a provision being 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 a 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 carried out that takes historical, current and forward-looking information into account. For non-credit-impaired receivables, a collective assessment is carried out. The Group writes off a receivable when there is no longer any expectation of receiving payment and after active measures to collect payment have concluded.

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 the development and testing of identifiable and unique assets that are under the Group's control are reported as intangible assets when the criteria in accordance with IAS 38 are met.

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

Other development expenditures that do not fulfil the criteria above are expensed as they arise; also see Note 3, Critical accounting estimates and judgements. Development expenditures that were expensed in previous periods are not reported as assets in subsequent periods. 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.

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
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 policies
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 when the asset is available for use. The useful lives are reviewed at least annually.

The following useful lives are used for amortisation:

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

Leases
The right of use is written off on a straight-line basis over the shorter of the asset's useful life and the length of the lease agreement. The leases within the Group are primarily property rental contracts for office space.

The leases are normally signed for fixed periods of between three and 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 took into account all the facts and circumstances that provide a 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 within the Group entered into 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 in accordance with IFRS 16, which means that payments for short-term contracts and low value leases are expensed on a straight-line basis in the income statement. Short-term contracts are agreements with a lease term of 12 months or less. Low value leases are considered to be leases amounting to SEK 50 thousand or less. They are instead expensed on a straight-line basis in the income statement.

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 with a diluting

Note 1. Cont.

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 would have been issued assuming that the share options were 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 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 rendered by the employees. The liability is recognised as an obligation relating to 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 the 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 ITP 1 plan. For salaried employees in Sweden, pension obligations are secured for retirement and family pensions through insurance with Avanza Pension (516401-6775) and Euro Accident Health & Care Insurance AB (55655-4766).

Share-based payments

The Group has agreements on share-based payments with employees. These are equity-settled agreements only.

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 programmes 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 contributions 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 within the Group have been offered the chance, on various occasions, 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. The amount received in respect of warrants is recognised as equity.

Cash flow statement

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

Parent company accounting policies

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 means that, in the annual report for the legal entity, the parent company must apply the International Financial Reporting Standards (IFRS) as adopted by the EU, and statements, to the extent that this is possible within the scope of the Annual Accounts Act and the Pension Obligations Vesting Act, and taking into account the relationship between accounting and taxation. The recommendation states which exceptions from and additions to IFRS are to be made.

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 the periods presented in the parent company's financial statements.

Valuation policies 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 were changed in 2023 in accordance with the information given 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 compared 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.

Leases

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 policies 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.

Note 1. Cont.

Share-based payments
The parent company has agreements on share-based payments with subsidiaries' employees. These are equity-settled agreements only.

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.

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 participations of the donor, if 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 most significant currency exposure is due to upcoming royalty payments booked as liabilities. At the balance sheet date, there are liabilities in EUR, GBP and USD for royalties amounting to SEK 57.6 million (48.3), SEK 33.3 million (30.3) and SEK 6.8 million (6.6), 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 5.7 million (4.8), SEK 3.3 million (3.0) and SEK 0.7 million (0.7), respectively.

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 whose amount is material, 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, through exposure to either a single customer or group of customers whose economic positions 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 their financial position is considered, as well as previous experience and other factors.

Liquidity risk
Readly has historically reported substantial losses and negative cash flows as a consequence of the company's continued substantial investments in product development and marketing activities aimed at generating long-term growth. In recent years, Readly has adopted a partially new strategy that involves a focus on core markets and sustainable growth, which has led to significantly better profitability. If the company does not succeed with its strategy a need for further capital may arise. If this were to occur, a shareholder base with available financial resources would be required to be able to support further investments 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 according to 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.

Note 2. Cont.

At 31 Dec 2023	< 3 months	3 months – 1 year	1–5 years	Carrying amount
Non-current financial liabilities				
Lease liabilities	–	–	1,464	1,856
Long-term borrowings	–	–	4,438	5,001
Total non-current financial liabilities	**–**	**–**	**5,902**	**6,857**
Current financial liabilities				
Lease liabilities	146	730	–	851
Short-term borrowings	1,112	5,576	–	6,440
Trade payables	34,003	–	–	34,003
Accrued expenses	125,888	–	–	125,888
Contingent considerations	–	11,330	–	11,330
Total current financial liabilities	**161,150**	**17,636**	**–**	**178,513**
Total financial liabilities	**161,150**	**17,636**	**5,902**	**185,370**

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**

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 possibility of paying 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 timing and scope of any future dividends. When the Board of Directors considers future dividends, it will take into consideration such factors as the amount of shareholders' equity required given 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 the number of its employees have grown 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 – 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.

Capital management	31/12/2023	31/12/2022
Total loans raised (Note 22)	-11,442	-18,185
Less: cash and cash equivalents (Note 20)	102,858	188,706
Net cash	91,416	170,521
Total equity	**34,697**	**90,557**
Total capital	**56,719**	**79,964**
Debt-equity ratio, %	33	20

NOTE 3 Critical accounting estimates and judgements

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, the company management has discussed the development, selecting and disclosure of the company's critical accounting policies and estimates, and the application of these policies and estimates.

The estimates and assumptions that entail a significant risk of material adjustments to the carrying amounts of assets and liabilities in the coming financial year are broadly addressed 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 for being in the development phase and will therefore be capitalised. Five different phases are used for each project in this assessment. 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 (32.8) meet the criteria for capitalisation for the financial year 2023. The corresponding amount has therefore been capitalised in the statement of financial position. For further information, see Note 14.

Proprietary intangible assets are stated at cost at the time of acquisition and are amortised on a straight-line basis over their projected useful life, which is equal to the estimated time for which they will generate cash flow. All the relevant factors are taken into account in the assumption on useful life, 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 an impairment loss may exist. Such events may be due to changes in technological developments or other unexpected circumstances that mean that the value can no longer be justified.

