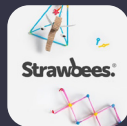


Interim report
January – June 2023

albert



**Net sales grew by 64 percent. EBITA improved by 45 percent.
Share of B2B sales increased to 53 percent.**

Interim report January – June 2023

1 APRIL – 30 JUNE

- Net sales amounted to SEK 51,077 (31,159) thousand, corresponding to an increase of 64 percent, of which -5 percent relates to organic growth and 69 percent acquired growth.
- EBITA amounted to SEK -6,947 (-12,636) thousand.
- Result before tax for the period amounted to SEK -20,325 (-19,489) thousand.
- Result after tax for the period amounted to SEK -18,156 (-18,408) thousand.
- Earnings per share amounted to SEK -0.72 (-1.04), before and after dilution.
- Cash flow from operating activities amounted to SEK -5,194 (-21,491) thousand.
- Net cash (-) / debt (+) at the end of the period amounted to SEK -94,899 (-131,288) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 106,110 (131,288) thousand.
- Annual recurring revenue (ARR) amounted to SEK 206.1 (130.6) million, which represents an increase of 58 percent, of which -4 percent relates to organic growth and 62 percent acquired growth.

1 JANUARY – 30 JUNE

- Net sales amounted to SEK 98,539 (55,759) thousand, which represents an increase of 77 percent, of which 11 percent relates to organic growth and 66 percent acquired growth.
- EBITA amounted to SEK -17,122 (-34,564) thousand. Nonrecurring items affected EBITA with SEK -3,104 thousand which related to transaction costs in connection with the acquisition of ARPU Management AB, Strawbees AB and Kids MBA SAS during January 2023.
- Result before tax for the period amounted to SEK -42,512 (-44,671) thousand.
- Result after tax for the period amounted to SEK -38,467 (-43,017) thousand.
- Earnings per share amounted to SEK -1.53 (-2.43), before and after dilution.
- Cash flow from operating activities amounted to SEK -2,771 (-46,449) thousand.
- Net cash (-) / debt (+) at the end of the period amounted to SEK -94,899 (-131,288) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 106,110 (131,288) thousand.
- Annual recurring revenue (ARR) amounted to SEK 206.1 (130.6) million, which represents an increase of 58 percent, of which -4 percent relates to organic growth and 62 percent acquired growth.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2023

- Several started collaborations with the aim of increasing brand awareness and lowering customer acquisition costs.
- Completed pre-study with the aim of launching Strawbees in the UK via Sumdog with positive indications.
- Katarina Strivall has been recruited as CFO and will assume the position on 21 August 2023.
- At the end of the quarter, the first major integration project was finalized with the release of Holy Owl's language learning platform in Sweden
- During June, Albert and Bonnier launched a mathematics book for the age category 6-9 years.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the period.

Key figures in focus

Interim report 2023

	Apr – Jun		Jan – Jun		Jan – Dec
SEK Thousand	2023	2022	2023	2022	2022
Net sales	51,077	31,159	98,539	55,759	123,055
Percentage change YoY	64	102	77	110	97
EBITA	-6,947	-12,636	-17,122	-34,564	-78,888
Percentage change YoY	45	16	50	-54	-38
EBITA margin (%)	-	-	-	-	-
Profit before tax for the period	-20 325	-19,489	-42,512	-44,671	-102,445
Percentage change YoY	-4	-30	6	-97	-79
Profit after tax for the period	-18,156	-18,408	-38,467	-43,017	-97,664
Earnings per share (SEK)*	-0.72	-1.04	-1.53	-2.43	-5.51
Cash flow from operating activities	-5,194	-21,491	-2,771	-46,449	-65,479
Cash flow for the period	-10,287	-25,198	1,444	-120,411	-148,211

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

Founder's comments

We are delighted to report another satisfying quarter where we continue to focus on profitability. Both the B2C and B2B businesses are performing according to plan, and we continue to improve profitability of the group. We have also invested in product development, market development and partnerships that we believe will yield results in the upcoming quarters.

To reach profitability more quickly, the focus has increased towards B2B. The result of this is demonstrated by the fact that B2B revenues have grown steadily from the previous quarter, while B2C revenues have decreased due to the rebalancing of resources and focus on profitability. This development is in line with the strategy to reach profitability more quickly.

Regarding B2C, sales to households, the focus is on profitability and cash flow over growth. We therefore reduced investments in paid marketing, took less risk and prioritized activating and retaining the existing customers with good results. The strong focus on annual subscriptions in Sweden has paid off, with approximately 40% of new web customers in Sweden choosing an annual plan. This has a positive cash flow effect. Looking ahead, we target to replicate the success on all B2C markets.

During the quarter, we optimized the customer acquisition model, took market shares in Sweden and the UK, and launched new segments such as physical books. The flagship product Albert Junior has been featured by Apple, which has contributed to a higher number of new customers via organic (non-paid) traffic. The Albert Teen product has been released as a web version of the mobile app that helps teenagers prepare for GCSE (national exams), which has led to a significant increase in the number of users in the UK market. In addition to the above, we have entered and communicated several commercial partnerships that will increase brand awareness.

