



edyoutec

edyoutec signs letter of intent to acquire award-winning German edtech company focused on kids games and educational apps

edyoutec AB ("edyoutec" or the "Company") has signed a letter of intent with a german developer of kids games and educational apps in order to acquire the company. The letter of intent gives edyoutec an exclusive right to conduct due diligence with the aim of signing a final purchase agreement in the beginning of 2024.

The final deal structure will be decided after the due diligence process has been finalized. With regards to the purchase price, it will have three components; a cash component, a share component and an earn-out component, of which the earn out component will be the largest part. The share component will be subject to a lock-up commitment of 24 months.

The target company specializes in mobile game development, game design and digital education. The company has created a number of successful children's apps which have been downloaded over 18 million times worldwide.

The company has a team of 6 experienced game developers within its studio located in Germany. The studio was established over ten years ago and has won several awards for its apps targeting children in the age range 4-10.

The studio has proven numerous times to be able to deliver high quality content and is currently producing a subscription-based education platform for kids from 6 to 10 years old. The platform is addressing parents and schools worldwide and is planned to be launched in the first half of 2024 on both apple and android. edyoutec will commit to getting necessary funding for the further development of the product.

The education platform will be accessible via an app. It addresses STEM school subjects such as science, technology, engineering and mathematics. The app has shown promising results from its beta launch with a relatively low cost per download, resulting in favorable margins, and a high conversion rate when it comes to monthly paying users.

The platform targets a global market and the subscription model is 9,99 EURO per month/user. The goal during the first 12 months after release is to reach 50.000 monthly/paying users and 100.000 monthly/paying users within 24 months.

The target company has historical revenues of 2 750 000 SEK and 2 950 000 SEK for 2021 and 2022 respectively and is estimated to turn over 3 384 000 SEK in 2023. The net profit is estimated to be 10 percent of these revenue figures. Preliminary equity capital for 2023 is 1 804 800 SEK.

The company will be a wholly owned subsidiary within the edyoutec Group and will continue to independently develop current and future titles. A closer presentation regarding the acquisition of the target company is planned

during January 2024.

Eric de Basso, CEO of edyoutec, comments:

"We are very happy to be able to explore the possibility to acquire a company that fits our declared Edtech strategy. edyoutec is moving forward with its plan to become a major player on the german speaking market. We will grow both organically and through acquisitions."

For further information, please contact:

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This information is such information that edyoutec AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted through the care of the above contact person, for publication on 2023-12-14, at 09:50.

About edyoutec

edyoutec is a Swedish company in games and digital education that consists of two verticals, Edtech and games. In the Edtech vertical, the company focuses on developing products in genres such as game-based learning and Serious Games, it is in these areas that edyoutec has identified the greatest synergies between the company's two verticals. In the Games vertical, the business concept is based on developing and distributing free-to-play ("F2P") mobile games for Android and iOS.

For more information, see edyoutec's website www.edyoutec.com