

Year end report

January–December 2024

albert
GROUP.

The quarter in brief

1 October–31 December

- ARR from subscriptions added with the past four quarters' revenue from non-subscription products were 178,502k (165,259k) SEK, which is an increase of 8% compared to the previous year.
- Invoiced sales for the quarter were 37,812k (33,241k) SEK, an improvement of 14% compared to the previous year.
- Net revenue amounted to 44,741k (44,018k) SEK, an increase of 2% compared to the same period last year.
- EBITDA amounted to -8,414k (6,913k) SEK. The comparative period included a positive one-off effect of 13,002k SEK, resulting in an EBITDA of -6,087k SEK for the comparative period adjusted for these effects.
- EBITA amounted to -12,438k (-1,091) SEK. The comparison period included a positive one-off effect of 13,002k SEK, adjusted depreciation time of -3,024k SEK and a write-down of accumulated values amounting to -850k SEK, which gives an EBITDA for the comparison period of -10,243k adjusted for these effects.
- The result after financial items amounted to -22,243k (22,611) SEK.
- The result for the period amounted to -21,411k (-23,598) SEK.
- Earnings per share amounted to -0.85 (-0.94) SEK, before and after dilution.
- Cash flow from current operations amounted to -12,788k (-5,089) SEK.
- Cash and cash equivalents at the end of the period amounted to 44,472k (80,482) SEK.

1 January–31 December

- ARR from subscriptions added with the past four quarters' revenue from non-subscription products were 178,502k (165,259k) SEK, which is an increase of 8% compared to the previous year.
- Invoiced sales for the period were 182,723k (180,848k) SEK, an increase of 1% compared to the previous year.
- Net revenue amounted to 177,791k (177,893) SEK, which is in line with previous year.
- EBITDA amounted to -30,706k (-6,251) SEK. The comparison period included a positive one-off effect of 13,002k SEK and a negative one-off effect of 3,104k SEK, which gives an EBITDA for the comparison period of -16,149k adjusted for these effects.
- EBITA amounted to -45,984k (-25,096) SEK. Items affecting comparability affected EBITA by -2,889k SEK, which comes from the restructuring program in Q1 2024 and relates to personnel costs.
- The result after financial items amounted to -113,666k (-85,157) SEK.
- The result for the period amounted to -104,789k (-79,897) SEK.
- Earnings per share amounted to -4.17 (-3.18) SEK, before and after dilution.
- Cash flow from current operations amounted to -26,915k (-17,880) SEK.
- Cash and cash equivalents at the end of the period amounted to 44,472k (80,482) SEK.

Significant events in the fourth quarter of 2024

- Albert announced that a strategic decision had been made to restructure and reduce the resource allocation to the subsidiary Kids MBA as part of the company's ongoing initiative to improve the group's profitability.

Significant events after the end of the period

- Albert Junior was launched in the Czech Republic. The launch was another strategic step toward profitable growth and expanded global presence following the launch in Romania.
- In connection with the preparation of the annual financial statements, the company discovered an error in the Q3 report concerning the consolidated income statement and balance sheet. This error resulted in an insufficient impairment of intangible assets in the group when the company wrote down excess values in Kids

MBA, as referenced in the press release from 2 October 2024. The error occurred due to a data entry mix-up, where the amounts were mistakenly registered incorrectly. The error will be adjusted for the full year. It negatively impacts intangible items and EBIT by 10 million SEK.

- The company has also corrected costs related to marketing expenses in connection with the annual financial statements. These costs pertain to an earlier period this year, Q2, which has negatively impacted the Q4 results with 1.4 million SEK.

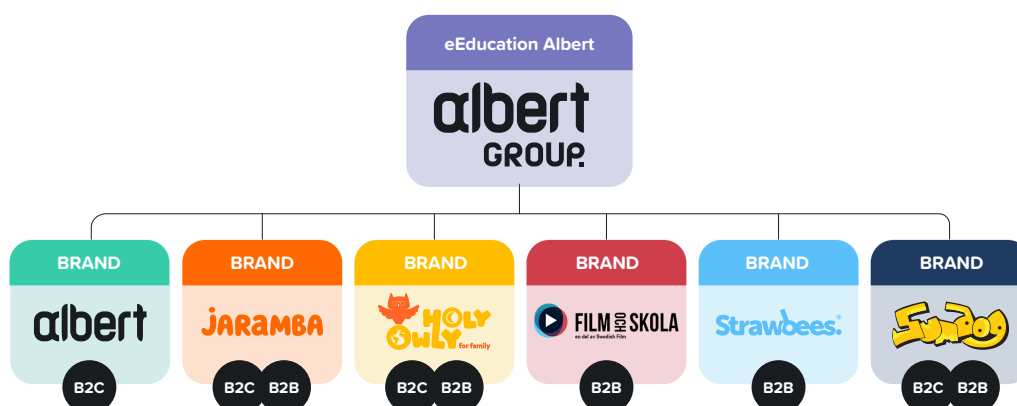
This is Albert Group

The Albert Group develops and sells EdTech products for schools and consumers. The company was founded in 2015 with the goal of democratising education and giving every child the opportunity to reach their full potential. The company makes learning engaging and individualised through a product portfolio of educational apps, educational videos and physical learning products. The portfolio includes the brands Albert Junior, Albert Teen, Jaramba, Holy Owly, Film & Skola, Strawbees and Sumdog.

The consumer products are provided through apps for a fixed annual or monthly fee, which are made available on the Apple App Store, Google Play and Amazon Store. The school

products are sold through direct sales for a fixed annual fee or a one-off payment. The company is mainly active in the Nordic countries, The United Kingdom and the US, but is also active in several markets in Europe and Asia. Based on the company's own research, the Company is a leading player in the B2C segment in the Nordics regarding digital education services with in-depth learning content. Since the company was founded, Albert has helped millions of children worldwide with learning.

