

Interim report 2024  
January–March

# albert



# Words from our CEO and deputy CEO

## Stable net sales, strong cash flow and launched profitability programme to accelerate path to profitability

As we close the first quarter of 2024, we look back on a period of stable net sales and improved cash flow. In line with our expectations, the EBITA decreased compared to the previous quarter as well as to the corresponding quarter last year, but should start improving from the second quarter and onwards as the profitability programme goes into effect.

Net sales for the quarter remained consistent with the corresponding quarter last year, amounting to 41.6 million SEK. The outcome aligns with our strategic objectives of maintaining sales while prioritising profitability and structural enhancements. Compared to the previous quarter, sales decreased slightly, which was anticipated given a strong performance in December by Swedish Film.

In terms of sales to the education sector (B2B), we have secured significant contracts in the US for our Strawbees product. In the United Kingdom, we are proud to conclude that 450 schools purchased new or repeat subscriptions to the Sumdog service. Additionally, progress has been made in streamlining B2B sales efforts between Strawbees and Sumdog in the United Kingdom, paving the way for promising opportunities for the quarters to come.

Our consumer sales (B2C) have shown a slight increase compared to the fourth quarter and a decrease compared to the corresponding quarter last year. Customer conversion rates and churn are stable, and the differences in sales are due to changes in marketing expenditure. Our strategic emphasis on the French and Polish markets has yielded encouraging results, particularly with Holy Owly Math gaining traction in France and Albert Junior in Poland. Notably, the launch of a new product bundle in Sweden featuring Albert Junior, Albert Teen, Jaramba, and Holy Owly has been well-received, leading to an uptick in revenue per user.

Our commitment to profitability and cash flow remains unwavering. During the first quarter, we initiated a profitability programme aimed at capturing synergies, reducing personnel costs (primarily in B2C), and boosting revenues from B2B operations. Looking at the EBITA for the first quarter it was -13.6 million SEK; in addition, we had one-time costs related to the profitability programme of 2.7 million SEK, resulting in a total of -16.4 million SEK. The main drivers of the lower EBITA are partly an increase in personnel costs, which have been addressed in the profitability programme and will decrease going forward, and partly a decrease in revenues from capitalised R&D expenses. The effect of the decreased capitalisation has no cash flow effect and will remain going forward.

This explains the cash flow moving in the opposite direction from EBITA, being stronger compared to the corresponding quarter the previous year with 7.8 million SEK compared to 2.4 million SEK. In addition, an earlier than expected invoicing programme by Swedish Film improved cash flow, although this will affect cash flow in the second quarter negatively.

One important building block of the profitability programme is the launch of a new organisational structure, transitioning from standalone units to a more integrated set up led by a unified senior management team. The reorganisation enhances our ability to capture synergies, optimise operations, and deploy resources efficiently. Moreover, it positions us for scalability and facilitates seamless integration of future acquisitions.

Looking at the education market, the long term trend for education in general and edtech products in particular remains positive as governments and private players continue to invest in education. The rapid evolution of the edtech market owes much to the utilisation of data and data analytics, which empowers the creation of highly personalised, efficient, and scalable educational solutions. This trend significantly impacts society, enhancing learning outcomes for students. At the Albert Group, we are committed to remaining at the forefront of educational sector development, leveraging these technologies to drive innovation and maximise educational impact.

The consolidation continues in the edtech industry, as small players seek to become part of bigger edtech groups. This opens up interesting opportunities for the Albert Group, as we continue our journey towards becoming a leading European edtech player.

Looking forward, we remain optimistic about our outlook. The strength of our sales pipeline, combined with a successful implementation of the profitability programme, position us well for sustained growth and improved profitability in the quarters to come.

We extend our sincere gratitude to our dedicated teams, loyal customers, and supportive shareholders, whose collective efforts continue to drive our company forward towards achieving our mission.

