

# Keystone

## Q2 2025 Results

Fredrik Högemark – CEO  
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# Agenda

1. About Keystone Education Group
2. Highlights of the quarter
3. Market and tech update, incl. outlook
4. M&A update
5. Appendix: Q2-25 Financials

# About Keystone Education Group

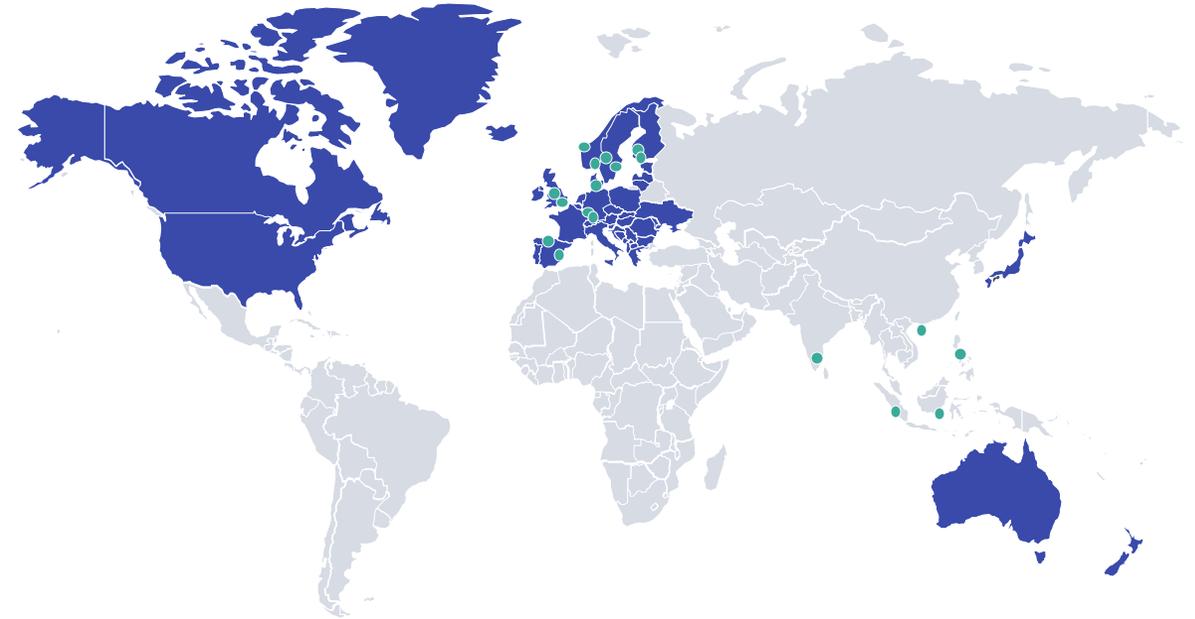
# About Keystone

*Keystone has the widest geographical reach, creating a clear market leader in multiple markets*

● Office / Sub-contractor

## Company overview

- Keystone is the global leader in digital student recruitment, helping over 5,000 education institutions reach, recruit and enroll prospective students in more than 190 countries across their global network
- Keystone was formed in 2021 through the merger between Keystone Academic Solutions and Educations Media Group but has roots back to 2002 when Education Media Group was founded
- The group has +850 people across the world and helps around 100m students every year in their student journey to enrollment
- Keystone offers education institutions an end-to-end solution across the entire student recruitment value chain, from marketing to application management and enrollment
- Keystone currently has a ~90% market share in the Nordics, a ~30% market share in the UK and a 6% market share globally