The company has its headquarters in Gothenburg, Sweden, and local organisations in the UK and the US.



Key figures in focus

SEK Thousand	2024	2023	2024	2023
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net revenue	44,741	44,018	177,791	177,893
<i>Percentage change compared to comparison period</i>	2%	36%	0%	75%
EBITDA	-8,414	6,913	-30,706	-6,251
<i>EBITDA MARGIN (%)</i>	-19%	16%	-17%	-4%
EBITA	-12,438	-1,091	-45,984	-25,096
Profit before tax for the period	-22,243	-22,611	-113,666	-85,157
<i>Percentage change compared to comparison period</i>	2%	23%	-33%	17%
Profit/loss for the period	-21,411	-23,598	-104,789	-79,897
Earnings per share (SEK)*	-0.85	-0.94	-4.17	-3.18
Cash flow from operating activities	-12,788	-5,089	-26,915	-17,880
Cash flow for the period	-15,153	-11,179	-36,787	-22,217

*Earnings per share have been recalculated using the share split (250:1) that was registered on August 25, 2021

Comment from our CEO

Set up for profitability and sales momentum

Dear shareholders,

It's time to wrap up 2024. Profitability was our focus and we have taken major steps to achieve this in 2025, with positive cash flow in 2026. We end 2024 with a lower cost base, resources reallocated to well-performing areas, positive sales momentum, key product launches, and an organisation set up for efficiency and scalability.

Turnaround and operational restructuring in 2024 to prepare for profitability

Entering 2024, we had 129 people and running costs* (excluding marketing) of 12 million SEK per month. Now, we have 103 people (corresponding 96 FTE) and running costs* of 11 million SEK per month. Staff costs decreased by 9 percent. This is the result of the profitability programme launched in the first quarter of 2024.

Invoiced sales were 183 million SEK an increase of 1 percent and recognised revenue was 178 million SEK which was in line with previous year.

Despite these reductions, we have organically grown revenues for our key products. Within B2B, the invoiced sales of Strawbees and Swedish Film hit an all time high in 2024. Sumdog returned to growth in the second half, driven by Scotland. Growth in England was slower than expected, as the partnership with YPO underperformed. We retain faith, but will reallocate resources to direct sales. B2C saw a significant positive trend breach during the summer campaign, and momentum has continued. The Q4 campaign performed impressively, delivering a bigger paying subscriber base than expected. This momentum in both B2B and B2C led to us investing more in promotion and commercial staff, increasing costs in autumn 2024.

EBITDA for 2024 was -31 million SEK, 15 million SEK lower than 2023's EBITDA of -16 million SEK adjusted for one-offs. The difference is explained by reduced R&D capitalisation (-), increased marketing (-), higher gross profit (+) and lower running costs (+); all being items that drive a sounder long term business.

We devoted significant effort to improving internal operations - moving from a group of independent businesses to a united group. This lets us capture synergies and act more efficiently. We are set up for scalability, and can more easily add markets, products and brands in future.

Q4 marked the end of the setup for entering 2025 with momentum

In the fourth quarter, we worked to set up a successful 2025, completing our reorganisation. Financially, this quarter is normally slow, as schools prepare for holidays. However, Swedish B2B sales were better than expected, and B2C saw good momentum where Albert Junior had one of its best fourth quarters ever.

Invoiced sales were 38 million SEK, 14 percent up compared to 2023, and recognised revenue 45 million SEK, up 2 percent. EBITDA was -8.4 million SEK, down 2.3 million SEK compared to the EBITDA of -6.1 million SEK in 2023 adjusted for one-offs. The difference is due to reduced R&D capitalisation (-), increased marketing (-), higher gross profit (+) and lower running costs (+).

2025: delivering profitability

In 2025, we aim to reach positive EBITDA. To do this, we will double down on what's performing; growing Albert Junior, US sales of Strawbees, growing Sumdog in England, and optimising Swedish Film's commercial function to upsell content.

In early 2025 we delivered several important releases. Sumdog's fluency booster (in beta) strengthens it as a leading adaptive maths tool. The new swedishfilm.com website enables streaming from major studios to B2B, opening distribution to a wider audience. Albert Junior was released in Czechia, building on Autumn's promising Romanian launch. This drives growth while preserving profitable LTV/CAC.

We feel well prepared to deliver profitability in 2025. We have lowered our cost base, focused on key areas, strengthened marketing and sales, released key product launches, and restructured our organisation. In the first quarter, our focus is to build a pipeline that delivers during the rest of the year.

I would like to thank all shareholders, employees, customers and business partners for 2024. Together we will make 2025 successful in terms of turning to profitability and helping children across the world reach their full potential by making learning engaging and fun.

Best regards,

Jonas Mårtensson, CEO

*Running costs refers to staff costs, external costs and overheads (not including marketing)

Revenue Overview

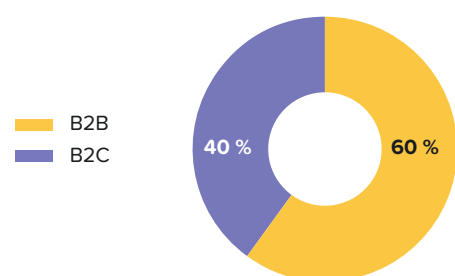
Albert had total net revenue of 44,741K (44,018K) SEK in the fourth quarter, corresponding to an increase of 2%.

Organic and acquired revenue

No acquisitions have been made that impact the current period or the comparison period. Hence, all the revenue growth is organic.