Yours sincerely,  
**Jonas Mårtensson**, CEO and  
**Anne-Louise Wirén**, deputy CEO

**“We continue our journey towards becoming a leading European edtech player.”**

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Jonas Mårtensson, CEO and  
Anne-Louise Wirén, deputy CEO



# Quarter in brief

## 1 January - 31 March 2024

- Annual Recurring Revenue (ARR) amounted to 166.5 (196.0) MKR, a 15 percent decrease. Net sales amounted to 41,602 (42,040) TSEK, corresponding to a decrease of 1 percent compared to the same period in the previous year of which -8 percent was related to organic growth and 7 percent to acquired growth.
- EBITA amounted to -16,361 (-10,175) TSEK. Nonrecurring items affected EBITA with -2,683 TSEK.
- The result after financial items amounted to -28,411 (-22,187) TSEK.
- Profit/loss for the period amounted to -27,146 (-20,311) TSEK.
- Earnings per share amounted to -1.08 (-0.81) SEK, before and after dilution.
- Cash flow from operating activities amounted to 7,751 (2,423) TSEK.
- Cash and cash equivalents at the end of the period amounted to 86,082 (116,319) TSEK.

## Significant events during the first quarter 2024

- Albert introduced a profitability programme with the ambition to achieve positive EBITDA by 2025.
- Albert announced an organisational restructuring to enhance efficiency and accelerate the integration of acquired

companies. The new structure is scheduled for implementation on 1 April 2024.

- Deputy CEO Anne-Louise Wirén has announced her departure from her position at Albert. She will remain in her role throughout the spring to ensure a smooth transition to the new organisational structure.
- Albert announced that founders Salman and Arta will leave their operational roles in the company during the first quarter.

## Significant events after the end of the period

- The company has identified a structural error in eEducation Albert AB in connection with the preparation of the annual report for 2023, as previously communicated. This error has led to incorrect reporting of income related to subscriptions where payment has not been received. For Q1 2023, net sales and external costs have been corrected by -5.4 MSEK, and for the full year of 2023, the correction is -17,2 MSEK. The correction has no effect on profit or cash flow.

## Key figures in focus

SEK Thousand	Jan–Mar		Jan–Dec
	2024	2023	2023
Net sales	41,602	42,040	177,893
<i>Percentage change compared to comparison period</i>	-1	71	75
EBITA	-16,361	-10,175	-25,096
<i>Percentage change compared to comparison period</i>	-61	45	68
EBITA margin (%)	-	-	-
Result after financial items	-28,411	-22,187	-85,157
<i>Percentage change compared</i>	-28	12	17
Profit/loss for the period	-27,146	-20,311	-79,897
Earnings per share (SEK)*	-1.08	-0.81	-3.18
Cash flow from operating activities	7,751	2,423	-18,085
Cash flow for the period	5,518	11,731	-22,217

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

# Financial overview

## First quarter

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### Net sales & results

Net sales during the quarter amounted to 41,602 (42,040) TSEK, which is a decrease of 1 percent. Net sales are at the same level as in the same period last year, which is in line with the company's strategy.

The B2B segment has further increased in scope in the Group and accounted for 58 (48) percent of total net sales during the quarter. This is driven by the acquisitions made last year and according to the plan for an increased focus on the B2B operations and the focus on profitability going forward.

The gross margin was 70.2 (78.5) percent. Gross margin are driven by licensing and platform fees, with Swedish Film having the largest impact on the margin due to its licensed content business.

EBITA for the first quarter was -13.6 MSEK and in addition to this we had one-off costs related to the profitability program of SEK 2.7 million, which resulted in an EBITA for a total of -16.4 MSEK. The main driving forces behind the lower EBITA is partly due to increased personnel costs, which have addressed in the profitability program and will decrease coming quarters, as well as a reduction in revenue for activation of research and development costs.

During the period, amortisation of acquired intangible assets amounted to 13,017 TSEK thousand (12,302).

The loss for the period was 27,146 TSEK (-20,311). Earnings per share before and after dilution were (SEK) -1.08 (-0.81).