## Selected customers



# Keystone at a glance



**~5,000**  
Institutional clients



**100m**  
Students visiting on a  
yearly basis



**>100**  
Customer countries



Directly enroll  
students yearly at

**1,000+**  
**different US**  
**universities**  
and  
**50,000+**  
**students across**  
**UK institutions**



**70,000+**  
**direct enrollments**  
managed yearly by  
Keystone Enrollment  
Services

# Highlights of the Quarter

# Highlights of the Quarter

- Search interest for the UK continues to increase, and UK applications are up double-digit although the UK market is still recovering from the 20% drop in enrolments in 2024.
- The challenging US market had a negative impact in Q2-25 for both Search & Discovery and Enrolment Services. The conflict between the federal government and the higher education sector in the US has negatively affected US enrollments and US school's investments during the spring, culminating in a global student VISA application halt during Q2. Visa processing is now active again, and we see more positive signs from the market, but expect the US market to remain challenging in the short term.
- We are continuing to invest in future growth and EBITDA margin expansion despite the market headwinds that have short-term effects on Keystone.
- Bond listing process on Nasdaq Stockholm progressing as planned and expected to be completed in early October
- Oberon Co-invest I AB new investor and holds 8% of KEG shares through a secondary transaction.

IFRS Proforma, USDm	Q2-25	Q2-24	H1-25	H1-24
Search & Discovery	11.6	12.2	24.3	25.7
Enrolment Services	5.9	6.4	12.9	13.5
<b>Revenues</b>	<b>17.5</b>	<b>18.6</b>	<b>37.2</b>	<b>39.2</b>
CoS	(1.6)	(1.9)	(3.4)	(3.5)
<b>Gross Profit</b>	<b>15.9</b>	<b>16.7</b>	<b>33.8</b>	<b>35.7</b>
%	91%	90%	91%	91%

Sales & Delivery	(11.8)	(11.3)	(22.6)	(22.7)
Support Functions (Tech & Product)	(2.0)	(1.6)	(3.9)	(3.4)
G&A	(2.7)	(2.1)	(4.8)	(4.0)
<b>SG&amp;A</b>	<b>(16.5)</b>	<b>(15.0)</b>	<b>(31.3)</b>	<b>(30.1)</b>

<b>EBITDA (Adj.)</b>	<b>(0.7)</b>	<b>1.8</b>	<b>2.5</b>	<b>5.7</b>
%	-4%	10%	7%	14%

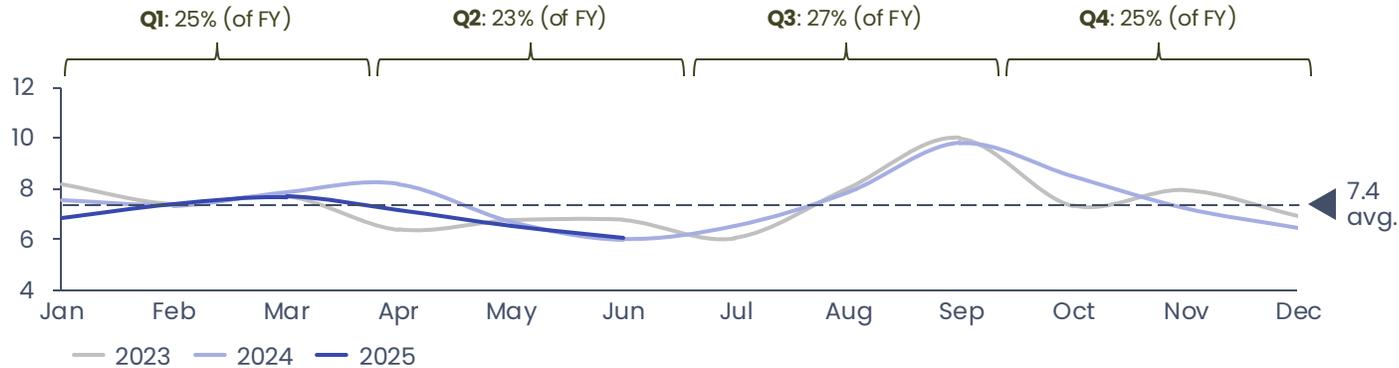
Capex	(1.2)	(1.0)	(2.2)	(2.0)
Special items	(0.3)	(0.7)	(0.8)	(1.2)

IFRS Non-Proforma, USDm	Q2-25	Q2-24	H1-25	H1-24
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# Seasonality – FY23, FY24 and H1-25