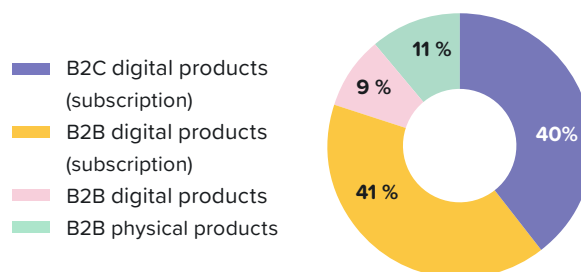
Target group

Revenue from schools, school groups, and the education sector (B2B) accounted for 60% (59%), while revenue from families (B2C) made up 40% (41%). In the fourth quarter, the share of B2B revenue increased slightly, primarily driven by strong sales within Swedish Film.



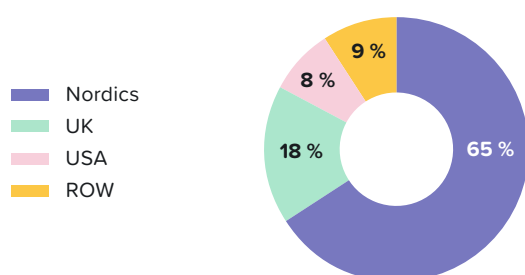
growth in B2B revenue from both physical and digital non-subscription products.

- B2B revenue from non-subscription digital products accounted for 9% (8%), primarily driven by a strong sales quarter of educational films sold on a per-title basis.
- B2B revenue from non-subscription physical products accounted for 11% (9%). This increase was mainly driven by higher sales in Strawbees compared to the same period last year.



Markets

Revenue in the Nordics accounted for 65% (64%), in the UK for 18% (19%), and in the US for 8% (10%). Together, these markets represented 91% (93%) of total revenue, reflecting the company's strategic focus on these three markets. Revenue from the rest of the world was 9% (7%) and consisted of B2C product sales in Europe and B2B revenue through resellers in Asia.



Business model

The company has four business models:

- B2C revenue from digital products through subscriptions accounted for 40% (41%).
- B2B revenue from digital products through subscriptions contributed 41% (42%). The share of B2B revenue from digital subscriptions decreased slightly, mainly due to

Annual revenue from subscriptions and non-subscriptions

Net revenue for the fourth quarter was 44,741k SEK. Given the significant share of recurring and stable revenue, this figure provides an indication of annual revenue.

Annual recurring revenue (ARR) from B2B subscriptions amounted to 64,728k (66,133k) SEK, representing a decrease of 2% compared to the previous year.

ARR from B2C subscriptions amounted to 75,600k (68,494k) SEK, representing an increase of 10% compared to the previous year. The increase is attributable to successful campaigns and expanded marketing efforts.

Revenue from non-subscription products over the past four quarters amounted to 38,174k (30,632k) SEK, representing an increase of 25% compared to the previous year. This growth was driven by higher sales of Strawbees in the US market and increased sales within the educational segment for Swedish Film.

Total ARR from subscriptions, added with the past four quarters' revenue from non-subscription products, amounted to 178,502k (165,259k) SEK.

Note 8 provides further details on the breakdown of revenue.

Financial overview

October–December

Net revenue and results

Invoiced sales for the quarter amounted to 37,812k (33,241k) SEK, which is an improvement of 14% compared to the previous year. The increase is connected to both B2B and B2C and comes mainly from Swedish Film and Albert. Parts of the total invoiced sales for the year is accrued as it relates to future revenues linked to agreements and subscriptions that run over time, which means that it affects earnings in the form of net revenue in future periods.

Recurring annual revenue (ARR) from subscriptions was 140,328k (134,627k) SEK and the last four quarters' revenue from products not sold through subscriptions amounted to 38,174k (30,632k) SEK. In total, this was 178,502k (165,259k) SEK, which is an increase of 8% compared to the previous year.

Net revenue for the quarter amounted to 44,741k (44,018k) SEK, which is an increase of 2% coming from organic growth. The B2B segment within the Group accounted for 60 (59) % of total net revenue during the quarter.

Costs have developed according to plan. Direct costs related to sales, such as royalties, payment processing and cost of goods sold, have increased as a consequence of the increased sales. The gross margin on net revenue amounted to 77%, which is in line with the previous year's adjusted gross margin of 77%, adjusted for the one-off effect that occurred from the reversal of a royalty provision. Including this one-off effect, the gross margin in the previous year was 85%.

Marketing costs have also risen as we have intensified our initiatives in the B2C segment as a result of favourable customer acquisition costs. These initiatives have contributed to the strong invoiced sales during the quarter and are also expected to have positive effects on the net revenue going forward. Personnel costs have decreased as a result of the restructuring programme implemented in the first quarter.

EBITDA for the quarter amounted to -8,414k (6,913k) SEK. The comparison period included a positive one-off effect of 13,002k SEK related to the fact that the earn-out for the Sumdog acquisition was not realised and the provision for this was reversed. EBITDA for the comparison period adjusted for non-recurring effects was thus -6,087k SEK. The decrease of 2,327k SEK is explained by:

- Increased turnover (+)
- Lower personnel costs (+)
- Higher marketing costs (-)
- Lower capitalisation of development costs (-)

In summary, the negative EBITDA development for the quarter is mainly explained by strategic investments in marketing and lower capitalisations of R&D expenses due to a

smaller proportion of development work compared to the previous period.

During the quarter, depreciation of acquired intangible assets amounted to 10,577k (21,993k) SEK.

Loss for the period amounted to -21,411k (-23,598k) SEK. Earnings per share before and after dilution amounted to -0.85 (-0.94) SEK.

Working Capital

As of 31 December, working capital amounted to -42,244 (-37,406k) SEK. Working capital was impacted during the quarter by increased current assets such as trade receivables and deferred costs. Current liabilities have increased slightly mainly from increased royalty liabilities and pre-invoiced income.

Cash Flow for the Period

Total cash flow for the period amounted to -15,153k (-11,179k) SEK, which is a decrease of -3,974k SEK compared to the same period last year.