### Cash flow and working capital

Cash flow from operating activities amounted to 7,751 TSEK (2,423). Cash flow improved during the period because Swedish Film made the majority of its sales of annual subscriptions during the first quarter.

As of 31 March, working capital amounted to -57,126 TSEK (-44,403). Operating liabilities such as accounts payable, accrued expenses, and deferred income have increased compared to the previous year. This is primarily driven by the B2B segment's sales to schools, which are made on annual subscriptions with advance payment.



# Other information

## Investments

During the quarter, Albert Group invested 1,728 (5,170) TSEK in self-developed intangible assets, which involved the development of new products and the launch of new functions in current products. The investment included the capitalisation of development expenses such as personnel costs for employees in product and technology development and the purchase of consultants.

## Financing

Albert Group has outstanding debts to credit institutions totaling 8,920 (10,609) TSEK. The equity / assets ratio amounts to 60 (64) percent as of 31 March 2024, and the net debt amounted to -77,161 (-105,710) TSEK.

## Significant risks and uncertainties

Albert Group works continuously and systematically to identify, evaluate, and manage overall risks as well as various systems and processes. This approach ensures the company can maintain a high rate of development while being aware of both opportunities and risks. The most significant strategic and operational risks that affect Albert's operations and industry are detailed in the administration 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 consulting services were made during the financial year from Schibsted 100 TSEK (100 TSEK) and mr Grytterhielm AB 300 TSEK, including Group companies that are deemed to be related parties, due to board representation and ownership. The transactions are part of eEducation Albert AB's normal operations and occurred on market terms.

## Strategic Revenue Categorization Enhances Financial Transparency

In the current fiscal year, revenue derived from our collaboration with Akelius is categorised under 'Other Revenue'. This categorisation is part of our accounting strategy, designed to enhance clarity and provide an accurate representation of our revenue streams based on the nature and source of the income.

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

**The report is signed digitally**

Gothenburg, 7 May 2024

**Peter Grytterhielm**

Chairman

**Richard Sandenskog**

Board Member

**Eva Nilsagård**

Board Member

**Carl Kinell**

Board Member

**Andrea Carr**

Board Member

**Jonas Mårtensson**

CEO

## Financial Calendar

Interim report Q1 2024 Jan–Mar	8 May
Annual general meeting 2024	16 May
Interim report Q2 2024 Apr–Jun	22 Aug
Interim report Q3 2024 Jul–Sep	22 Oct

## 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 8 May 2024 at 07.30 am.

### Review

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

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# Consolidated income statement

SEK Thousands	Note	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Net sales	7	41,602	42,040	177,893
Capitalised work for own account	3	1,728	5,170	14,034
Other income		5,055	-	17,585
		<b>48,385</b>	<b>47,210</b>	<b>209,512</b>
<b>Operating expenses</b>				
Raw materials and consumables		-1,103	-672	-4,085
Other external expenses		-31,853	-29,709	-104,880
Personnel expenses		-28,195	-22,773	-100,021
Depreciation, amortization, and impairment of tangible and intangible assets	3	-16,612	-15,443	-80,499
Other operating expenses		-	-1,090	-
<b>Operating profit/loss</b>		<b>-29,378</b>	<b>-22,477</b>	<b>-86,750</b>
<b>Result from financial items</b>				
Other interest income and similar income		1,031	366	2,211
Interest costs and similar profit and loss items		-64	-75	-619
<b>Result after financial items</b>		<b>-28,411</b>	<b>-22,187</b>	<b>-85,157</b>
Tax on profit/loss for the period		1,264	1,875	5,260
<b>Profit/loss for the period</b>		<b>-27,146</b>	<b>-20,311</b>	<b>-79,897</b>
<b>Earnings per share</b>				
– before and after dilution (SEK)*		-1.08	-0.81	-3.18
<b>Number of shares outstanding at the end of the reporting period</b>		<b>25,128,917</b>	<b>25,128,917</b>	<b>25,128,917</b>
<b>Average number of shares outstanding</b>		<b>25,091,782</b>	<b>21,425,286</b>	<b>24,235,604</b>