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 in the foreseeable future. The foreseeable future extends at least, 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 the available information and assumptions about the future. Furthermore, the Board of Directors and CEO continuously monitor circumstances that may affect the validity of the going concern assumption, for which the most critical risk is access to funding. The Board of Directors and CEO believe that the company's existing working capital and available financing opportunities are sufficient to meet the requirements of the going concern assumption.

Tax loss carry forwards
Unutilised loss carry forwards for which no deferred tax asset has been recognised amount to SEK 962 million (1,157) at 31 December 2023 and relate to Sweden and France. The loss carry forwards are mainly recognised by the operating company and subsidiary Readly AB, and the parent company Readly International AB. Readly estimates that approximately SEK 962 million of these losses remain as a result of the acquisition by Tidnings AB Marieberg. 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 losses.

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. For more information, see Note 17.

NOTE 4 Breakdown of net sales

	Group	
Net sales by type of service	**2023**	**2022**
Readly's digital magazine service	634,489	553,576
Other sales revenue	28,577	27,164
Total	**663,066**	**580,740**

Net sales by geographic market	**2023**	**2022**
Germany	263,639	210,910
Sweden	99,579	96,842
UK	127,100	114,067
France	68,985	66,250
Rest of world	103,763	92,670
Total	**663,066**	**580,740**

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

NOTE 5 Other operating income

	Group	
	2023	**2022**
Operating exchange rate gains	13,812	9,090
Barter transactions	112	1,654
Other operating income	19	129
Total	**13,943**	**10,873**

NOTE 6 Remuneration of auditors

	Group		Parent company	
	2023	2022	2023	2022
PwC				
Audit assignment	709	648	460	444
Auditing activities in addition to the audit assignment	–	–	–	–
Tax consulting	9	9	9	9
Other services	320	436	320	436
Other auditors				
Audit assignment	434	339	–	–
Total	**1,471**	**1,432**	**788**	**889**

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 mainly refer to the auditor's review of interim reports and various consultations.

For the financial years 2023 and 2022, Öhrlings PricewaterhouseCoopers AB was appointed as the Group's auditor.

NOTE 7 Employee remuneration, etc.

Average number of employees

	Group				Parent company			
	2023		2022		2023		2022	
	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	68	42	66	39	3	3	3	3
Germany	16	7	16	8	–	–	–	–
UK	14	8	16	8	–	–	–	–
France	11	4	13	5	–	–	–	–
Total	**109**	**61**	**111**	**60**	**3**	**3**	**3**	**3**

Gender breakdown, senior executives

	2023		2022	
Group	Number at year-end	Of whom, men	Number at year-end	Of whom, men
Board members	7	4	5	4
CEO and other senior executives	6	3	7	4
Total	**13**	**7**	**12**	**8**

	2023		2022	
Parent company	Number at year-end	Of whom, men	Number at year-end	Of whom, men
Board members	7	4	5	4
CEO and other senior executives	6	3	2	2
Total	**13**	**7**	**7**	**6**

Expensed salaries, other remuneration and social security contributions

	Group		Parent company	
	2023	2022	2023	2022
Salaries, including severance pay	96,207	86,582	16,731	14,004
Social security contributions	19,201	18,565	2,055	2,117
Pension costs – defined contribution plans	7,034	6,596	1,721	1,651
Share-based payments to employees	378	246	–	–
Total employee remuneration	**122,817**	**111,990**	**20,507**	**17,772**

Note 7. Cont.

Expensed remuneration and other benefits for senior executives, SEK thousand

	Salaries		Variable remuneration		Pension costs	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
CEO Maria Hedengren	103	2,244	–	–	29	590
CEO Mats Brandt	4,158	4,099[1]	1,906	834	587	352
CEO Philip Lindqvist	1,750	–	729	–	438	–
Other senior executives	10,822	11,670[1]	2,218	3,285	1,778	1,324
Group total	**16,833**	**18,013[1]**	**4,853**	**4,119**	**2,832**	**2,266**

1) Total invoicing pertaining to non-employed senior executives amounted to SEK 0 million (4.6), of which SEK 0 million (2.4) relate to the CEO. These costs have been included in the total amount for base salaries but also include social security contributions 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 4.8 million (4.1) pertaining to the financial year, of which SEK 2.6 million (0.8) relate to the CEO.

Board of Directors

The remuneration and fees for 2023 approved by the Annual General Meeting and the Extraordinary General Meeting are described in the table below. At the Extraordinary General Meeting, it was decided to pay fees to the Board members who are independent of Tidnings AB Marieberg and Bonnier News Group AB. No remuneration is paid to other members of the Board. 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

	2023				2022			
	Directors' fee	**Committee fee**	**Variable remuneration**	**Other remuneration**	**Directors' fee**	**Committee fee**	**Variable remuneration**	**Other remuneration**
Jan Lund[1]	–	–	–	–	–	–	–	–
Carolina Brandtman[1]	176	27	–	–	–	–	–	–
Mikael Antonsson[1]	–	–	–	–	–	–	–	–
Laurent Kayser[1]	–	–	–	–	–	–	–	–
Victoria Selin[1]	–	–	–	–	–	–	–	–
Jesper Wikberg[1]	–	–	–	–	–	–	–	–
Patrick Svensk[2]	173	23	–	–	512	64	–	–
Nathan Medlock[2]	87	5	–	–	256	15	–	–
Alexandra Whelan[3]	–	–	–	–	104	10	–	–
Victor Fritzén[3]	–	–	–	–	104	27	–	–
Malin Stråhle	260	15	–	–	256	–	–	–
Stefan Betzold[2]	87	5	–	–	256	15	–	–
Nicolas Adlercreutz[2]	87	33	–	–	152	58	–	–
Total	**870**	**108**	–	–	**1,640**	**190**	–	–

1) Jan Lund, Carolina Brandtman, Mikael Antonsson, Laurent Kayser, Victoria Selin and Jesper Wikberg took office at the 2023 Annual General Meeting.
2) Patrick Svensk, Nathan Medlock, Stefan Betzold and Nicolas Adlercreutz resigned at the 2023 AGM.
3) Alexandra Whelan and Victor Fritzén resigned at the 2022 AGM.

