



Press release

9 November 2023

Continued revenue growth and on the way to long-term profitability

Readly International AB (publ) reports for the first time positive EBITDA for the third quarter, 2023. The number of fully paying subscribers increased by 3.1 percent to 460,686 (446,861) compared to the same period last year and increased by 1.3 percent from quarter to quarter. Total revenue increased by 18.2 percent to SEK 173.9 million (147.1) and ARPU rose to SEK 120 (103), an increase of 17.1 percent, largely as a result of the well-received price increases in all markets. The gross margin increased to 40.1 (32.7) percent and the adjusted EBITDA margin was 6.9 percent compared to -9.7 percent last year.

Readly has achieved profitability at the EBITDA level following a series of strategic measures aimed at increasing revenues and reducing costs. Among other things, the company has carried out several price adjustments and optimised investments in marketing towards a customer intake that exhibits higher lifetime value.

– We are happy to report an EBITDA positive quarter. This is an important step towards being a long-term profitable company. I am proud of the team and their efforts, but we are far from done. Looking ahead, our focus is on continuing to invest in product development to achieve robust margins. Readly is a highly appreciated service with loyal subscribers who have an established habit of consuming journalistic content. With an increasingly attractive content portfolio and improved mobile experience, we will get even more people to discover relevant content from the 1,200 publishers available on Readly and thus the full value of our service, says Philip Lindqvist, president and CEO of Readly.

1 July - 30 September 2023

- Total revenues amounted to SEK 173.9 (147.1) million, corresponding to an increase of 18.2 percent compared to the third quarter of 2022.
- The number of fully paying subscribers increased by 3.1 percent to 460,686 (446,861) at the end of the quarter.
- Gross profit increased by 45.0 percent to SEK 69.7 (48.1) million, corresponding to a gross margin of 40.1 (32.7) percent.
- The gross contribution margin for the period was 30.1 (17.2) percent.
- Adjusted operating profit (EBITDA) before items affecting comparability amounted to SEK 12.0 (-14.3) million, corresponding to an adjusted EBITDA margin of 6.9 (-9.7) percent.
- Adjusted operating profit (EBIT) before items affecting comparability amounted to SEK -2.5 (-20.5) million, corresponding to an adjusted operating margin of -1.5 (-13.9) percent.
- Operating profit (EBIT) amounted to SEK -3.6 (-20.6) million, corresponding to an operating margin of -2.1 (-14.0) percent.
- Net financial items for the quarter amounted to SEK -1.5 (1.1) million, which consists of exchange rate effects and discounting of the additional purchase price.
- Earnings per share were SEK -0.1 (-0.5), before and after dilution.

1 January - 30 September 2023

- Total revenues for the period amounted to SEK 502,759 (435,047) million, an increase of 15.6 percent compared to the same interim period in 2022.

- The number of fully paying subscribers increased by 3.1 percent to 460,686 (446,861) at the end of the quarter.
- Gross profit increased by 33.4 percent to SEK 194.3 million (145.7), corresponding to a gross margin of 38.7 percent (33.5).
- The gross contribution margin for the period was 26.1 percent (16.9).
- Adjusted operating profit (EBITDA) before items affecting comparability amounted to SEK 2.4 million (-65.6), corresponding to an adjusted EBITDA margin of 0.5 percent (-15.1).
- Adjusted operating profit (EBIT) before items affecting comparability amounted to SEK -37.4 (-83.5) million, corresponding to an adjusted operating margin of -7.4 percent (-19.2).
- Operating result (EBIT) amounted to SEK -57.9 (-93.2) million, corresponding to an operating margin of -11.5 percent (-21.4).
- Net financial items for the period amounted to SEK -0.4 (0.7) million, which consists of exchange rate effects and discounting of the additional purchase price.
- Earnings per share were SEK -1.5 (-2.4), before and after dilution.

Significant events during the period

- On July 17, 2023, the Board issued a notice for an extraordinary general meeting on August 10, 2023, with the main decision point to approve the publishing agreement with Bonnier News AB and Bonnier Publications International AS as well as the advertising agreement with Bonnier News AB.
- At the extraordinary general meeting on August 10, it was decided to approve publishing agreements with Bonnier News AB, Bonnier Publications International AS and advertising agreements with Bonnier News AB.

Significant events after the period

- On October 2, 2023, the Board decided to apply for the delisting of the company's shares from Nasdaq Stockholm and decided to apply for the listing of the company's shares on the Nasdaq First North Growth Market.
- On October 3, 2023, Readly received conditional approval for the delisting of the company's shares from Nasdaq Stockholm in connection with the listing change to Nasdaq First North Growth Market.
- On October 25, a reorganisation was carried out, which means that the product and tech departments will be merged. In connection with the reorganisation, Chief Product Officer Tomas Montan is leaving the company and Matti Zemack, former Chief Technology Officer, will take the role as Chief Product and Technology Officer and will have the responsibility for the merged organisation. The reorganisation also means that around 17 employees and consultants will leave the company.
- Nasdaq Stockholm AB has on 31 October made the assessment that Readly fulfils the requirements for admission to trading on Nasdaq First North Growth Market and will approve the application for admission to trading subject to customary conditions. Provided that Readly's share is approved for admission to trading on Nasdaq First North Growth Market, the last day of trading on Nasdaq Stockholm is expected to be 17 November 2023 and the first day of trading on Nasdaq First North Growth Market is expected to be 20 November 2023.

The report will be available for download on:

<https://corporate.readly.com/sv/investerare/finasiella-rapporter-och-presentationer/>

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About Readly

Readly is the European category leader for digital magazines and newspapers. The company offers a digital subscription service where customers have unlimited access to 7,600 national and international titles - all in one app and at a fixed monthly fee. Readly has subscribers in 50 countries and content available in 17 different languages. In collaboration with around 1,200 publishers worldwide, Readly is digitising the newspaper and magazine industry. In 2022, revenues amounted to SEK 592 million. The Readly share is listed on Nasdaq Stockholm. For more information, please visit <https://corporate.readly.com>