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

# Consolidated balance sheet

SEK Thousands	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	69,151	90,765	74,256
Goodwill		90,554	94,288	97,402
Concessions, patents, license, brands as well as similar rights	3	32,475	84,690	35,256
		192,180	269,744	206,913
<i>Tangible fixed assets</i>				
Equipment, tools and installations		406	531	468
		406	531	468
<i>Financial assets</i>				
Other non-current receivables		426	409	421
		426	409	421
<b>Total fixed assets</b>		<b>193,013</b>	<b>270,684</b>	<b>207,802</b>
<b>Current assets</b>				
Inventory		3,031	3,151	3,556
Accounts receivable		11,729	17,611	15,441
Other receivables		5,430	8,880	3,573
Prepaid costs and accrued income		5,890	6,693	4,673
		26,081	39,485	27,243
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		86,082	116,319	80,482
		86,082	116,319	80,482
<b>Total current assets</b>		<b>112,162</b>	<b>155,804</b>	<b>107,175</b>
<b>TOTAL ASSETS</b>		<b>305,175</b>	<b>426,488</b>	<b>315,529</b>

CONT >>

## cont. Consolidated balance sheet

SEK Thousands	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	4	1,256	1,256	1,256
Other capital contributed		520,838	520,838	520,838
Retained earnings including profit/loss for the period		-339,594	-247,870	-311,676
<b>Shareholders' equity, attributable to the Parent Company's shareholders</b>		<b>182,501</b>	<b>274,225</b>	<b>210,418</b>
<b>Total equity</b>		<b>182,501</b>	<b>274,225</b>	<b>210,418</b>
<b>Provisions</b>				
Deferred tax liabilities		16,680	29,786	17,944
Other provisions		311	13,125	311
		16,990	42,911	18,255
<b>Long-term liabilities</b>				
Liabilities to credit institutions		8,920	10,609	9,271
		8,920	10,609	9,271
<b>Current liabilities</b>				
Accounts payable		6,052	7,985	5,366
Overdraft facility		2,368	2,051	2,522
Current tax liabilities		1,426	1,719	1,727
Other liabilities		9,727	11,084	8,687
Accrued expenses and deferred income		77,155	75,904	59,283
		96,763	98,743	77,585
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>305,175</b>	<b>426,488</b>	<b>315,529</b>

# Consolidated changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
<b>Opening equity 01/01/23</b>	<b>886</b>	<b>472,129</b>	<b>-233,637</b>	<b>239,378</b>
Result for the period			-20,311	-20,311
<i>Changes in equity</i>				
Qualified employee stock options			114	114
Translation difference	-	-	5,965	5,965
	-	-	6,079	6,079
<i>Transactions with owners</i>				
Rights issue	205	-205	-	-
Exercise of options	-	-3,500	-	-3,500
Ongoing share issues	165	52,414	-	52,579
	370	48,709	-	49,079
<b>Closing equity 31/03/23</b>	<b>1,256</b>	<b>520,838</b>	<b>-247,870</b>	<b>274,225</b>

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
<b>Opening equity 01/01/24</b>	<b>1,256</b>	<b>520,838</b>	<b>-311,676</b>	<b>210,418</b>
Result for the period			-27,146	-27,146
<i>Changes in equity</i>				
Translation difference	-	-	-772	-772
	-	-	-772	-772
<i>Transaction with owners</i>				
	-	-	-	-
<i>Transfer between items in equity</i>				
	-	-	-	-
<b>Closing equity 31/03/24</b>	<b>1,256</b>	<b>520,838</b>	<b>-339,594</b>	<b>182,501</b>