Defined contribution pensions

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 paid in an amount corresponding to the terms under ITP1. Pensionable salary means the basic salary.

Severance pay

A notice period of six months applies between the company and the CEO for notice given by the CEO and 12 months for notice given by the company. Mutual notice periods ranging from three to six months apply between the company and the other senior executives. No severance pay has been agreed upon.

Warrant programmes 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 settled at fair value at the grant date. Fair value is calculated using the Black & Scholes option pricing model.

Note 7. Cont.

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

	2023		2022	
	Average exercise price per warrant, SEK	**Warrants**	**Average exercise price per warrant, SEK**	**Warrants**
At 1 January	**41**	**737,800**	**54**	**569,300**
Granted	–	–	15	370,500
Repurchased	34	-558,000	–	–
Expired	–	–	55	-59,333
At 31 December	**19**	**179,800**	**41**	**737,800**

In 2023, Readly granted a total of 0 warrants (370,500) to key personnel within the Group. In 2022, Readly offered key personnel within 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. 0 (59,333) warrants have expired. None of the outstanding warrants were redeemable at 31 December 2023.

Repurchasing of options

In 2023, Readly offered the Group's employees the chance to sell back warrants and employee options. Readly repurchased a total of 722,000 options, of which 408,000 warrants and 314,000 employee options. In 2023, 150,000 warrants were also repurchased from the former CEO.

The warrants were repurchased at fair value at the time of repurchase. SEK 0.7 million were recognised in equity as a result of the repurchase.

The employee options were repurchased at fair value at the time of repurchase. The repurchase of employee options was treated as a cancellation of option programmes, which is accounted for as a shortening of the vesting period, so that the expense that would otherwise have been recognised over the remainder of the vesting period was recognised immediately. The repurchase of employee options amounted to SEK 0.9 million and was recognised in equity. The accelerated vesting of the repurchased employee options programmes amounted to SEK 0.2 million.

Outstanding warrants at year-end:

Year of issue	Programme	Subscription period	Exercise price	Fair value [1]	Average time to maturity (years)	Warrants 31/12/2023	Warrants 31/12/2022
2021	2021/2024	01/07/2024–15/12/2024	53	4.44	3	170,800	367,300
2022	2022/2025	01/07/2025–15/12/2025	15	0.81	3	9,000	370,500
Total						**179,800**	**737,800**

1) Fair value is calculated at the option issue date.

Fair value of granted warrants 2022

The fair value on the grant date takes into account the exercise price (SEK 14.95), the warrant's term (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 rate (1.4%) for the warrant's term and the correlation and volatility for a group of peer companies. The expected volatility of the share price is based on the historical volatility (in line with the remaining term of the warrant), adjusted for the expected changes in future volatility as a result of publicly available information.

Employee options programmes

The employee options programme is designed to give senior executives (including the company management) a long-term incentive 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.

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

	2023		2022	
	Average exercise price per option, SEK	**Options**	**Average exercise price per option, SEK**	**Options**
At 1 January	**34**	**464,250**	**39**	**303,083**
Granted	–	–	13	249,000
Forfeited	–	-17,575	43	-79,750
Repurchased	33	-314,000	–	–
Expired	33	-81,250	33	-8,083
At 31 December	**20**	**51,425**	**34**	**464,250**

Note 7. Cont.

In 2023, Readly granted a total of 0 employee options (249,000) to key personnel within the Group. 81,250 employee options expired in 2023.

Outstanding employee options at year-end:

Year of issue	Programme	Vesting period	Termination date	Subscription period	Exercise price of shares[1]	Fair value [2]	Employee options 31/12/2023	Employ-ee options 31/12/2022
2019	2019/2023	02/05/2019–01/01/2021	01/01/2021	30/04/2022–30/04/2023	33	16	–	45,000
2019	2019/2022	18/06/2019–30/06/2023	30/06/2023	01/07/2023–30/12/2023	33	24	–	36,250
2021	2021/2024	01/07/2024–15/12/2024	30/06/2024	01/07/2024–15/12/2024	53	4.44	36,425	137,000
2022	2022/2025	21/07/2025–31/12/2025	20/07/2025	21/07/2025–31/12/2025	13	0.81	15,000	249,000
Total							**51,425**	**464,250**

1) The exercise price has been adjusted to illustrate the 1:1 ratio between options and shares. According to the actual ratio, each employee option gives the right to subscribe for 5 shares for programmes started before 2021.

2) Fair value is calculated at the option issue date.

Fair value of granted employee options 2022
The fair value on the grant date takes into account the exercise price (SEK 12.74), the option's term (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 rate (1.6%) for the option's term and the correlation and volatility for a group of peer companies. The expected volatility of the share price is based on the historical volatility (in line with the remaining term of the option), adjusted for the expected changes in future volatility as a result of publicly available information.

Costs of employee options programmes
The cost of the employee options programmes during the year, which was reported as part of personnel costs, amounted to SEK 0.4 million (0.3) excluding social security contributions

NOTE 8 Leases

Leased assets within Readly consist solely of office premises.