In the fourth quarter of 2024, cash flow from operating activities, before changes in working capital, was -9,957k (-6,560k) SEK, which corresponds to a decrease of -3,397k SEK compared to the fourth quarter last year. This is mainly due to a lower operating result compared to the previous year.

The negative cash flow effect from changes in working capital amounts to -2,831k (1,471k) SEK. Cash flow after changes in working capital during the quarter amounted to -12,788k (-5,089k) SEK. This negative effect on cash flow comes from increased sales in Albert and Swedish Film in the last month of the quarter, which has increased accounts receivable. Costs that are prepaid and belong to the business have increased. The change is also due to increased short-term liabilities from prepaid revenues on annual licenses in B2C.

Cash flow from investments during the quarter was -1,600k (-4,702k) SEK, which is due to lower investments in product development.

Cash flow from financing activities was -765k (-1,388k) SEK and consists mainly of amortisation of debt.

The company's cash and cash equivalents at the end of the period amounted to 44,472k (80,482k) SEK. The company's target to achieve positive EBITDA and cash flow with existing cash remains and so far execution is proceeding according to plan.

Cont. Financial overview

January–December

Net revenue and results

Invoiced sales during the period amounted to 182,723k (180,848k) SEK, which is an increase of 1%. Sales in the B2B segment increased by 5% year-over-year, while the B2C segment was unchanged and in line with the previous year. The increase in the B2B segment was driven by strong growth in Strawbees, where invoiced sales increased by 23% year-over-year. Part of the total invoiced sales for the year is deferred as it relates to future revenues linked to agreements and subscriptions that run over time, which means that it affects earnings in the form of net revenue in future periods.

Annual recurring revenue (ARR) from subscriptions was 140,328k (134,627k) SEK and the last four quarters' revenue from products not sold through subscriptions amounted to 38,174k (30,632k) SEK. In total, this was 178,502k (165,259k) SEK, which is an increase of 8% compared to the previous year.

Net revenue for the period amounted to 177,791k (177,893k) SEK, which is in line with previous year. The B2B segment has increased further in share within the Group and accounted for 59 (56) % of total net revenue during the period.

The gross margin on net revenue was 78%, which is in line with the previous year's adjusted gross margin of 77%, adjusted for the one-off effect that occurred when a royalty provision was reversed. Including this one-off effect, the gross margin in the previous year was 79%.

Total revenue amounted to 190,291k (204,929k) SEK, a decrease of 19,220k SEK. The difference is explained by lower capitalised proprietary intangible assets and that in the previous year's other operating income there was an item affecting comparability of 13,002k SEK related to the fact that the earn-out for the Sumdog acquisition was not realised and the provision for this was reversed. Other operating income for the year includes project sales to Akelius. Net revenue is in line with the same period last year, which is in line with the company's strategy.

Costs have developed according to plan. Direct costs related to sales, such as royalties, payment processing and product costs, have increased as a consequence of the increased sales. Bad debt losses have increased in line with higher sales. Marketing costs increased during the year as a result of intensified initiatives in the B2C segment, where favourable customer acquisition costs created conditions for growth. These initiatives have contributed to a strong development of invoiced sales in the second half of the year and will have a positive effect on net revenue going forward. At the same time, personnel costs decreased as a result of the restructuring programme implemented in the first quarter.

EBITDA for January-December amounted to -30,706k (-6,251k) SEK. The comparison period included a positive non-recurring effect of 13,002k SEK attributable to the fact that the earn-out for the Sumdog acquisition was not realised and thus reversed, as well as a negative non-recurring effect of -3,104k SEK related to transaction costs for acquisitions and capital raising. EBITDA adjusted for non-recurring effects for the comparison period was thus -16,149k SEK. The decrease of 13,086k SEK is explained by:

- Lower personnel costs (+)
- Higher marketing costs (-)
- Lower capitalisation of development costs (-)

In summary, the development of EBITDA adjusted for non-recurring effects reflects the increased marketing costs and lower capitalisations of R&D expenses due to a smaller proportion of development work compared to the previous period. However, these factors are expected to have a long-term positive effect on the company's growth potential.

Working Capital

As of 31 December, working capital amounted to -42,244k (-37,406k) SEK. The change in the company's working capital compared to the same period last year is mainly due to higher operating liabilities resulting from increased royalty liabilities in Swedish film, increased prepaid revenues in Albert and slightly higher accounts payable.

In summary, working capital has thus decreased by -4,838k SEK to -42,244k SEK.

Cash Flow for the Period

Cash flow during the period amounted to -36,787k (-22,712k) SEK, which is a decrease of 14,570k SEK compared to last year. The lower cash flow is mainly explained by a weaker result. Furthermore, the difference is explained by the fact that the cash flow in the corresponding period of 2023 was extraordinarily good due to the capital injection that was carried out in connection with the company's three acquisitions.

During the period January to December 2024, cash flow from operating activities, before changes in working capital, was -30,994k (-14,925k) SEK, which corresponds to a decrease of 16,069k SEK compared to the same period last year. This is mainly explained by the decline in the operating results.

Cash flow from operating activities after working capital during the period amounted to -26,915k (-17,880k) SEK. This is a decline of 9,035k SEK compared to the same period last year.

Cont. Financial overview

Cash flow from changes in working capital had a positive cash flow effect of 4,079k (-2,955k) SEK during the period January to December, mainly due to increased current liabilities from higher prepaid revenues in B2C, slightly higher accounts payable and higher royalty debt in Swedish Film. This is linked to strong sales at the end of the year in Albert and Swedish Film.

Cash flow from investments during the period was -6,870k (-61,387k) SEK. The difference compared to the period last year is mainly due to the fact that three acquisitions were made in 2023, but also to lower capitalisation of proprietary intangible assets in the period 2024.