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



# Consolidated statement of cash flow

SEK Thousands	Note	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
<b>Operating activities</b>				
Result after financial items	7	-28,411	-22,187	-85,157
Adjustments for non-cash flow items		15,831	16,897	68,144
Income tax		-3,200	1,389	2,128
<b>Cash flow from operating activities before changes to working capital</b>		<b>-15,780</b>	<b>-3,900</b>	<b>-14,924</b>
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) of operating receivables		600	-14,950	6,380
Increase (+)/Decrease (-) of operating liabilities		22,930	21,274	-9,540
<b>Cash flow from operating activities</b>		<b>7,751</b>	<b>2,423</b>	<b>-18,085</b>
<b>Investing activities</b>				
Acquisition of intangible assets		-1,728	-5,170	-15,752
Acquisition of subsidiaries / operations, net cash impact		-	-45,431	-45,431
<b>Cash flow from investing activities</b>		<b>-1,728</b>	<b>-50,601</b>	<b>-61,183</b>
<b>Financing activities</b>				
Redeemed warrants		-	-	-
New share issue		-	70,100	70,100
Issue costs		-	-3,500	-3,500
Net change in overdraft		-154	-	124
Amortization of non-current loans		-351	-6,692	-9,674
<b>Cash flow from financial activities</b>		<b>-505</b>	<b>59,908</b>	<b>57,050</b>
<b>Cash flow for the year</b>		<b>5,518</b>	<b>11,731</b>	<b>-22,217</b>
Cash and cash equivalents at beginning of the year		80,482	104,144	104,144
Exchange rate difference in cash and cash equivalents		82	444	-1,445
<b>Cash and cash equivalents at end of the year</b>		<b>86,082</b>	<b>116,319</b>	<b>80,482</b>

# Parent Company income statement

SEK Thousands	Note	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Net sales		13,687	16,904	62,118
Capitalised work for own account	3	1,600	4,900	12,700
Other income		8,923	-	3,303
		24,209	21 804	78,121
<b>Operating expenses</b>				
Other external expenses		-19,921	-18,162	-55,893
Personnel expenses		-12,787	-8,682	-37,220
Depreciation, amortization and impairment of tangible and intangible assets	3	-2,880	-2,486	-11,279
Other operating expenses		-	-856	-4,959
<b>Operating profit/loss</b>		<b>-11,380</b>	<b>-8,384</b>	<b>-31,230</b>
<b>Result from financial items</b>				
Other interest income and similar income		760	365	1,565
Interest costs and similar profit and loss items		-1	-13	-190
Results from impairment of shares in subsidiaries		-		-46,815
<b>Result after financial items</b>		<b>-10,622</b>	<b>-8,032</b>	<b>-76,670</b>
Closing enteries		-	-	2,941
Tax on profit/loss for the period		-	-	-
<b>Profit/loss for the period</b>		<b>-10,622</b>	<b>-8,032</b>	<b>-73,729</b>

# Parent Company balance sheet

SEK Thousands	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	17,323	19,467	18,571
Concessions, patents, license, brands as well as similar rights	3	355	484	387
		17,678	19,951	18,958
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		0	0	0
		0	0	0
<i>Financial assets</i>				
Shares in group companies	6	188,282	236,999	188,282
Other non-current receivables		257	257	257
		188,539	237,256	188,539
<b>Total fixed assets</b>		<b>206,217</b>	<b>251,207</b>	<b>207,497</b>
<b>Current assets</b>				
Accounts receivable		4,920	6,519	5,929
Receivables to group companies		23,565	11,765	14,889
Other receivables		36	420	0
Prepaid costs and accrued income		908	1,480	874
		29,429	20,185	21,702
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		15,796	60,684	29,888
		15,796	60,684	29,888
<b>Total current assets</b>		<b>45,225</b>	<b>80,869</b>	<b>51,579</b>
<b>TOTAL ASSETS</b>		<b>251,441</b>	<b>338,076</b>	<b>259,076</b>

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## cont. Parent Company balance sheet

