

## Albert has entered into an agreement to acquire Holy Owly which contributes approximately MSEK 10 in ARR

eEducation Albert AB (publ) ("Albert"), has entered into an agreement to acquire all shares in the French EdTech company Kids MBA SAS ("Holy Owly") from its current owners for an initial purchase price of approximately MSEK 25[1] minus any leakage and shareholder loans (the "Purchase Price"). The Purchase Price 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 approximately MSEK 15 may be paid, which is conditional on certain financial targets for the Albert Group being met. Any additional purchase price shall be paid in cash. Completion is conditional on the Extraordinary General Meeting in January 2023 deciding on authorisation for the Board of Directors to issue Consideration Shares.

**Holy Owly offers an application that enables language learning for children aged 3–12.**

"Holy Owly has made a strong impression on us. We are incredibly impressed with their product for language learning for children aged 3-12, which in a good way complements our offer with Albert Junior, which is adapted for the same customer segment. With its strong position in the French market and numerous awards from Apple, including "one of the 5 most promising apps of 2022", we look forward to both consolidate and strengthen the position in France while complementing the Junior platform with a curriculum-based product for children learning new languages. Holy Owly is a strategic acquisition that gives Albert access to a well-known and popular brand with strong French market position and a documented good and complementary product. Through this acquisition, we are building an important foundation for creating a premium learning platform for families with younger children in the French market", says Artá Mandegari, CEO and co-founder, Albert.

### Background and acquisition motives

Founded in 1947, headquartered in Lille, France, Holy Owly has developed an EdTech application that allows children to learn English and Spanish through interactive games. Holy Owly's application has more than 200,000 downloads and is available to children ages 3-12. Holy Owly has about 10 employees.

The acquisition of Holy Owly gives Albert cross-selling opportunities in the B2C[2] segment by complementing the Junior platform with a curriculum-based product for children learning new languages and creating a premium platform for families with younger children. Furthermore, Albert will be able to leverage Holy Owly's complementary customer acquisition model consisting largely of organic traffic via App Store / Google Play converted to subscribers (the majority of whom are annual subscribers). Cost synergies are expected to be realized in marketing and technology.

"Something that has impressed us extra much is Holy Owly's complementary strategy for customer acquisition, with a high proportion of sales of annual subscriptions, where customer acquisition is built on flows directly via Apple and Google and around organic traffic. This means that we see strong complements to Albert's existing customer acquisition strategy in the B2C segment. We also expect cost synergies in marketing and technology. Holy Owly gives us another brand and another market to optimize customer acquisition around. It is fully in line with our ambition to become the leading player in children's education in Europe.", says Salman Eskandari, deputy CEO and co-founder, Albert.

## **Financial impact (unaudited figures)**

On a pro forma basis, the acquisition of Holy Owly contributes to Alberts ARR[3] with approximately MSEK 10, net sales of approximately MSEK 6, and operating profit (EBITA) of approximately MSEK -11 during the twelve-month period ended 30 September 2022. On a quarter-on-quarter basis, Holy Owly's operating margin had a strong development between the fourth quarter of 2021 and the third quarter of 2022, from an operating margin (EBITA) of approximately -266 percent to approximately -105 percent for each quarter. Through planned centralization and streamlining of marketing efforts, Albert believes that Holy Owly has the potential to achieve profitability in the short term.

## **Purchase Price**

The Purchase Price for all shares in Holy Owly amounts to approximately MSEK 25 on a cash and debt free basis.

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 January 2023 (notice will be published in a separate press release). The subscription price for the Consideration Shares shall be based on the volume-weighted average price (VWAP) of the Albert share, calculated for the seven (7) trading days prior to the date of the conclusion of the share purchase agreement and seven (7) trading days after the conclusion of the share purchase agreement, but not lower than the same price per share as in the directed issue (see separate press release concerning the directed issued which Albert intends to carry out).

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 approximately MSEK 15 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 70 percent between the financial years 2022–2024. Any additional purchase price shall be paid in cash.**

## **Condition**

The completion of the acquisition is expected to take place during January 2023 and is conditional on the Extraordinary General Meeting in January 2023 deciding on authorisation for the Board of Directors to issue shares.

All shares issued as part of the Purchase Price are subject to lock-up restrictions for 12 months from closing.

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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 17:58 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 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](http://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 transaction or the actions described in this press release.

**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] Amounts in SEK converted from EUR at the assumed EUR/SEK rate of 11.

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

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

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## Attachments

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