## Revenue seasonality

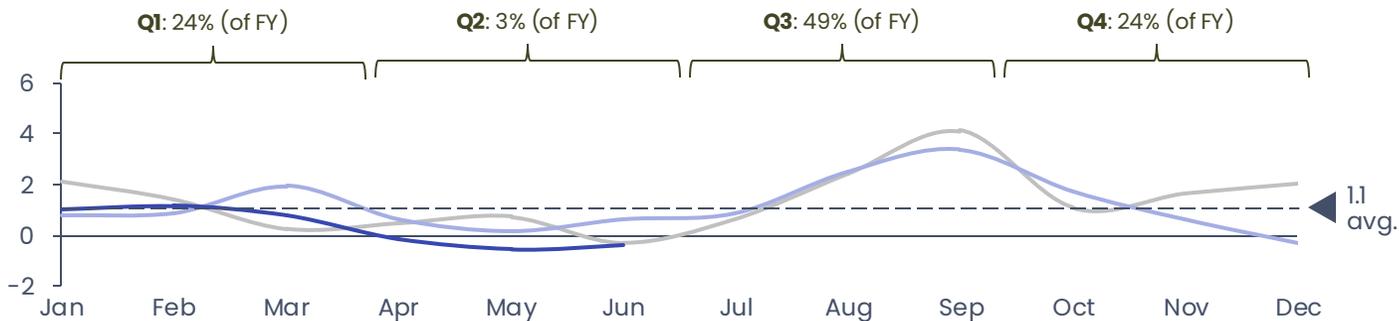
USDm



- Seasonal spike in Q3 under Enrollment Services from revenue recognition of agreements containing break and termination causes.
- Seasonal low mark in Q2 under Search & Discovery with lower activity leading into the summer holiday on seasonal revenue items.

## EBITDA (ADJ) seasonality

USDm



- Seasonal high in Q3 with lower cost base over the summer holiday complimenting the spike in revenue recognition
- Some noise in Q4 cost from year to year with year end adjustments and the effect from adjustment of international enrollments in the UK