Group	2023	2022
Opening balance at 1 January	7,973	11,244
Additional leases	1,082	–
Outgoing leases	-3,872	–
Depreciation	-2,547	-3,271
Closing balance at 31 December	**2,636**	**7,973**

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

Amounts reported in the Income statement

Group	2023	2022
Depreciation of right-of-use assets	-2,547	-3,271
Interest on lease liabilities	-410	-538
Costs for short-term leasing	-5,319	-3,375

Amount reported in the Cash flow statement

Group	2023	2022
Total cash flow attributable to leases	**-7,964**	**-7,619**

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

NOTE 9 Other operating expenses

Group	2023	2022
Operating exchange rate losses	-12,397	-10,040
Total	**-12,397**	**-10,040**

NOTE 10 Financial income and expenses

	Group		Parent company	
	2023	2022	2023	2022
Interest income from Group companies	–	–	69	79
Interest income	1,945	159	61	26
Proceeds of liquidation	–	187	–	187
Revaluation of contingent considerations	–	20,838	–	–
Exchange rate differences	10,135	20,129	1,783	567
Total financial income	**12,080**	**41,312**	**1,913**	**859**
Interest expenses	-1,715	-3,875	-2	-3
Impairment of shares in subsidiaries	–	–	-200	-152,220
Discounting of contingent considerations	-903	-971	-903	-971
Exchange rate differences	-12,005	-15,632	-2,041	-5,386
Total financial expenses	**-14,623**	**-20,479**	**-3,146**	**-158,580**
Net financial items	**-2,543**	**20,833**	**-1,232**	**-157,721**

NOTE 11 Income tax

	Group		Parent company	
	2023	2022	2023	2022
Current tax	-555	448	–	–
Adjustments relating to previous years	-36	–	–	–
Deferred tax	2,809	-2,126	–	–
Tax on profit for the year	**2,218**	**1,678**	**–**	**–**
Reported profit/loss before tax:	-56,836	-121,638	-6,357	-158,523
Income tax calculated at the applicable tax rate, 20.6% (20.6%)	11,708	25,057	1,310	32,656
Tax effects of:				
Tax losses for which no deferred tax assets are reported	-10,119	-21,826	-1,069	-1,058
Tax effect of tax-exempt income	2	39	1	39
Tax effect of non-deductible expenses	-269	-1,384	-239	-31,562
Tax effect of deductible expenses not recognised in the income statement	–	-3	–	-3
Effect of foreign tax rates	896	-205	–	–
Other	–	–	-3	-71
Tax expense	**2,218**	**1,678**	**–**	**–**

Tax loss carry forwards	**2023**	**2022**
Unutilised tax loss carry forwards for which no deferred tax asset has been recognised	962[1]	1,157
Potential tax benefit, 20.6%	198	238

The unutilised loss carry forwards relate to Readly International AB (publ) and two subsidiaries (the operating company Readly AB and Readly France SA). Most of the loss carry forwards are recognised by Swedish companies that are unlikely to generate taxable income in the foreseeable future. Tax loss carry forwards are not limited in time. In 2023, Readly was acquired by Tidnings AB Marieberg. Its loss carry forwards may be reduced as a result of the acquisition. The company estimates that SEK 962 million of these losses remain.

The OECD's Pillar Two model rules

The Readly Group is part of a Group where Albert Bonnier AB is the parent entity and that Group isubject to the OECD's Pillar Two model rules. Pillar Two legislation has been adopted in Sweden, where the parent company is based. As the Pillar Two legislation had not entered into force at the balance sheet date, the Group has no related current tax exposure. The legislation requires that the Group pay an additional tax on the difference between the effective tax rate calculated according to the GloBE rules for each jurisdiction and the minimum tax rate of 15 per cent.

The Group is currently assessing its exposure to Pillar Two legislation when it comes into force. Due to the complexity involved in applying the legislation and calculating GloBE revenues, it is not yet possible to estimate the quantitative impact with reasonable certainty.

The Group applies the exception for the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, as set out in the amendments to IAS 12 issued in May 2023.

1) The company's assessment is that approximately 245 MSEK of the opening tax loss carry forward has been lost. Out of the tax loss carry forward of 962 MSEK as of 31 December 2023, 338 MSEK is related to Readly International AB (publ), 597 MSEK to Readly AB, approximately 25 MSEK in Readly France SA and 0,3 MSEK in Readly Financial Instruments.

NOTE 12 Holdings and investments in subsidiaries

The Group had the following subsidiaries at 31 December 2023:

Name	Country of registration and activity	Percentage of ordinary shares directly owned by the Group (%) 31/12/2023	Percentage of ordinary shares directly owned by the Group (%) 31/12/2022
Readly AB	Sweden	100	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	99.8

Parent company	2023	2022
Opening balance	**530,035**	**694,160**
Capital contributions	200	–
Acquisitions for the year	-914	8,932
Impairment	-200	-152,220
Reversal of contingent considerations	–	-20,838
Closing balance	**529,121**	**530,035**

The parent company has participations in the following subsidiaries:

Company name	Registered office	Share of capital, %	Number of shares	Carrying amount 31/12/2023	Carrying amount 31/12/2022
Readly AB	Stockholm, Sweden	100	50,000	459,908	459,908
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	7,897,518	68,753	69,667

NOTE 13 Goodwill

Group	31/12/2023	31/12/2022
Opening carrying amount at 1 January	**49,982**	**70,744**
Impairment losses	–	-27,000
Translation difference for the year	-141	6,238
Closing carrying amount at 31 December	**49,841**	**49,982**
Carrying amount		
Cost	76,982	76,982
Accumulated impairment losses	-27,000	-27,000
At 31 December	**49,841**	**49,982**

Goodwill by cash-generating unit

Group	31/12/2023	31/12/2022
Readly France	49,841	49,982
Total	**49,841**	**49,982**

Impairment testing of goodwill

Readly's recognised goodwill at 31 December 2023 amounts to SEK 49.8 million (50.0) and was generated by the acquisition of Readly France SA. During the year, net goodwill decreased by SEK 0.1 million due to currency effects.

