



edyoutec - Operational update December 2023

Press release 21 december 2023

As we approach the end of 2023 and move into 2024, we want to provide existing and prospective shareholders with an operational update and a look ahead to 2024.

As most of you know, the company now goes by the name edyoutec. The main focus is on Edtech where we have already signed an agreement to acquire the educational app Math Bakery at the beginning of next year and have entered into a letter of intent to acquire a German digital educational developer for children's games.

We are facing exciting launches in Q1 2024 and I will discuss the following below with a more detailed explanation.

- 1) Launch of the education platform Rail Experience
- 2) Launch of Tank Operations together with the publisher 2tainment.
- 3) Launch of King Royale together with the publisher MAF
- 4) Launch of Math Bakery on the European market
- 5) Launch of AppLeMat with publisher Meister Cody
- 6) Acquisition of a German developer of children's games and educational apps.

Rail Experience

Rail Experience is a digital training platform specifically designed for training locomotive drivers. The product is co-produced with Captrain - a leading European rail logistics company. Every year, about 4000 new railway officials are

trained and in 2024, the target is for at least 600 students to use the platform and for the education provider to pay a monthly license fee of EUR 49.90 per student. The target for 2025 is 1200 students and for 2026 1800 students. We are also looking at how to export Rail Experience to other German-speaking countries, thereby increasing the license-generating base. The platform is expected to be launched early in Q1 2024.

Tank Operations

Tank Operations is a proprietary title (via our wholly owned subsidiary Linked Dimensions GmbH) and is available as early access on Steam. The game has been well received and has a metascore of just over 80%. The game also has a fanbase and an active community. The price for Tank Operations on Steam is expected to be around 29 EUR and packs will be offered inside the game. The launch is tentatively set to January 15, 2024. 2tainment will be responsible for the marketing of the game and we have a profit sharing solution with a distribution of 50% each.

King Royale

We are facing an exciting start to 2024. Right now we are preparing King Royale for the upcoming launch together with the expertise of our publisher MAF. There is full focus on how the game can achieve the best possible monetization. For our owners who are not familiar with MAF, I will describe the company briefly.

MAF has been ranked by the Financial Times as one of Europe's fastest growing companies. The company turned over 19 million euros in 2022, according to Statista. MAF has about 50 million monthly users. They have previously shown their skill in being able to optimize the advertising viewing inside games and with the help of MAF we look forward to a strong revenue flow from King Royale.

The choice of MAF as publisher came after a long period of discussion and following the commitment and interest shown by MAF's publishing team.

source: <http://www.ft.com/ft1000-2023> , <http://www.statista.com/companies/o/25202524/myappfree-spa>

Math Bakery

Math Bakery is the latest acquisition to the edyoutec portfolio. It has been developed by the Swedish company Pi Idé AB. Math Bakery is a mathematical educational game validated for the age categories 5 - 12 years in the Swedish school system. It is one of only four math games in Sweden that have received scientific acceptance.

The idea is that Math Bakery will be prepared for the German-speaking market, but we are also looking at the rest of Europe. Math Bakery currently contains four apps, each aimed at different age groups. The apps will be re-launched in a new packaging where a subscription service is the main revenue model.

The goal is to be able to price Math Bakery at 4,99 EURO per month/user. We have a clear ambition to generate 10,000 monthly/paying users during the first 12 months and reach at least 17,500 monthly/paying users within 24 months. We expect to launch Math Bakery in the second half of Q1 2024.

The process of transforming Math Bakery into a product with a subscription service will be handled by our German subsidiary Wegesrand. The same team working on the math platform, AppLeMat, will manage the re-launch of the Math Bakery.

AppLeMat

AppLeMat is an educational platform (Android & iOS) for children with dyscalculia that aims to strengthen their ability to absorb mathematics. Through mini-games within the app, children can practice different mathematical skills. The level of difficulty of these mini-games adapts to the children's abilities. The project was commissioned by two prominent universities - Helmut Schmidt University in Hamburg and the University of Würzburg, but the product is owned by edyoutec. The platform will be delivered to schools in 2024 in cooperation with a strong publisher. The revenue model for the platform is a monthly license per user or per school. Our initial market is around 4000 schools in Germany.

LOI - German developer of children's games and educational apps

About a week ago, we announced that we had signed a letter of intent regarding an acquisition. The letter of intent gives edyoutec an exclusive right to conduct due diligence in order to sign a definitive purchase agreement in early 2024.

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

The company has a team of 6 experienced game developers in its studio in Germany. Since its foundation, the studio has won several awards for its apps aimed at children aged 4-10 years.

The studio has proven many times that it can deliver high quality content and is currently producing a subscription-based educational platform for children between 6 and 10 years old. The platform is aimed at parents and schools worldwide. In Q2 2024, the first subscription-based education package will be launched on both Apple and Android devices.

The app targets the STEM school subjects of science, technology, engineering and math. 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 in terms of monthly paying users.

The platform targets a global market and the subscription model is 9,99 EURO per month/user. The goal in the first 12 months after launch is to reach 50,000 monthly/paying users and 100,000 monthly/paying users within 24 months.

Objectives - Summary

Our subsidiary group Wegesrand (ed-tech segment) continuously receives new assignments and is rewarded with prestigious appointments. I have mentioned it before and will mention it again - we will grow both organically and through acquisitions. Through acquisitions, we add strategically important platforms and revenue streams while our existing subsidiaries gradually move to a license-generating revenue model. We are looking at further acquisitions in 2024 while reviewing how we can maximize the platforms/titles that are now being rolled out, especially in Q1 and Q2 2024.

The edyoutec Group is currently an Edtech company with a number of game titles. The main focus is on Edtech and this is where we see strong future growth. We work actively to grow on the continent, but German-speaking countries are particularly close to us when we look at how the company will grow organically and through acquisitions.

In the early fall, we set a number of goals to achieve before the end of the year. I am pleased to say that all of them have been reached.

- ◆ We expected our German subsidiaries to win new contracts and thus continue to grow.
- ◆ We would transform our German subsidiaries to create license-generating revenue.
- ◆ We would sign a publishing agreement for King Royale.
- ◆ We would sign a publishing agreement for Tank Operations.
- ◆ We would redeem the existing loan and reduce the loan amount by 50%
- ◆ We would change our name and focus to become an Edtech company.
- ◆ We would sign at least one LOI for business acquisition.
- ◆ We would acquire a Swedish IP (Math Bakery).

I can proudly look back on 2023 as a productive year where we nailed all our goals. We now put 2023 behind us and note that the hard work on cost savings and synergies throughout the Group has been substantially completed. New processes and streamlined operations are in place at our German subsidiaries and we see a positive spirit for everything that will happen in 2024. New exciting apps/platforms will be launched, game titles will be launched to the broad masses, exciting companies will be acquired, and license-generating revenue streams will become an increasingly important part of the Group's business model.

With this operational update, I would like to wish all our existing and future shareholders a Merry Christmas and a Happy New Year!

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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