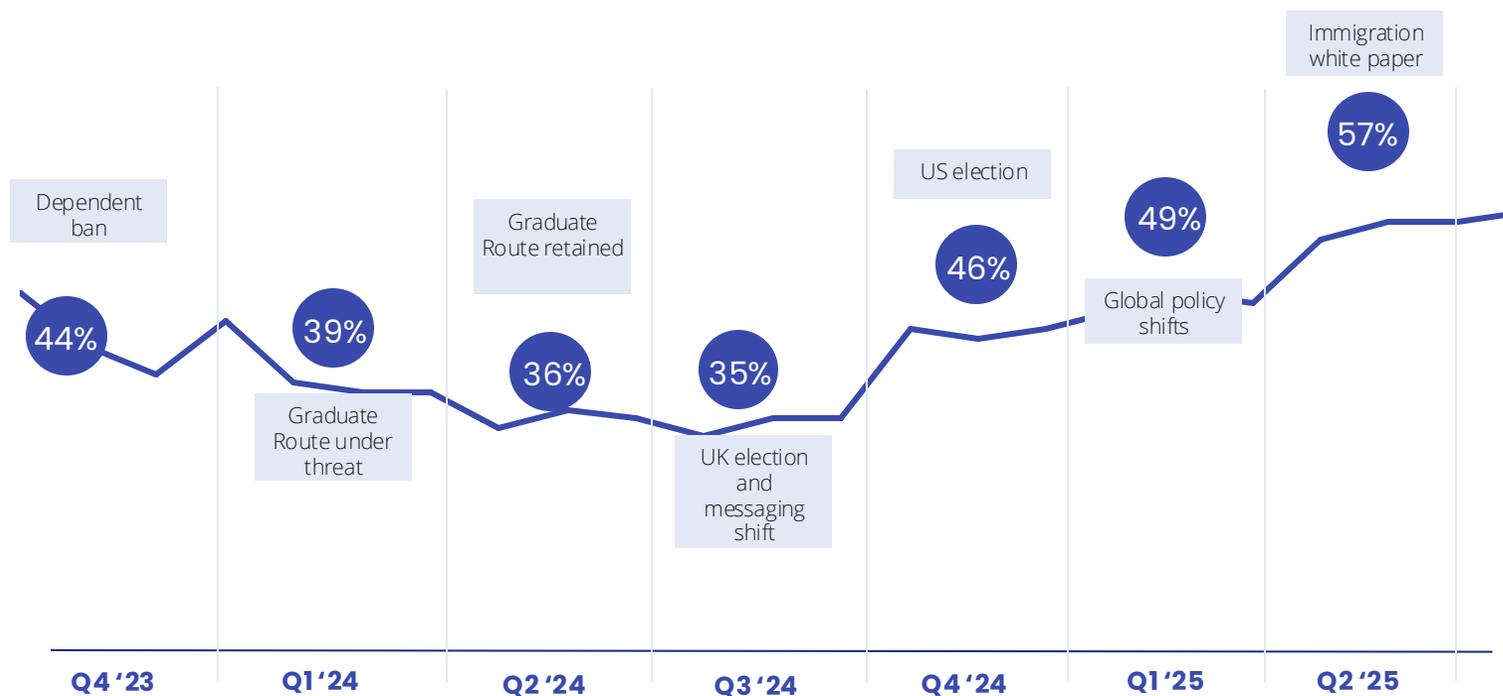
# Market & Tech Update

# Market outlook

- **International student mobility and interest continue shifting from the 'big four' (USA, Canada, Australia, UK) to the big ten,** which includes several key European markets (Germany, France, Spain, Italy). US had a further down-turn than initially expected connected to the VISA stop in May/June.
  - **Negative policy changes or proposals coming out of key countries** such as Australia, Canada and particularly the US are disrupting international recruitment. The UK have generally had a more positive policy situation together with other rising destinations. The diversity of the regions Keystone works in provides a buffer against disruption in any one market.
- 
- **Audience growth and customer value increasing across Keystone search & discovery businesses in Q2:**
    - Traffic growth on international student recruitment websites with increases in-year and year-on-year as of June
    - Continuing lead generation growth on key websites, with our UK websites, FindAMasters and FindCourses, both at their highest point in 2025 as of June
  - **We are investing in geographic expansions** both organically and via M&A to further diversify revenue streams and fuel growth.

# Demand for UK continues to recover

*Uncertain UK policy (which temporarily depressed UK interest in 2024) has cleared with demand in the UK returning.*



## Current status and outlook:

✓ **Market is seeing a “return to growth” in 2025**

- Firm acceptances in the UK continue to see year-over-year growth as of July
- Search interest for the UK continues to increase. Growth has stabilised - but not fallen - following the May 12 immigration white paper (which proposes a moderate cut in post-study-work visas)
- Q2 2025 has seen evidence of a ‘pivot’ away from the US and towards the UK as other markets absorb interest from student audiences.

*% of searches for UK study options by non-EU students on FindAMasters*

# US demand shifts to other countries

Established markets for US study abroad are shifting their search behavior in 2025.

## Q2 search pivots & audience sizes

Country	US decline	UK growth	Keystone growth
India	-69%	+61%	+13%
China	+1%	+19%	+11%
South Korea	-26%	+30%	+59%
Canada	-41%	+47%	+28%
Saudi Arabia	-34%	+18%	-4%
Taiwan	26%	+7%	+8%
Japan	-50%	+18%	+1%
Mexico	-35%	-1%	-14%
Nigeria	-71%	+64%	+17%

## Current status and outlook

- ✓ **Keystone is relatively insulated from reactions to US policy**
- ✓ US policy statements and actions have impacted the stability and predictability of international study opportunities during 2025.
- ✓ Of the 10 largest audiences for US study, 5 (including the top 3) have grown their engagement with Keystone student recruitment platforms as of June.
- ✓ **Keystone is positioned to benefit from UK recovery**
- ✓ All 10 of these audiences have pivoted towards the UK – another market in which Keystone has a strong presence.
- ✓ Early data indicates a recovery in UK enrolments, with student visa applications up 13% YoY to July.