Goodwill has been allocated to cash-generating units in order to test for impairment. Goodwill is divided between Readly "all you can read" SEK 0.0 million (0.0) and Readly France SEK 49.8 million (50.0). The carrying amounts of the cash-generating units are tested annually or when there are indications of impairment.

The impairment test performed in the fourth quarter of 2023 resulted in no impairment being required. The impairment test reflects the past year's growth opportunities and is in line with the past year's weighted average cost of capital (WACC). The previous year's impairment test, carried out in the fourth quarter of 2022, resulted in the Group writing down goodwill by SEK 27.0 million. This reflected slightly weaker growth opportunities and a higher weighted average cost of capital (WACC).

An estimate of the expected cash flows from Readly France's operations was made for this test. The cash flows are based on Readly France's 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 2.0 per cent (2.0) per year was assumed, which does not exceed the long-term growth rate of the market. Cash flows were discounted by a weighted average cost of capital of 16.0 per cent (16.0) after tax.

NOTE 14 Other intangible assets

	Capitalised development expenditure	
Group	**31/12/2023**	**31/12/2022**
Opening carrying amount at 1 January	**58,253**	**40,559**
Purchases/internally developed	32,804	32,833
Amortisation	-16,111	-12,704
Translation difference for the year	50	160
Impairment losses	-17,041	-2,595
Closing carrying amount at 31 December	**57,956**	**58,253**
Carrying amount		
Cost	159,499	126,645
Accumulated amortisation	-81,518	-65,407
Accumulated impairment losses	-20,026	-2,985
At 31 December	**57,956**	**58,253**

The value of intangible assets is measured on an ongoing basis. During the year, a need for impairment was identified for a number of assets, mainly due to changes in technological developments, and these were written down.

	Capitalised development expenditure	
Parent company	**31/12/2023**	**31/12/2022**
Opening carrying amount at 1 January	**737**	**1,064**
Amortisation	-327	-327
Closing carrying amount at 31 December	**409**	**737**
Carrying amount		
Cost	1,637	1,637
Accumulated amortisation	-1,228	-900
At 31 December	**409**	**737**

	Publishing contracts	
Group	**31/12/2023**	**31/12/2022**
Opening carrying amount at 1 January	**14,243**	**16,432**
Amortisation	-3,750	-3,474
Translation difference for the year	83	1,286
Closing carrying amount at 31 December	**10,576**	**14,243**
Carrying amount		
Cost	18,077	17,994
Accumulated amortisation	-7,501	-3,750
At 31 December	**10,576**	**14,243**

	Customer contracts	
Group	**31/12/2023**	**31/12/2022**
Opening carrying amount at 1 January	**14,295**	**15,948**
Amortisation	-3,154	-2,922
Translation difference for the year	63	1,269
Closing carrying amount at 31 December	**11,204**	**14,295**
Carrying amount		
Cost	17,512	17,449
Accumulated amortisation	-6,308	-3,154
At 31 December	**11,204**	**14,295**

	Trademarks	
Group	**31/12/2023**	**31/12/2022**
Opening carrying amount at 1 January	**6,709**	**7,740**
Amortisation	-1,767	-1,636
Translation difference for the year	39	606
Closing carrying amount at 31 December	**4,981**	**6,709**
Carrying amount		
Cost	8,515	8,476
Accumulated amortisation	-3,533	-1,766
At 31 December	**4,981**	**6,709**

NOTE 15 Property, plant and equipment

	Equipment, tools, fixtures and fittings	
Group	**31/12/2023**	**31/12/2022**
Opening balance at 1 January	**580**	**997**
Purchases	86	28
Depreciation	-928	-523
Translation difference for the year	421	78
Closing balance at 31 December	**159**	**580**
Carrying amount		
Cost	4,245	3,738
Accumulated depreciation	-4,085	-3,157
At 31 December	**159**	**580**

NOTE 16 Other non-current assets

	Group		Parent company	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Intra-group receivables	–	–	1,180	1,454
Deposits with payment providers	9,556	9,628	–	–
Rental deposits	205	245	–	–
Carrying amount	**9,761**	**9,874**	**1,180**	**1,454**

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 31/12/2023	Fair value through profit or loss 31/12/2023	Total
Financial assets			
Other non-current assets	9,761	–	**9,761**
Trade receivables	14,449	–	**14,449**
Other current receivables	6,162	–	**6,162**
Accrued income	15,495	–	**15,495**
Cash and cash equivalents	102,858	–	**102,858**
Total financial assets	**148,724**	–	**148,724**
Financial liabilities			
Non-current lease liabilities	1,856	–	**1,856**
Long-term borrowings	5,001	–	**5,001**
Current lease liabilities	851	–	**851**
Short-term borrowings	6,440	–	**6,440**
Trade payables	34,003	–	**34,003**
Accrued expenses	125,888	–	**125,888**
Contingent considerations	–	11,330	**11,330**
Total financial liabilities	**174,040**	**11,330**	**185,370**

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**

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, see below table. 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 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.