Cash flow from financing activities was -3,002k (57,050k) SEK and consists mainly of amortisation of debt. The change compared to the previous year is attributable to the new share issue related to acquisitions completed in 2023.

The company's cash and cash equivalents at the end of the period amounted to 44,472k (80,482k) SEK. The company's target of achieving positive EBITDA with existing cash remains and so far execution is proceeding according to plan. intangible assets in the period 2024.

Other information

Investments

During the quarter, the Albert Group invested 1,600K (4,498K) SEK in internally developed intangible assets, which included developing new products and launching new functions in existing products. The investments included capitalisation of development costs, such as personnel costs for employees in product and technology development and consultancy costs.

Financing

The Albert Group has outstanding debts to credit institutions totalling 6,336k (9,271k) SEK. The equity ratio stands at 51 (67)% as of 31 December, 2024, and the net cash amounted to 38,136K (71,211K) SEK.

Material risks and uncertainties

The Albert Group works continuously and systematically to identify, evaluate and manage overall risks as well as various systems and processes. In this way, the company can have a high rate of development and at the same time have knowledge of both opportunities and risks. The most significant strategic and operational risks affecting

Albert's business and industry are described in detail in the management report in the annual report for 2023 pages 25–27. The reported risks, as described in the 2023 annual report, are assessed to be essentially unchanged.

Transactions with related parties

Purchases of marketing and management consultancy services were carried out during the financial year from Schibsted at the amount of 300k SEK and mr Grytterhielm AB at the amount of 500k SEK, including group companies that are considered related parties due to Board representation and ownership. During the fourth quarter, there were no related party transactions. The transactions are part of eEducation Albert AB's normal operations and were carried out on market terms.

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GROUP

Income statement

SEK Thousands	Note	2024	2023	2024	2023
		Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net revenue	8	44,741	44,018	177,791	177,893
Capitalised work for own account	3	1,600	2,780	6,882	14,034
Other income		509	11,192	5,618	13,002
		46,850	57,990	190,291	204,929
Operating expenses					
Raw materials and consumables		-824	-672	-5,375	-4,085
Other external expenses		-30,785	-24,369	-121,251	-104,880
Personnel expenses		-23,654	-26,037	-94,372	-100,021
Depreciation, amortisation, and impairment of tangible and intangible assets	3	-14,602	-29,996	-84,359	-80,499
Other operating expenses		-	-	-	-2,193
Operating profit/loss		-23,015	-23,083	-115,066	-86,750
Result from financial items					
Other interest income and similar income		948	698	1,932	2,212
Interest costs and similar profit and loss items		-176	-226	-532	-619
Result after financial items		-22,243	-22,611	-113,666	-85,157
Tax on profit/loss for the period		832	-987	8,877	5,260
Profit/loss for the period		-21,411	-23,598	-104,789	-79,897
Earnings per share					
–before and after dilution (SEK)*		-0.85	-0.94	-4.17	-3.18
Number of shares outstanding at the end of the reporting period		25,128,917	25,128,917	25,128,917	25,128,917
Average number of shares outstanding		25,128,917	25,128,917	25,128,917	24,235,604

*Refers to both before and after dilution when the amount is negative.

GROUP

Balance sheet

SEK Thousands	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised development costs and similar work	3	34,494	74,256
Goodwill	3	73,039	97,402
Concessions, patents, license, brands as well as similar rights	3	26,175	35,256
		133,708	206,913
Tangible fixed assets			
Equipment, tools and installations		264	468
		264	468
Financial assets			
Other non-current receivables		426	421
		426	421
Total fixed assets		134,398	207,802
Current assets			
Inventory		5,239	3,556
Accounts receivable		14,778	15,441
Other receivables		4,017	3,573
Prepaid costs and accrued income		9,966	4,673
		34,001	27,243
Cash and cash equivalents			
Cash and cash equivalents		44,472	80,482
		44,472	80,482
Total current assets		78,473	107,725
TOTAL ASSETS		212,870	315,527

CONT >>

GROUP

Cont. Balance sheet

SEK Thousands	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,256	1,256
Other capital contributed	520,838	520,838
Retained earnings including profit/loss for the period	-411,894	-311,676
Shareholders' equity, attributable to the Parent Company's shareholders	110,200	210,418
Total equity	110,200	210,418
Provisions		
Deferred tax liabilities	8,954	17,944
Other provisions	311	311
	9,265	18,255
Long-term liabilities		
Liabilities to credit institutions	6,336	9,271
	6,336	9,271
Current liabilities		
Accounts payable	6,353	5,366
Overdraft facility	2,457	2,522
Current tax liabilities	222	1,727
Other liabilities	8,149	8,687
Accrued expenses and deferred income	69,890	59,283
	87,070	77,585
TOTAL EQUITY AND LIABILITIES	212,870	315,529

GROUP

Changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 01/01/23	886	472,129	-233,637	239,378
Result for the period	-	-	-79,897	-79,897
<i>Changes in equity</i>				
Translation difference	-	-	1,086	1,086
Employee stock options	-	-	772	772
	-	-	1,858	1,858
<i>Transaction with owners</i>				
Rights issue	205	-205	-	-
Issue costs	-	-3,500	-	-3,500
Non-cash issue	165	52,414	-	52,579
	370	48,709	-	49,079
Closing equity 31/12/23	1,256	520,838	-311,676	210,418

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 01/01/24	1,256	520,838	-311,676	210,418
Result for the period	-	-	-104,789	-104,789
<i>Changes in equity</i>				
Translation difference	-	-	3,547	3,547
Employee stock options	-	-	1,023	1,023
	-	-	4 570	4 570
Closing equity 31/12/24	1,256	520,838	-411 895	110 200

The number of shares outstanding as of the balance sheet date amounts to 25,128,917.

