

Albert has entered into an agreement to acquire Strawbees which contributes approximately MSEK 19 in ARR

eEducation Albert AB (publ) ("Albert"), has entered into an agreement to acquire all shares in the Swedish EdTech company Strawbees AB ("Strawbees") from its current owners for an initial purchase price of MSEK 60 on a cash and debt-free basis (the "Purchase Price"). Of the Purchase Price, MSEK 10 shall be paid in cash and MSEK 50 shall be paid in the form of newly issued shares in Albert ("Consideration Shares"). In addition to the Purchase Price, an additional purchase price of a maximum of MSEK 90 may be paid. The completion of the acquisition is expected to take place in January 2023. The cash part of the Purchase Price is intended to be financed through own cash and a new issue of shares of approximately MSEK 70 and is directed to Swedish and international institutional investors ("Directed Issue"). The Directed Issue is intended to be carried out as an accelerated bookbuilding procedure that is expected to begin today. More detailed information about the Directed Issue will be available in a separately published press release.

Strawbees offers innovative solutions that allow children to practice problem solving, programming and engineering skills by building mechanical objects with straws and cardboard.

"Strawbees is a very exciting and fast-growing company that broadens us and our existing offerings in a good way. We are extremely impressed with how they have managed to combine their growth and profitability development. At the same time, the product also complements the Albert company Sumdog in the UK and US markets, thus strengthening our B2B[1] offering in STEM (Science, Technology, Engineering, Mathematics). We strongly believe in a combined offering within both B2B and B2C[2], where we tie together teacher-parent-student. This is a big step in realizing that vision and is also part of increasing our profitability. The acquisition of Strawbees enables region-wide joint sales organizations between Strawbees and Sumdog and enables cross-sell by allowing us to offer Strawbees also to B2C in relevant markets. In addition, we see great efficiency benefits in product development between the companies.", says Arta Mandegari, CEO and co-founder, Albert.

Background and acquisition motives

Founded in 2014, headquartered in Gothenburg, Strawbees has developed educational toys and a software that teaches children problem solving, programming and engineering skills by building mechanical objects using straws and cardboard. Strawbees is available to children around the world aged 5-14, in more than 20,000 schools and in more than 100,000 homes, in 40 countries. The Company has about 15 employees.

The acquisition of Strawbees enables region-wide joint sales organizations to cover the fully overlapping B2B customer segments between Strawbees and the company Sumdog already owned by Albert. Furthermore, cross-selling opportunities will be created by offering Strawbees within B2C in relevant markets as well. Efficiency benefits are expected to be realized in product development.

“There is no doubt that programming skills are incredibly important for the workforce of the future. Primary schools continue to have challenges in educating in the field. With its simple and incredibly playful product, Strawbee helps teachers to be able to teach programming so that children really learn what they need. The staff at Strawbees have done an incredibly good job of building a company that really creates value for both its users and society at large. We are very much looking forward to working with them and taking the company further steps forward together with the other companies in the group.”, says Salman Eskandari, deputy CEO and co-founder, Albert.

Financial impact (unaudited figures)

On a pro forma basis, the acquisition of Strawbees contributes to ARR[3] by approximately MSEK 19, net sales by approximately MSEK 15, and operating profit (EBITA) by approximately MSEK -5 during the twelve-month period ended 30 September 2022. On a quarter-on-quarter basis, Strawbee's operating margin (EBITA) has had a strong development between the fourth quarter of 2021 and the third quarter of 2022, from an operating margin of approximately -106 percent to approximately -17 percent for each quarter.

Purchase Price

The Purchase Price for all shares in Strawbees amounts to MSEK 60 on a cash and debt free basis as of closing date. Of the Purchase Price, MSEK 10 shall be paid in cash, which is intended to be financed through the Directed Issue as well as own cash, and MSEK 50 shall be paid in the form of newly issued shares in Albert (Consideration Shares).

The Board of Directors intends to issue the new shares on the basis of the issue authorisation from the Extraordinary General Meeting to be held in the beginning of January 2023 (convening notice will be published in a separate press release). The subscription price for the Consideration Shares shall be determined based on the volume-weighted average price of Albert's shares on Nasdaq First North Growth Market during the time period 30 trading days prior to the date when the share purchase agreement was entered into, but at least the price fixed in the Directed Issue.