MSEK	
Opening balance 1 January 2023	**26,2**
Value adjustment	1,0
Restatement effect	0,2
Settled during the year	-16,1
Closing balance 31 december 2023	**11,3**

NOTE 18 Trade receivables and other current assets

Group	31/12/2023	31/12/2022
Trade receivables	14,759	7,981
Other current receivables	6,162	4,592
Accrued income	15,495	14,567
Cash and cash equivalents	102,858	188,706
Less: provisions for expected credit losses	-310	-308
Current assets – net	**138,964**	**215,538**

Owing to the short-term nature of the assets, the discounting effect is not considered to be significant, and the carrying amount is considered to correspond to fair value. This is therefore 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 2023, which corresponds to 0.22 per cent (0.14) of total current assets. Readly has historically had a low level of bad debts. At the balance sheet date, no significant increase in credit risk had been found to exist for any receivable. Such an assessment is based on whether payments are 90 days or more past due, or whether a significant rating downgrade has occurred, resulting in a rating below investment grade.

NOTE 19 Prepaid expenses and accrued income

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Prepaid insurance premiums	36	90	69	65
Other prepaid expenses	7,349	2,428	63	116
Prepaid licence fees	3,490	3,748	251	217
Prepaid rental and marketing costs	1,836	1,175	–	–
Accrued subscription income	10,940	12,763	–	–
Total	**23,651**	**20,205**	**383**	**398**

NOTE 20 Cash and cash equivalents

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Bank balances	102,858	188,706	4,359	2,243
Total	**102,858**	**188,706**	**4,359**	**2,243**

NOTE 21 Equity

At 31 December 2023, the Group's share capital amounted to SEK 1,137,142 divided between 37,904,738 shares.

0 warrants were exercised in 2023. 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.

In 2023, Readly repurchased 722,000 warrants from Group employees. The number of outstanding employee options at 31 December 2023 was 51,425 (470,250) for option programmes subscribed for before 11 September 2020, with the right to subscribe for 1:5 ordinary shares.

The number of outstanding warrants at 31 December 2023 was 179,800 (737,800) for option programmes subscribed for before 11 September 2020, with the right to subscribe for 1:5 ordinary shares.

Changes in share capital
The following table shows the changes in the share capital of Readly International AB (publ) for the financial years 2020–2023. 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
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

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

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
At 31 December 2023, only Readly France SA has a loan facility.
The loans were raised in January and May 2020 and fall due in 2025. The loans have a fixed annual interest rate of 1 per cent.

Readly AB's previous loan facility fell due on 1 January 2023. All the pledged assets related to the previous loan facility was released as of 9 January 2023.

There were no new borrowings in 2023 or in 2022.

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

	31/12/2023		31/12/2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Loan facility	11,442	11,126	18,185	17,906

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

Reconciliation of liabilities attributable to financing activities

SEK thousand	01/01/2023	Change in leases	Cash flow	Capitalised interest	Change in fair value	Exchange rate effects	31/12/2023
Lease liabilities	7,534	-2,593	-2,234	–	–	–	2,707
Loans	18,185	–	-6,688	–	–	-56	11,442
Reconciliation of liabilities attributable to financing activities	**25,719**	**2,593**	**-8,922**	**–**	**–**	**-56**	**14,149**

SEK thousand	01/01/2022	Change in leases	Cash flow	Capitalised interest	Change in fair value	Exchange rate effects	31/12/2022
Lease liabilities	11,244	–	-3,706	–	–	–	7,534
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**	**25,719**

NOTE 23 Deferred tax

Group	31/12/2023	31/12/2022
Deferred tax asset/liabilities		
Intangible assets	6 690	9 343
Lease liability	638	1 648
Right of use asset	619	1 737
Deferred tax asset, net	**19**	**89**
Deferred tax liability, net	**6 690**	**9 343**

Group	31/12/2023	31/12/2022
Change in deferred tax		
At 1 January	**9,343**	**10,632**
Recognised in profit or loss	-2,809	-2,126
Translation difference for the year	156	838
At 31 December	**6,690**	**9,343**

Tax loss carry forwards
Deferred tax assets are recognised for tax loss carry forwards or other deductions to the extent that 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 962 million (1,157) at 31 December 2023. The tax loss carry forwards do not expire at any time. The unutilised tax loss carry forwards are mainly recognised by the operating company and subsidiary Readly AB, and the parent company Readly International AB. Readly estimates that approximately SEK 962 million of these losses remain as a result of the acquisition by Tidnings AB Marieberg. Given existing expansion plans, Readly has determined that the Group will probably also report tax losses in the coming years, which means that no deferred tax assets are recognised for these losses, in accordance with IAS 12.

NOTE 24 Other current liabilities

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
VAT liability	4,949	4,043	1,132	1,226
Employee withholding taxes and payroll taxes	3,481	4,051	1,076	1,318
Other current liabilities	52	133	–	–
Contingent considerations[1]	11,330	26,170	11,330	26,170
Total	**19,811**	**34,396**	**13,538**	**28,712**

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 Note 17.

NOTE 25 Accrued expenses and deferred income

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Accrued compensation to publishers	125,888	112,771	–	–
Prepaid subscription income	29,697	28,544	–	–
Accrued salaries	10,293	6,039	8,338	5,574
Accrued holiday pay and social security contributions	7,208	6,795	711	1,196
Other accrued expenses	8,159	20,858	2,535	2,899
Total	**181,244**	**175,007**	**11,585**	**9,670**

NOTE 26 Pledged assets

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Pledged assets				
Chattel mortgages as collateral for bank guarantees	1,160	1,160	1,160	1,160
Shares in subsidiaries as collateral for the loan facility[1]	–	123,188	–	460,143

1) As of 9 January 2023, all the pledged assets related to the previous loan facility had been released.

NOTE 27 Related parties

Readly International AB is the ultimate parent company of the Readly Group. The other related parties are all Group subsidiaries and senior executives, i.e. the Board of Directors and company management and their families.