GROUP

Cash flow statement

SEK Thousands	2024	2023	2024	2023
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Operating activities				
Result before financial items	-23,015	-23 083	-115 066	-86,750
Adjustments for non-cash flow items				
Depreciation and write-downs	14,602	29,996	84,359	80,499
Realisation result	-	-	-22	-
Changes in provisions	-	-13,002	-	-13,002
Options	281	365	1,023	772
Exchange rate gains/losses	-781	-1,922	-427	-165
Interest received	291	699	1,290	2,212
Interest Paid	-81	-306	-532	-619
Tax paid	-1254	693	-1,619	2,128
Cash flow from operating activities before changes to working capital	-9,957	-6,560	-30,994	-14,925
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in stock	-1,124	6,912	-1,683	3,494
Increase (-)/Decrease (+) of operating receivables	2,006	12,808	-3,424	3,091
Increase (+)/Decrease (-) of operating liabilities	-3,713	-18,249	9,186	-9,540
Cash flow from operating activities	-12,788	-5,089	-26,915	-17,880
Investing activities				
Acquisition of subsidiaries / operations, net cash impact	-	-	-	-45,431
Acquisition of tangible fixed assets	-	-204	-26	-204
Acquisition of intangible assets	-1,600	-4,498	-6,844	-15,752
Cash flow from investing activities	-1,600	-4,702	-6,870	-61,387
Financing activities				
New share issue	-	-	-	70,100
Issue costs	-	-	-	-3,500
Net change checking account	47	124	-66	124
Amortisation of non-current loans	-812	-1,512	-2,936	-9,674
Cash flow from financial activities	-765	-1,388	-3,002	57,050
Cash flow for the year	-15,153	-11,179	-36,787	-22,217
Cash and cash equivalents at beginning of the year	59,384	94,465	80,482	104,144
Exchange rate difference in cash and cash equivalents	241	-2,804	777	-1,445
Cash and cash equivalents at end of the period	44,472	80,482	44,472	80,482

PARENT COMPANY

Income statement

SEK Thousands	Note	2024	2023	2024	2023
		Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net revenue	8	14,264	13,891	57,475	62,118
Capitalised work for own account	3	1,562	2,500	6,460	12,700
Other income		374	-	16,023	-
		16,200	16,391	79,958	74,818
Operating expenses					
Other external expenses		-15,484	-10,652	-70,531	-55,893
Personnel expenses		-7,388	-10,783	-35,077	-37,220
Depreciation, amortisation, and impairment of tangible and intangible assets		-3,284	-3,114	-12,325	-11,279
Other operating expenses		-21	-1,078	-55	-1,656
Operating profit/loss		-9,977	-9 236	-38,030	-31,230
Result from financial items					
Other interest income and similar income		69	370	622	1,565
Interest costs and similar profit and loss items		-33	-53	-183	-190
Impairment Loss on Shares in Subsidiaries		-	-	-21,286	-46,815
Impairments of long-term receivables		-	-46,815	-7,695	-
Result after financial items		-9,941	-55,733	-66,572	-76,670
Year-end appropriations					
Group contributions		7,570	2,941	7,570	2,941
Result before taxes		-2,371	-52,792	-59,002	-73,729
Tax on profit/loss for the period		-	-	-	-
Profit/loss for the period		-2,371	-52,792	-59,002	-73,729

PARENT COMPANY

Balance sheet

SEK Thousands	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised development costs and similar work	3	12,835	18,571
Concessions, patents, license, brands as well as similar rights	3	258	387
		13,093	18,958
<i>Financial assets</i>			
Shares in group companies		180,587	188,282
Other non-current receivables		257	257
		180,844	188,539
Total fixed assets		193,937	207,497
Current assets			
Accounts receivable		2,498	5,929
Receivables to group companies		15,072	14,889
Tax receivable		93	-
Other receivables		838	-
Prepaid costs and accrued income		6,152	874
		24,653	21,692
Cash and cash equivalents			
Cash and cash equivalents		5,636	29,888
		5,636	29,888
Total current assets		30,289	51,579
TOTAL ASSETS		224,226	259,076

CONT >>

PARENT COMPANY

Cont. Balance sheet

SEK Thousands	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>			
Share capital		1,256	1,256
Ongoing rights issue		-	-
Fund for development expenditure		12,835	18,571
		14,091	19,827
<i>Non-restricted equity</i>			
Share premium reserve		520,838	520,838
Retained earnings		-298,350	-231,381
Profit/loss for the period		-59,002	-73,729
		163,486	215,728
Total equity		177,577	235,555
Provision			
Other provisions		311	311
		311	311
Current liabilities			
Accounts payable		3,823	2,652
Liabilities to group companies		26,992	10,081
Current tax liabilities		-	377
Other liabilities		2,796	2,675
Accrued expenses and deferred income		12,727	7,423
		46,338	23,208
TOTAL EQUITY AND LIABILITIES		224,226	259,076

Notes

Note 1. Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act (1995:1554) and the accounting principles set out in BFNAR 2012:1 Annual accounts and consolidated accounts (K3). The same accounting principles and calculation bases have been applied as in the most recent annual report. All amounts are, unless otherwise stated, rounded to the nearest thousand.

The adjusted gross margin is calculated as a percentage of net revenue after deducting direct selling costs. The company's direct sales costs refer to commodity costs, platform fees, royalties, licenses and fees for payment processing.

For 2023, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, Sumdog Ltd, ARPU Management AB, Strawbees AB and Kids SAS MBA will be included in the consolidated accounts. The same applies to 2024.

Note 2. Estimates and assessments

Preparing interim reports requires management to make judgment and estimates and make assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgment. Except as described below, the key judgment and sources of uncertainty in the estimates are the same as in the most recent annual report.