In Strawbees, there will be 23,506 outstanding employee stock options as of the closing date, which Albert has entered into an agreement to acquire in the event that they are exercised and converted in 2025 on the same terms as apply to the sellers of Strawbees.

Shareholders holding approximately 50 percent of the shares and the votes in Albert have committed to vote in favour of both the Directed Issue and the issue authorization at the Extraordinary General Meeting.

Additional purchase price

An additional purchase price of MSEK 45 may be paid after Albert's Annual General Meeting has approved the consolidated financial statements for the financial year 2024, provided that the growth in consolidated annual net sales for all companies in the group as of 31 January 2023 reaches a total of 50 percent between the financial years 2022–2024, and an additional MSEK 45 if growth reaches a total of 90 percent. A maximum of MSEK 45 may be paid in cash and any remaining part shall, at Albert's discretion, be paid either in cash or in newly issued shares in Albert. In the event that the additional purchase price is to be paid in the form of newly issued shares in Albert, the value of the newly issued shares in Albert shall be determined based on the volume-weighted average price of Albert's shares on Nasdaq First North Growth Market during the time period 30 trading days prior to the date on which Albert's Annual General Meeting approved the consolidated financial statements for the financial year 2024.

Terms of the acquisition and the Consideration Shares

The completion of the acquisition is expected to take place in January 2023 and is conditional on Albert receiving proceeds to finance the purchase price through the Directed Issue.

All Consideration Shares issued as part of the Purchase Price and accruing to the founders are subject to lock-up restrictions for 24 months from closing, while those accruing to non-operating owners are subject to lock-up restrictions for 12 months from closing, and those accruing to certain other private investors are subject to lock-up restrictions for 9 months from closing. A few shareholders whose existing holdings in Strawbees are less than 0.2 percent are exempted from lock-up.

Accelerated bookbuilding procedure and terms of the Directed Issue

The completion of the acquisition is expected to take place in January 2023 and is conditional on Albert receiving proceeds to finance the Purchase Price through the Directed Issue. Albert has engaged Skandinaviska Enskilda Banken AB (publ) ("SEB") to investigate the conditions for carrying out the Directed Issue of new shares of approximately MSEK 70, which will be subject to the subsequent approval of the Extraordinary General Meeting. The price of any new shares issued in the Directed Issue will be determined through an accelerated bookbuilding procedure managed by SEB. Further information about the Directed Issue and the accelerated bookbuilding procedure, which is expected to commence today, will be published through a separate press release.

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This is information that eEducation Albert AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 19 December 2022 at 17:56 CET.

About Albert

Founded in 2015, Albert is an app-based learning platform for children in the 1-16 age range. Albert offers digital education services on a subscription basis.

The services are provided for a fixed monthly fee through apps, which are made available on the Apple App Store and Google Play. Based on Albert's own research, Albert is a leading player in the B2C[4] segment in the Nordic region regarding digital education services with in-depth teaching content. Since Albert was founded, Albert has helped over 300,000 families with their children's education. The Group has about 70 employees, who together form an innovative group of people with diversified backgrounds whose common goal is to help more children develop their skills in a way that suits them. The Group is headquartered in Gothenburg, Sweden. Read more here: www.hejalbert.se.

Albert's share is listed on Nasdaq First North Growth Market. Alberts certified adviser is Erik Penser Bank.

Important information

This announcement is not and does not form a part of any offer for selling, or a request to submit an offer to buy or acquire, shares or other securities of Albert.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be exercised, offered, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. Albert do not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Albert has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue.

Forward-looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "deems", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. This applies in particular to statements relating to future results, financial position, cash flow, plans and expectations of Albert's operations and management, future growth and profitability, general economic and regulatory environment and other factors affecting Albert, many of which are based on further assumptions, such as no changes in existing political, legal, fiscal, market or economic conditions or applicable law (including but not limited to accounting principles, accounting methods and tax policies), which may or may not be of importance to Albert's results or its ability to operate. Although Albert believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward looking statements.

Potential investors should therefore not attach undue confidence to the forward-looking information herein.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and could be subject to change without notice. Neither Albert nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

[1] Refers to sales to municipalities and schools.

[2] Refers to sales to consumers (usually students or their parents).

[3] Subscription-based net sales of recurring nature.

[4] Refers to sales to consumers (usually students or their parents).

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Attachments

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