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

In 2023, Readly AB, a subsidiary of Readly International AB (publ), signed publishing agreements with Bonnier News AB and Bonnier Publications International AS, and an advertising agreement with Bonnier News AB. The estimated annual value of the publishing agreement with Bonnier News AB amounts to SEK 14 million, and SEK 2 million for the publishing agreement with Bonnier Publications AS. The estimated annual value of the advertising agreement is estimated to be approximately SEK 2–5 million.

The following transactions were conducted with related parties

Sales of products and services:

Parent company	31/12/2023	31/12/2022
Readly AB	31,911	32,562
Readly Books AB	–	60
Readly Financial Instruments AB	80	80
Readly GmbH	519	531
Readly UK Ltd	835	971
Readly LLC	80	80
Readly France SA	600	685
Total	**34,025**	**34,969**

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 rendered by personnel employed by the parent company, which relate to the entire Group.

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

Parent company	31/12/2023	31/12/2022
Receivables from subsidiaries:		
Readly AB	3,877	16,040
Readly Financial Instruments AB	425	325
Readly GmbH	350	322
Readly UK Ltd	87	194
Readly LLC	453	373
Readly France SA	155	–
Total receivables from subsidiaries	**5,347**	**17,254**

Note 27. Cont.

Loans to related parties

Parent company	31/12/2023	31/12/2022
Loan to Readly GmbH		
At the beginning of the year	**1,072**	**968**
Interest expenses	67	71
Exchange rate differences	41	32
At year-end	**1,180**	**1,072**
Loan to Readly UK Ltd		
At the beginning of the year	**301**	**414**
Interest expenses	74	17
Settled during the year	-375	-130
At year-end	**–**	**301**

The Group has no provisions for bad debts attributable to related parties. The Group has also not recognised any expenses pertaining to bad debts for related parties during the period. No assets are pledged for the receivables. Receivables from related parties mainly relate to invoicing for Group-wide services within the parent company and have indefinite terms. Liabilities to related parties largely originate from pledged, but not yet paid, shareholders' contributions, and have indefinite terms.

The loan to Readly GmbH has an indefinite term, with an annual interest rate of 6 per cent. The loan is not pledged and is paid in cash. The loan to Readly UK was settled in December 2023.

NOTE 28 Other non-cash items

	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Share-based payments, employee options programmes	378	246	378	246
Translation difference	-365	906	–	–
Provisions	-590	-931	–	–
Other non-cash items	-950	–	–	–
Total	**-1,526**	**222**	**378**	**246**

NOTE 29 Events after the balance sheet date

There were no significant events after the balance sheet date.

NOTE 30 Proposed appropriation of the parent company's profit

At the disposal of the Annual General Meeting:	
Loss brought forward	-773,016,061
Share premium reserve	1,179,920,246
Profit for the year	-6,356,866
SEK	**400,547,319**

The Board of Directors proposes that profits be appropriated as follows:	
To be carried forward, SEK	**400,547,319**

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 the 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 should therefore not be regarded as a replacement for the measures defined by IFRS. The tables below present certain measures that are not defined by IFRS and are therefore defined on page 67 of this report.

SEK thousand, unless otherwise stated	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
FPS (full-paying subscribers), number	464,494	452,466	478,362	369,764	278,555
Total revenues	677,009	591,613	466,308	352,604	264,739
Total revenue growth, %	14.4	26.9	32.2	33.2	35.1
ARPU[1] (Average revenue per user), SEK	117	102	92	93	87
Gross profit[1]	264,083	203,191	156,127	117,059	82,773
Gross profit margin[1], %	39.0	34.3	33.5	33.2	31.3
Gross contribution[1]	185,263	106,417	-33,780	-38,155	-16,303
Gross contribution margin[1], %	27.4	18.0	-7.2	-10.8	-6.2
EBITDA[1]	-8,995	-88,345	-197,373	-179,869	-134,618
EBITDA margin[1], %	-1.3	-14.9	-42.3	-51.0	-50.8
Operating profit/loss	-54,293	-142,471	-209,528	-189,775	-142,539
Operating margin, %	-8.0	-24.1	-44.9	-53.8	-53.8
Operating profit/loss adjusted for items affecting comparability[1]	-28,347	-131,823	-204,943	-170,311	-138,123
Operating margin adjusted for items affecting comparability[1], %	-4.2	-22.3	-44.0	-48.3	-52.2
Total operating expenses	-731,302	-734,084	-675,836	-542,378	-407,278
Profit for the year	-54,619	-119,960	-219,601	-197,424	-146,565
Items affecting comparability	-25,946	-10,648	-4,585	-19,464	-4,416
Net margin, %	-8.1	-20.3	-47.1	-56.0	-55.4
Cash flow from operating activities	-24,754	-62,725	-165,470	-154,044	-114,634
Average number of employees	134	144	89	71	55

Key data per share					
Earnings per share before and after dilution[2], SEK	-1.4	-3.2	-5.9	-6.5	-5.9
Equity per share before and after dilution[2], SEK	0.9	2.4	5.4	12.5	2.2
Weighted number of shares outstanding before and after dilution [2], number	37,904,738	37,904,738	37,327,803	30,466,591	24,739,268
Number of shares outstanding at year-end [2], number	37,904,738	37,904,738	37,904,738	37,031,448	27,246,160

1) For the reconciliation of the alternative performance measures, see pages 68–69.

2) The number of shares has been adjusted in comparative periods for the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 67.

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, 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 different years.
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/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 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 measure of profitability used by investors, analysts and the Group management to evaluate the Group's profitability.