As the business has historically focused on growth, a negative taxable result is reported. This has resulted in tax loss carry-forwards in the company. Considering the uncertainty about the future, the company management has decided not to report these as deferred tax assets. As of 31 December, 2024, Albert had a total of tax loss deductions of 261M SEK.

On 20 January, 2023, eEducation Albert acquired all shares in Kids MBA SAS. There is an agreed additional purchase price to be paid after the 2025 annual general meeting if the organic growth in the consolidated annual net revenue for all companies in the group as of 31 January, 2023 amounts to a total of 70% between the financial years 2022–2024. The additional purchase price will not be paid. No provision for the additional purchase price has been booked.

As a result of the restructuring for Kids MB SAS, the company has written down excess values within the group by 20,640k SEK (excl deferred tax which has been returned on -4,252k SEK) during the year, which does not affect cash flow. In the parent company, eEducation Albert AB, the shares acquired from Kids MBA have been written down by 7,695k SEK, representing 100% of the shares in the subsidiary. Additionally, intercompany balances between the parent company and the subsidiary have been written down by 21,286k SEK.

On 31 January 2023, eEducation Albert acquired all shares in Strawbees AB. There is an agreed additional purchase price to be paid after the 2025 annual general meeting if the organic growth in the consolidated annual net revenue for all companies in the group as of 31 January, 2023 amounts to a total of 50% between the financial years 2022–2024. The additional purchase price will not be paid. No provision for the additional purchase price has been booked.

These estimates are subject to uncertainty and may be revised in the future based on changes in the factors and conditions affecting the development of net revenue in the group.

Note 3. Intangible and tangible assets

Intangible internally developed assets

During the quarter, Albert and Strawbees have capitalised work for their own account regarding balanced expenses for development work. These developments are concerned with the development of the companies' products such as Strawbees Classroom, Albert Junior, Albert Teen, and Jaramba. These investments per the fourth quarter of 2024 amounted to 1,600k (4,498k) SEK.

Depreciation and impairment of tangible and intangible assets

TSEK	2024	2023	2024	2023
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Capitalised work for own account	-3,970	-7,932	-15,025	-18,537
Acquired intangible assets	-4,620	51	-43,767	-24,161
Goodwill	-5,957	-22,041	-25,313	-37,490
Equipment, Tools and Installations	-55	-74	-254	-311
Total	-14,602	-29,996	-84,359	-80,499

During the year, exchange rate fluctuations have affected goodwill and surplus values related to previous acquisitions of foreign operations. The effect of translation at the closing rate as of the balance sheet date, amounts to 3,980k SEK, which has been recognised against the translation difference in equity

Note 4. Equity

As of 31 December, 2024, the registered share capital comprised 25,128,917 ordinary shares (25,128,917) with a quota value of 0.05 (0.05) SEK.

Note 5. Share-related compensation

As of 31 December 2024, the company has three employee stock option programmes comprising a maximum of 1,994,966 option rights, entitling holders to a maximum of 2,230,298 shares, whereby the share capital can increase by a maximum of SEK 102,624. The company has entered into agreements with each participant for all options, whereby, upon exercise by the participant, the company's Board of Directors shall convene a general meeting to address the decision on the issuance of the corresponding number of shares.

The first employee stock options are earned over a period of three years from the date of allocation and can then be used by option holders to subscribe for shares no later than one year after that. The last possible exercise date occurred during 2024. The redemption price for each share covered by the employee stock options amounts to SEK 10.27. No one has exercised the programme during 2024.

The other employee stock options vest over a period of three and a half (3.5) years from the date of grant and can then be used by option holders to subscribe for shares no later than 2 months thereafter. The last possible exercise date occurs in 2025. The redemption price for each share covered by the employee stock options amounts to SEK 59.11.

The third employee stock options are earned over a period of three (3) years from the date of award and can then be used by option holders to subscribe for shares no later than 2 months after that. The last possible exercise date occurs in 2026. The redemption price for each share covered by the employee stock options amounts to SEK 13.74.

The maximum dilution of the active option programmes amounts to 5.2 percent.

Note 6. Pledged collateral

The company has a guarantee commitment linked to a lease agreement that runs until 31 December, 2025. The obligation constitutes a contingent liability and pertains to ensuring rent payments. The exposure amounts to a maximum of 458k SEK.

Note 7. Events following the balance sheet date

Other events after the end of the period:

- Albert Junior was launched in the Czech Republic. The launch was another strategic step toward profitable growth and expanded global presence following the launch in Romania.
- In connection with the preparation of the annual financial statements, the company discovered an error in the Q3 report concerning the consolidated income statement and balance sheet. This error resulted in an insufficient impairment of intangible assets in the group when the company wrote down excess values in Kids MBA, as referenced in the press release from 2 October, 2024. The error occurred due to a data entry mix-up, where the amounts were mistakenly registered incorrectly. The error will be adjusted for the full year. It negatively impacts intangible items and EBIT by 10 million SEK.
- The company has also corrected costs related to marketing expenses in connection with the annual financial statements. These costs pertain to an earlier period this year, Q2, which has negatively impacted the Q4 results by 1.4 million SEK.

Note 8. Business area

The company's operating segments are therefore divided as follows:

- B2C - Sales to households
- B2B - Sales to schools/other businesses

SEK Thousands	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Business model				
B2C digital products subscription	17,827	17,944	73,274	79,069
B2B digital products subscription	18,159	18,617	66,336	68,192
B2B digital products non-subscription	3,970	3,284	8,672	9,129
B2B physical products non-subscription	4,786	4,173	29,510	21,503
Sum	44,741	44,018	177,791	177,893

Business model

Albert Group has four different business models:

B2C sales of digital products through subscriptions:

All B2C products are apps sold via subscription, where customers pay a recurring fee either monthly or annually.