# Technology & product updates

*In Q2, we focused on expanding product reach, enhancing student engagement, and strengthening our platform infrastructure to support long-term growth and value delivery.*

## New products

### Reddit/Quora and YouTube products introduced

- ✓ It is important to diversify our channels to tap into a larger student audience, increase social media deal sizes, and provide additional value to customers.



## Improved user experience

### Improved log-in experience for students

- ✓ Student data collection (which school they are interested in).
- ✓ The goal is to provide a better log-in experience.

## Enhanced search & discovery

### Enhancing search & discovery with new ad server

- ✓ Introduced new ad server to serve native university listings with greater control over exposure.
- ✓ Enabled control over listing exposure based on relevance and school investment.
- ✓ Successfully launched new more advanced sponsored listings unlocking new revenue potential

## Educations.com consolidation

### One consolidated platform

- ✓ Consolidated our final translated vertical sites into Educations.com
- ✓ Added translations to our complete student offering on Educations.com.
- ✓ This was our final step in consolidating all sites, such as Masterstudies, into one strong global flagship destination site.

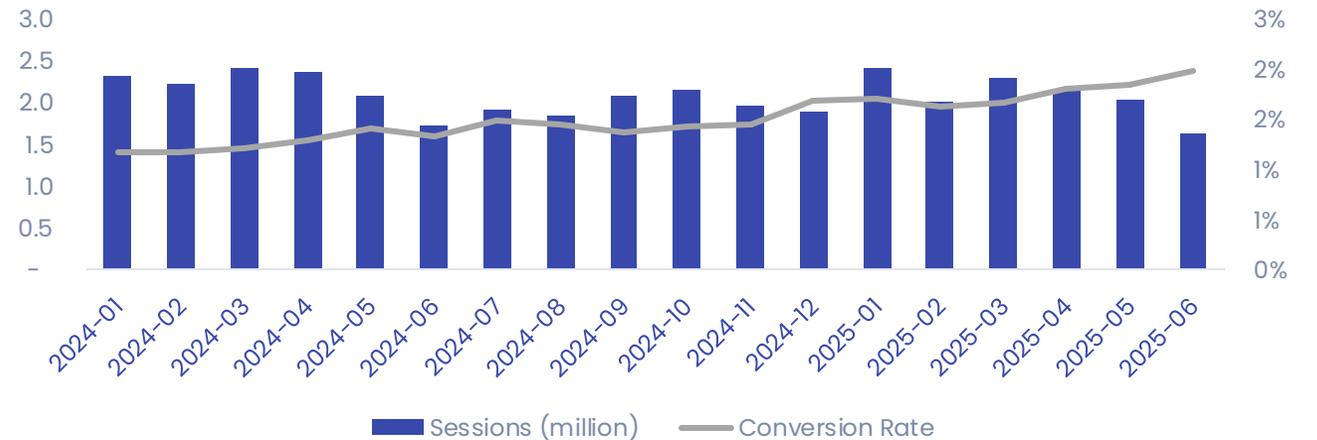
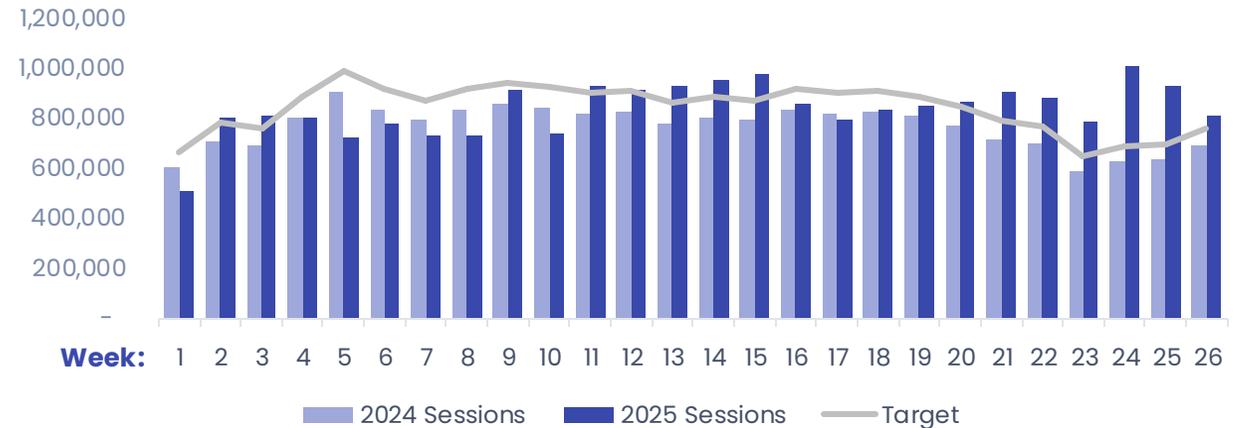
# Educations.com maintains healthy traffic growth