Reconciliation of KPIs

Gross profit and gross profit margin

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Total revenues	677,009	591,613	466,308	352,604	264,739
Publisher costs	-412,926	-388,422	-310,181	-235,545	-181,966
Gross profit	**264,083**	**203,191**	**156,127**	**117,059**	**82,773**
Gross profit margin, %	**39.0**	**34.3**	**33.5**	**33.2**	**31.3**

EBITDA and EBITDA margin

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
EBITDA	-8,995	-88,345	-197,373	-179,869	-150,459
Total revenues	677,009	591,613	466,308	352,604	264,739
EBITDA margin, %	**-1.3**	**-14.9**	**-42.3**	**-51.0**	**-50.8**

Equity per share

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Weighted number of shares outstanding[1]	37,904,738	37,904,738	37,327,803	30,466,591	24,739,268
Total equity	34,697	90,557	201,714	381,904	54,773
Equity per share (SEK)	**0.9**	**2.4**	**5.4**	**12.5**	**2.2**

Net margin

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Profit for the year	-54,619	-119,960	-219,601	-197,424	-146,565
Total revenues	677,009	591,613	466,308	352,604	264,739
Net margin, %	**-8.1**	**-20.3**	**-47.1**	**-56.0**	**-55.4**

1) The number of shares has been adjusted in comparative periods for the number of shares after the 1:5 share split. See Definitions of Key Performance Indicators and calculations on page 67.

Operating profit/loss and operating margin

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Total revenues	677,009	591,613	466,308	352,604	264,739
Total operating expenses	-731,302	-734,084	-675,836	-542,378	-407,278
Operating profit/loss	**-54,293**	**-142,471**	**-209,528**	**-189,775**	**-142,539**
Operating margin, %	**-8.0**	**-24.1**	**-44.9**	**-53.8**	**-53.8**

EBITDA adjusted for items affecting comparability

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Operating profit/loss (EBITDA)	-8,995	-88,345	-197,373	-179,869	-134,618
Items affecting comparability					
Transaction costs for the listing process	–	–	–	19,464	4,416
Restructuring costs	11,543	7,640	–	–	–
Transaction and integration costs relating to the acquisition of Readly France SA	318	2,053	4,585	–	–
Transaction costs for the public cash offer	12,938	955	–	–	–
Transaction costs for the delisting and relisting process	1,146	–	–	–	–
EBITDA adjusted for items affecting comparability	**16,951**	**-77,697**	**-192,788**	**-160,405**	**-130,202**
Total revenues	677,009	591,613	466,308	352,604	264,739
EBITDA margin adjusted for IAC, %	**2.5**	**-13.1**	**-41.3**	**-45.5**	**-49.2**

Adjusted for items affecting comparability

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Operating profit/loss (EBIT)	-54,293	-142,471	-209,528	-189,775	-142,539
Items affecting comparability					
Restructuring costs	11,543	–	–	–	–
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	318	9,693	4,585	–	–
Transaction costs for the public cash offer	12,938	955	–	–	–
Transaction costs for the delisting and relisting process	1,146	–	–	–	–
Impairment of goodwill	–	27,000	–	–	–
Operating profit/loss adjusted for IAC	**-28,347**	**-104,823**	**-204,943**	**-170,311**	**-138,123**
Total revenues	**677,009**	**591,613**	**466,308**	**352,604**	**264,739**
Operating margin adjusted for IAC	**-4.2**	**-17.7**	**-44.0**	**-48.3**	**-52.2**

Total revenue growth

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Total revenues	677,009	591,613	466,308	352,604	264,739
Total revenue growth, %	**14.4**	**26.9**	**32.2**	**33.2**	**35.1**

Total operating expenses

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Publisher costs	-412,926	-388,422	-310,181	-235,545	-181,966
Marketing costs	-78,820	-96,774	-189,906	-155,213	-99,076
Other external costs	-56,971	-67,408	-62,862	-65,010	-57,229
Personnel costs	-124,890	-117,314	-94,977	-76,022	-58,833
Depreciation and amortisation	-45,298	-54,126	-12,155	-9,905	-7,921
Other operating expenses	-12,397	-10,040	-5,754	-682	-2,253
Total operating expenses	**-731,302**	**-734,084**	**-675,836**	**-542,378**	**-407,278**

Gross contribution and gross contribution margin

SEK thousand	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Total revenues	677,009	591,613	466,308	352,604	264,739
Publisher costs	-412,926	-388,422	-310,181	-235,545	-181,966
Marketing costs	-78,820	-96,774	-189,906	-155,213	-99,076
Gross contribution	**185,263**	**106,417**	**-33,780**	**-38,155**	**-16,303**
Gross contribution margin, %	**27.4**	**18.0**	**-7.2**	**-10.8**	**-6.2**

Assurance

The consolidated financial statements and annual report 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 give a true fair view of the Group's and parent company's financial position and the results of their 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 report and the consolidated financial statements, as set out below, were approved for release by the Board of Directors on 25 March 2024. 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 15 May 2024.

Stockholm, 25 March 2024

Jan Lund
Chairman of the Board

Mikael Antonsson Board Member	Carolina Brandtman Board Member	Laurent Kayser Board Member
Malin Stråhle Board Member	Veronica Selin Board Member	Jesper Wikberg Board Member

Philip Linqvist
CEO

Our audit report was submitted on 25 March 2024

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 2023. The annual accounts and consolidated accounts of the company are included on pages 27–71 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 as of 31 December 2023 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 2023 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. 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.

Basis for Opinions

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.

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–26. The Board of Directors and the Managing Directors are responsible for the 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 Directors and the Managing Directors
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 Directors 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 Directors 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 Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Directors of Readly International AB (publ) for the year 2023 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 Directors and the Managing Directors 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 Directors and the Managing Directors
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 www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Stockholm 25 March 2024

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

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