SEK Thousands	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<i>Restricted equity</i>				
Share capital	4	1,256	1,256	1,256
Ongoing rights issue		-	-	-
Fund for development costs		17,323	19,467	18,571
		18,579	20,724	19,827
<i>Non-restricted equity</i>				
Share premium reserve		520,838	520,838	520,838
Retained earnings		-303,861	-232,932	-231,381
Profit/loss for the period		-10,622	-8,032	-73,729
		206,355	279,874	215,728
<b>Total equity</b>		<b>224,934</b>	<b>300,598</b>	<b>235,555</b>
<b>Provision</b>				
Other provisions		311	13 125	311
		311	13,125	311
<b>Current liabilities</b>				
Accounts payable		4,816	4,803	2,652
Liabilities to group companies		10,305	-	8,421
Current tax liabilities		132	251	337
Other liabilities		3,086	3,204	4,337
Accrued expenses and deferred income		7,857	9,047	7,423
		26,197	24,353	23,521
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>251,441</b>	<b>338,076</b>	<b>259,076</b>



# Notes

## Note 1. Accounting principles

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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 Report 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.

For 2023, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, Sumdog Ltd, ARPU Management AB, Strawbees AB, and Kids SAS MBA are included in the consolidated financial statements. Same companies are included in 2024.

## Note 2. Estimates and assessments

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Preparing the interim report requires management to make assessments and estimates and to make assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income, and expenses. The actual outcome may differ from these estimates and judgments. In addition to what is described below, the critical assessments and sources of uncertainty in estimates are the same as in the most recent annual report.

Shares in subsidiary companies are reported at acquisition value. Dividends from subsidiary companies are recognised as revenue when the right to receive the dividend is deemed certain and can be reliably measured.

At the time of acquisition, goodwill is recognised at acquisition value, and after the initial recognition, it is valued at acquisition value less accumulated depreciation and any impairments. Goodwill is amortised over the expected use period, estimated to be five years. At each balance sheet date, the company assesses whether there is any indication that the carrying amount of goodwill may be lower than its recoverable amount. If such an indication exists, the company calculates the recoverable amount of goodwill and performs an impairment test.

Intangible assets acquired separately are recognised at acquisition value less accumulated depreciation and any accumulated impairments. Depreciation is recognised on a straight-line basis over the asset's estimated useful life, which is estimated to be five years. Estimated useful lives and depreciation methods are reviewed if there is an indication that they have changed compared to the estimation at the previous balance sheet date. The effect of any changes in estimates

and assumptions is recognised prospectively. Depreciation begins when the asset is ready for use.

As the business has historically focused on growth, a negative taxable result is reported. This has resulted in tax loss carryforwards in the company. Considering the uncertainty about the future, the company management has chosen not to recognize these as deferred tax assets. As of 31 March 2024, Albert had total tax loss carryforwards of 256 MSEK.

On 20 January 2023, eEducation Albert acquired all shares in Kids MBA SAS. There is an agreed earn-out, to be paid after the 2025 Annual General Meeting, if the organic 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. The company's current assessment is that the earn-out will not be paid. There is no provision for the earn-out.

On 31 January 2023, eEducation Albert acquired all shares in Strawbees AB. There is an agreed earn-out, to be paid after the 2025 Annual General Meeting, if the organic 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. The company's current assessment is that the earn-out will not be paid. There is no provision for the earn-out.

These estimates are subject to uncertainty and may be reassessed in the future based on changes in the factors and conditions that affect the development of net sales in the Group.

## Note 3. Intangible and tangible fixed assets

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### Acquisitions and divestments

During the quarter, Albert and Strawbees capitalised work for their own account regarding capitalised expenses for development work. These development works relate to the development of the company's products such as Strawbees Classroom, Albert Junior, Albert Teen and Jaramba. In total, these investments in the first quarter of 2024 amounted to 1,728 (5,170) TSEK.

## Note 4. Equity

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

## Note 5. Share-based payments

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As of the end of 31 March, 2024, the company has three qualified employee stock option programs consisting of a maximum of 1,994,966 option rights entitling to a maximum of 2,230,298 shares, whereby the share capital can increase by a maximum of 102,624 SEK. The Company has entered into agreements with the respective participants for all options, whereby in the event of a call for exercise of the participant, the Board of Directors of the Company shall convene a general meeting where decisions on the issue of the corresponding number of shares shall be considered.