YTD and organic traffic

## On our flagship site, Educations.com

- Traffic YTD is looking very healthy, **surpassing last year** and hitting weekly traffic targets
- We are already **3.5 % above** our Q2 traffic goal
- Leads are also following YoY with a positive trend and improving conversion rates.
- So far this year, we have received over 315,000 sessions and over 12,000 leads from "AI chats".

Organic Sessions & Conversions on Educations.com, by week



Monthly Traffic Sessions on Educations.com

# M&A Update

# Potential areas of M&A

+250 Targets identified



## GEOs

### GEO expansion markets

- India
- APAC
- US

### Existing markets

- Germany
- France
- UK



**Search & Discovery** – Gain market shares/become no. 1 in key markets



**Enrollment Services growth support** – Enable and support growth and Geo expansion.



**Enrollment Services "plug & play"** – Profitable and with clear synergies in key domestic markets



**Product expansion** – Products supporting universities to communicate and enroll more students

Appendix

# Financials Q2-25

# Profit & Loss (proforma)

<i>USD thousands</i>	Note	Q2 2025	Q2 2024	YTD 2025	YTD 2024
<b>Revenue</b>					
Net revenue from contracts with customers		17 539	18 651	37 219	39 236
<b>Operating expenses</b>					
Cost of services		(1 634)	(1 943)	(3 370)	(3 494)
Personnel expenses		(12 609)	(11 677)	(23 966)	(23 477)
Depreciation and amortization expenses		(2 470)	(2 110)	(4 764)	(4 293)
Other operating expenses		(3 939)	(3 290)	(7 329)	(6 625)
Total operating expenses		(20 651)	(19 020)	(39 429)	(37 888)
Operating profit ("EBIT"), excluding costs for business combinations and restructuring		(3 112)	( 369)	(2 210)	1 347
Business combinations and restructuring costs		( 367)	( 657)	( 902)	(1 126)
Operating profit ("EBIT")		(3 479)	(1 025)	(3 112)	221

<i>USD thousands</i>	Note	Q2 2025	Q2 2024	YTD 2025	YTD 2024
<b>Finance income and costs</b>					
Finance income		(2 941)	789	1 296	1 581
Finance cost		(4 391)	(2 744)	(9 617)	(6 102)
Interest, FX, and change in fair value of contingent consideration (earn-outs)		62	78	177	(1 861)
Net finance income/(costs)		(7 270)	(1 878)	(8 144)	(6 382)
Net profit/(loss) before income tax		(10 749)	(2 903)	(11 257)	(6 161)
Income tax expense		(1 105)	( 674)	(1 103)	(1 047)
Net profit/(loss)		(11 854)	(3 577)	(12 360)	(7 208)
<b>Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)</b>					
Exchange differences on translation of foreign operations		37	9	-	-
Total comprehensive income/loss		(11 817)	(3 568)	(12 360)	(7 208)