B2B sales of digital products through subscription:

B2B products such as Sumdog and Film & Skola are purely digital app- or web-based products sold via subscription, with customers paying in advance.

B2B sales of digital products not sold through subscriptions:

Some digital B2B products (such as films) are sold or rented on a one-time basis, often in connection with specific events. While not subscription-based, these sales are typically recurring with the same customers.

B2B sales of physical products not sold through subscriptions:

Physical B2B products, such as Strawbees and films on DVD and Blu-ray, are sold or rented for one-time payments. A significant portion of this revenue comes from recurring sales to existing customers, such as Strawbees customers replenishing materials or organisations regularly renting films.

Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Net revenue	Net revenue refers to income from the sale of goods and services within the ordinary business.	Net revenue provides a clear and accurate picture of a company's actual income from its core operations.
Invoiced Sales	Invoiced, not periodised sales.	Clarifies total sales, which gives an idea of future net revenue.
Net revenue growth	Change in net revenue compared to the same period the previous year.	Clarifies the Company's growth in net revenue compared to the same period last year.
Organic net revenue growth	Organic growth refers to sales growth from existing operations adjusted for the effects of acquisitions and divestitures.	Measures the Company's growth in net revenue compared to the same period last year, excluding any acquisitions during the periods, for increased comparison over time.
Gross profit	Net revenue after deduction of direct sales costs, which are defined as cost of goods sold, platform fees, royalties, licenses, and payment processing fees	Clarifying the Company's contribution, which is intended to cover both fixed and variable costs of the business.
Adjusted gross profit	Net revenue after deduction of direct sales costs, adjusted for non-recurring items. This includes an actual adjustment of a non-recurring item related to royalty costs, in addition to cost of goods sold, platform fees, licenses, and payment processing fees.	Clarify the Company's contribution, which must cover fixed and variable costs in the business.
Gross margin	Gross profit as part of net revenue.	
Adjusted gross margin	Adjusted gross profit as part of net revenue.	Measure how much of the Company's net revenue remain to cover fixed and variable costs.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation.	Measure the results from the ongoing business independent of depreciation and write-downs of tangible and intangible assets.

CONT. >>

Cont. Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Adjusted EBITDA	Earnings before interest, taxes, depreciation, and amortisations, here adjusted for items affecting comparability.	Measure the results from the ongoing business independent of depreciation and write-downs of tangible and intangible assets. Adjusted for item affection comparability for a fair picture between periods.
EBITDA margin	EBITDA as part of net revenue.	Clarify the Company's profitability generated by the ongoing operations. Facilitates the comparison of profitability between different companies and industries.
EBITA	Earnings before interest, tax and depreciation write-downs of acquisition-related assets.	Measure the results from the ongoing business independent of and impairment of acquisition-related assets.
EBIT	Earnings before interest and tax	Measure the result from the current operations independent of taxes and interest.
EBIT-margin	EBIT as part of net revenue.	Shows what percentage of turnover remains after all the business's costs and which can be allocated to other purposes.
Net cash (-)/debt (+)	Interest-bearing liabilities minus interest-bearing receivables and cash and cash equivalents.	Shows the company's total indebtedness.
Working capital	Current assets, excluding liquid funds reduced by accounts payable and accrued expenses, as well as prepaid income.	Clarifies how much capital is needed to finance ongoing operations.
Solidity	Equity as part of total assets.	Clarifies the Company's capital structure and, hence the company's financial strength.
Earnings per share before dilution	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding during the period.	Clarifies shareholders' earnings per share before dilution.

CONT. >>

Cont. Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Earnings per share before dilution	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding adjusted for the effects of all potential ordinary shares that give rise to a dilutive effect during the period.	Clarifies shareholders' earnings per share after dilution.
Earnings per share after dilution	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding adjusted for the effects of all potential ordinary shares that give rise to a dilutive effect during the period.	Clarifies shareholders' earnings per share after dilution.
ARR	Annual Recurring Revenue (ARR) in TSEK refers to expected future revenues based on the loyalty of the existing customer base. The calculation assumes that subscribers continue to renew their subscriptions, meaning that the metric involves both assumptions and risks. ARR from B2C monthly subscriptions is calculated as ARPU multiplied by the number of invoiced subscribers for the current month, multiplied by 12. ARR from B2C annual subscriptions is calculated by allocating annual revenue over the next 12 months, where ARPU (converted to a monthly rate) is multiplied by the number of invoiced subscribers for different purchase cohorts for the current month, multiplied by 12. ARR from B2B is calculated based on Monthly Recurring Revenue (MRR). MRR is determined on a monthly basis by allocating historical license sales over the license period. For each quarter, an average MRR is calculated based on the months included in the period. This average MRR is then multiplied by 12 to determine Annual Recurring Revenue (ARR).	The Company's expected revenue from subscriptions on an annual basis.
ARPU	Average Revenue Per User = average revenue per user. The price a customer pays, excluding VAT.	Clarify what revenue the company has for each subscriber each month.

The Board of Directors and the CEO assure that the year end report provides a fair overview of the company's operations, position and results and describes significant risks and uncertainties that the company faces.

Signature of report

Gothenburg, 27 February 2025

Björn Bengtsson
Chairman

Richard Sandenskog
Board Member

Peter Grytterhielm
Board Member

Carl Kinell
Board Member

Andrea Carr
Board Member

Jonas Mårtensson
CEO

Financial Calendar

Annual report 2024	27 Mar
Annual General Meeting 2025	29 Apr
Interim report, Q1 2025	16 May
Interim report, Q2 2025	22 Aug
Interim report, Q3 2025	11 Nov
Year end report 2025	26 Feb 2026

Contact

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This information is such information that eEducation Albert is required 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 28 February 2025 at 07.30 am.

Review

This report has not been subject to review by the company's auditors.