The first qualified employee stock options are exercised for a period of three (3) years from the date of allotment and can thereafter be exercised by the option holder to subscribe for shares no later than one year thereafter. The last possible call date occurs in 2024. The exercise price for each share covered by the qualified employee stock options amounts to SEK 10.27.

The second qualified employee stock options are exercised for a period of three and a half years (3.5) years from the date of allotment and can thereafter be exercised by the option holder to subscribe for shares no later than 2 months thereafter. The last possible call date occurs in 2025. The exercise price for each share covered by the qualified employee stock options amounts to 59.11 SEK.

The third qualified employee 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 thereafter. The last possible exercise date occurs in year 2026. The redemption price for each share covered by the qualified employee options amounts to 13.74 SEK.

The maximum dilution of the qualified employee stock option program amounts to 7.5 percent.

## Note 6. Pledged collateral

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As of March, 2024, the company does not have any pledged securities.

## Note 7. Events following the balance sheet date

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Significant events after period end

- The company identified a structural error in eEducation Albert AB in connection with the preparation of the annual report for 2023, as previously communicated. This error has led to incorrect reporting of income related to subscriptions where payment has not been received. For Q1 2023, net sales and external costs have been corrected by -5.4 MSEK, and for the full year of 2023, the correction is -17.2 MSEK. The correction has no effect on profit or cash flow.

## Note 8. Business unit reporting

Albert's CEO, as the highest executive decision-maker, monitors and analyses the results and financial position for the company, by geographic market and business area. The company's operating business units are therefore distributed as:

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

SEK Thousands	Jan–Mar		Jan–Dec
	2024	2023	2023
<b>Business unt</b>			
B2C	17,535	21,206	79,212
B2B	24,067	20,835	98,681
<b>Sum</b>	<b>41,602</b>	<b>42,040</b>	<b>177,893</b>

# Key Figures – Definitions

Financial key figures	Definition	Motivation for users
<b>Net sales, LTM</b>	Refers to net sales for the last 12 months	Clarify the company's net sales for the last 12 months
<b>Net income growth</b>	Change in net sales compared with the same period last year	Clarify the company's growth in net sales compared with the same period last year
<b>Organic net sales growth</b>	Organic growth refers to sales growth from existing operations adjusted for effects from acquisitions and divestments. An acquisition or sale is only included in the calculation of organic growth as it is included with an equal number of months in the current period and the corresponding period last year. Otherwise, it is included in the calculation for acquired growth. Acquired growth is transferred to organic growth 12 months after the acquisition date. The growth is currency-adjusted with the average exchange rate for the quarter.	Clarify the company's growth in net sales compared with the same period last year, excluding any acquisitions during the periods for increased comparison over time
<b>Gross profit</b>	Net sales less direct sales costs, which are defined as raw materials and consumables, platform fees, royalties, licenses, and payment handling fees	Clarify the Company's contribution, which is to cover fixed and variable costs in the business
<b>Gross margin</b>	Gross profit as part of net sales	Clarify how much of the Company's net sales remains to cover fixed and variable costs
<b>EBITA</b>	Earnings before interest, tax and amortisation and write-downs of acquisition-related assets. Earnings before EBITA includes depreciations internally developed intangible assets.	Measure the result from operating activities independent of amortisation and write-down of acquisition-related assets
<b>EBITA margin</b>	EBITA as part of net sales	Clarifies the company's profitability generated by operating activities. Facilitates comparison of profitability between different companies and industries
<b>EBIT margin</b>	EBIT as part of net sales	Shows how large a share of sales remains after all operating expenses and which can be used for other purposes
<b>Net cash (-)/ liability (+)</b>	Interest-bearing liabilities minus interest-bearing receivables and cash and cash equivalents	Shows the Company's total indebtedness