# Balance Sheet

<i>USD thousands</i>	Note	30-June 2025	30-June 2024
<b>Non-current assets</b>			
Intangible assets		185 791	171 092
Right of use assets		4 525	4 555
Property, plant, and equipment		666	765
Deferred tax assets		122	437
Other non-current assets		1 603	603
Total non-current assets		192 707	177 452
<b>Current assets</b>			
Cash and cash equivalents		43 333	18 265
Trade receivables		15 221	15 737
Other current assets		5 609	3 920
Total current assets		64 163	37 922
Total assets		256 870	215 374

<i>USD thousands</i>	Note	30-June 2025	30-June 2024
<b>Equity</b>			
Equity attributable to owners of the company		76 013	84 475
Non-controlling interests		20	2
Total equity		76 033	84 476
<b>Non-current liabilities</b>			
Interest bearing liabilities		117 127	73 620
Lease liabilities		3 939	3 937
Deferred tax liability		10 495	10 609
Other non-current liabilities		4 874	5 142
Non-current contingent consideration liabilities		-	5 048
Total non-current liabilities		136 434	98 357
<b>Current liabilities</b>			
Trade payables and other payables		2 243	2 893
Deferred revenue		22 386	18 137
Taxes payable		1 518	732
Current portion of lease liabilities		827	752
Other current liabilities		12 158	6 983
Current contingent consideration liabilities		5 271	3 042
Total current liabilities		44 403	32 541
Total liabilities		180 838	130 898
Total equity and liabilities		256 870	215 374

# Cash Flow

<i>USD thousands</i>	Note	Q2 2025	Q2 2024	YTD 2025	YTD 2024
<b>Cash flows from operating activities</b>					
Net profit/(loss) before income tax		(10 749)	(2 901)	(11 257)	(6 639)
Income taxes paid		(1 587)	(768)	(2 688)	(1 694)
<i>Adjustments for:</i>					
Depreciation, amortisation and impairment		2 470	2 110	4 764	4 274
Net finance costs		7 270	1 876	8 144	6 380
<i>Working capital changes:</i>					
Changes in trade receivables, trade and other payables		(880)	(232)	1 352	417
Changes in other operating working capital		4 877	1 542	1 185	461
<b>Net cash from operating activities</b>		<b>1 401</b>	<b>1 626</b>	<b>1 500</b>	<b>3 198</b>
<b>Cash flows from investment activities</b>					
Acquisition of equipment		(59)	(36)	(91)	(147)
Capitalized Research & Development		(1 162)	(973)	(2 115)	(1 903)
Payment for acquisitions of subsidiaries, net of cash acquired		-	(8 220)	-	(14 364)
<b>Net cash from investment activities</b>		<b>(1 221)</b>	<b>(9 229)</b>	<b>(2 206)</b>	<b>(16 414)</b>

<i>USD thousands</i>	Note	Q2 2025	Q2 2024	YTD 2025	YTD 2024
<b>Cash flow from financing activities</b>					
Proceeds from issuance of shares - incentive program		-	102	-	196
Net payments from new loans		-	11 048	104 707	20 767
Down payments of interest-bearing liabilities		-	-	(71 437)	-
Interest paid bond		(2 111)	-	(2 111)	-
Interest paid previous financing arrangements		-	(2 134)	(3 439)	(3 774)
Principal payment of lease liabilities		(318)	(344)	(592)	(660)
Proceeds from minority shareholders		-	20	-	20
<b>Net cash to/from financing activities</b>		<b>(2 429)</b>	<b>8 691</b>	<b>27 128</b>	<b>16 549</b>
<b>Net change in cash and cash equivalents</b>		<b>(2 249)</b>	<b>1 088</b>	<b>26 422</b>	<b>3 334</b>
Currency effects on cash		2 105	7	4 685	(544)
Cash and cash equivalents at period start		43 478	17 170	12 227	15 475
<b>Cash and cash equivalents at period end</b>		<b>43 333</b>	<b>18 265</b>	<b>43 333</b>	<b>18 265</b>



**KEYSTONE**  
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