CONT >>



## cont. Key Figures – Definitions

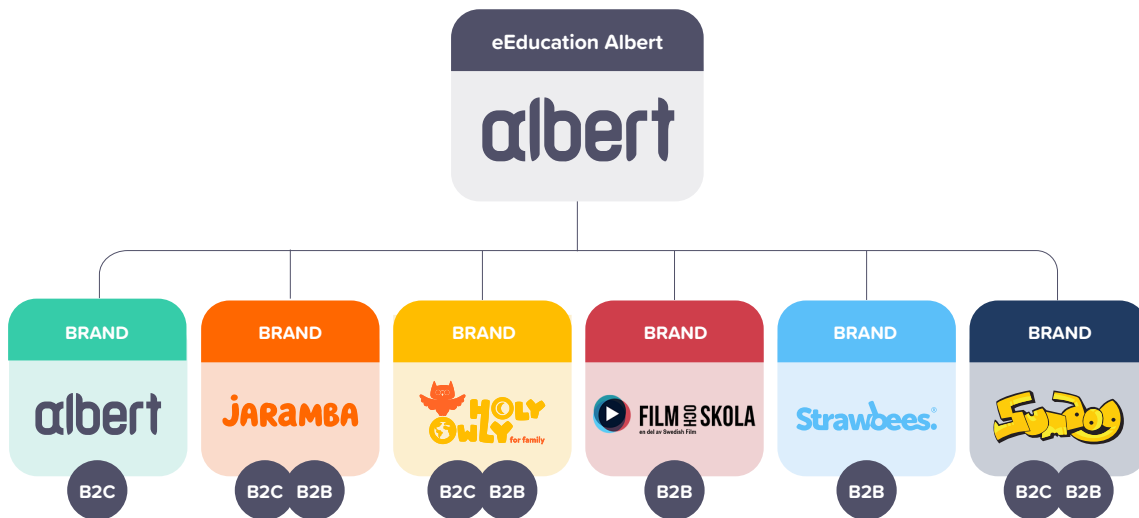
Financial key figures	Definition	Motivation for users
<b>Working capital</b>	Current assets excluding cash and cash equivalents less trade payables and accrued expenses as well as prepaid income	Clarifies how much capital is needed to finance the day-to-day operations
<b>Equity ratio</b>	Equity as part of total assets	Clarifies the Company's capital structure and hence the company's financial strength
<b>Earnings per share before dilution</b>	Profit after tax for the period attributable to the Parent Company's shareholders divided by the weighted average number of outstanding ordinary shares during the period	Clarifies shareholders' earnings per share before dilution
<b>Earnings per share after dilution</b>	Profit after tax for the period attributable to the Parent Company's shareholders divided by the weighted average number of outstanding ordinary shares adjusted for the effects of all potential ordinary shares that give rise to a dilution effect during the period.	Clarifies shareholders' earnings per share before dilution
<b>ARR</b>	Annual recurring revenues in MSEK. This entails expected annual revenues based on the loyalty of the existing customer base. ARR from B2C monthly subscriptions is calculated as ARPPU multiplied by the number of paying subscribers for the current month multiplied by 12. ARR from B2C annual subscriptions is calculated by periodising the annual revenue over the next 12 months, where ARPPU (converted to 'per month') is multiplied by the number of paying subscribers from different purchase cohorts for the current month multiplied by 12. ARR from B2B is calculated as expected revenue based on historical revenue in the last 12 months adjusted for any changes in loyalty (repurchases) looking at the upcoming 12 month	Clarify the company's recurring income on an annual basis in MSEK
<b>ARPU</b>	Average Revenue Per User. The price a pays per month excluding VAT.	Clarifying the revenues the company gets for each subscriber every month.

# eEducation Albert in brief

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 and Google Play. 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, Great Britain and France, but is also active in several markets in Europe, the USA and Asia. Based on the Company's own investigations is the Company 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 hundreds of thousands of families and millions of children worldwide with learning.

The company has approximately 130 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 company has its headquarters in Gothenburg, Sweden, and local organisations in the UK and France.



albert