We are also very proud that our first major B2C synergy project has been completed as the language product Holy Owly, which was acquired in January, has been localized and launched in Sweden. We also successfully took the first step towards physical Albert products by releasing the exercise book "Albert Math Adventure" in collaboration with the publisher Bonnier. It is now available in bookstores, supermarkets and online stores across Sweden and works both as a standalone book but also as a link between the book and the Albert Junior app. All in all, these major releases in B2C help in acquiring customers at a lower cost, taking market share in important market segments, and capturing group synergies.

In B2B, sales to schools, we continue to increase our market share in the UK. This includes taking a significant share of the Scottish market for Sumdog and strengthening the position in England. In England, our sales are mainly focused on MATs (Multi-Academy Trusts) which is a group of academies that work together under a single legal framework to improve educational outcomes and share resources and expertise. Several larger MAT deals are in the process, and some have been closed during the quarter

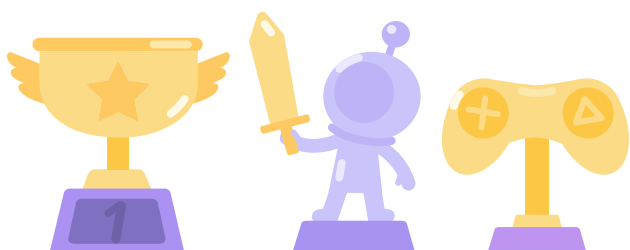
securing important and long-term business. An important B2B synergy project is to launch Strawbees in the UK by leveraging Sumdog's distribution channels. The pre study has been finalized during the spring and we are now gearing up for entering the market in the fall.

B2C is focused on the important summer months for customer acquisition and preparing children for the school start in August. In B2B, we are preparing for the important back-to-school period in August and September where a lot of sales are expected to come. We also work on several synergy projects, where some of them are scheduled to be launched during the fall to capture more group synergies.

In Sweden, like many other countries, the debate surrounding children's difficulties in school and the growing teacher shortage has blossomed again. With the long-term vision of giving each child a custom learning experience as a basis, our products have been developed to be able to address the problems that exist today. With the use of data and powerful algorithms, we adapt the learning experience based on the curriculum and the children's level of knowledge, saving time for teachers in the classroom. This has been noticed in the B2B deals made during the spring in the US and the UK. We are well equipped with the product portfolio available to take an important and significant role in addressing the market need.

Summarizing the quarter and looking ahead, the focus on profitability and cash-flow remains, leveraging synergies within the group to grow efficiently. We would like to thank all our colleagues, customers and shareholders who continue to contribute to our vision of giving every child a custom learning experience.

**The founders,
Arta Mandegari och Salman Eskandari**



Financial overview

SECOND QUARTER

NET SALES & RESULT

Net sales during the quarter amounted to SEK 51,077 (31,159) thousand, which is an increase of 64 percent YoY. The growth is driven by the acquisitions of ARPU Management AB ("Film & Skola"), Strawbees AB and Kids MBA SAS ("Holy Owl"), which were all acquired in January 2023.

With the acquisitions, the B2B segment has increased in scope in the group and makes up 53 (27) percent of the total net sales during the quarter. The majority of the increase in net sales is driven primarily by the acquired companies that were announced in December 2022 and completed in January 2023.

The adjusted gross margin amounted to 79.9 (93.8) percent. The adjusted gross margin is calculated as a percentage of net sales less direct selling costs. The company's direct sales costs refer to commodity costs, platform fees, royalties, licenses, and fees for payment processing. With the acquisitions of ARPU Management and Strawbees AB, the group's product offering has changed with partly a higher proportion of licensed content and partly sales of hardware, whereby the adjusted gross margin was negatively affected during the quarter. Film & Skola sells the absolute majority of its subscriptions during the first quarter, thereby improving working capital.

EBITA for the quarter improved and amounted to SEK -6,947 (-12,636) thousand and is due to the change in focus from growth to profitability that was communicated in connection with the acquisitions at the end of 2022. During the period, amortization of acquired intangible assets amounted to 13,691 (6,851) thousand SEK.

The result for the period amounted to SEK -18,156 (-18,408) thousand. Earnings per share before and after dilution amounted to SEK -0.72 (-1.04).

CASH FLOW AND WORKING CAPITAL

Cash flow from current operations amounted to SEK -5,194 (-21,491) thousand. Cash flow has improved during the period due to the group's focus on increased profitability.

As of June 30, the working capital amounted to SEK -44,858 (110) thousand. Accrued costs and prepaid income have increased significantly, which is driven by the B2B segment's sales to schools,

JANUARY – JUNE

NET SALES & RESULT

Net sales during the period January – June amounted to SEK 98,539 (55,759) thousand, which is an increase of 77 percent YoY. The growth is driven by the acquisitions of ARPU Management AB, Strawbees AB and Kids MBA SAS, which were all acquired in January 2023.

With the acquisitions, the B2B segment has increased in scope in the group and makes up 51 (27) percent of the total net sales during the quarter. The majority of the increase in net sales is driven primarily by the acquired companies that were announced in December 2022 and completed in January 2023.

The adjusted gross margin amounted to 78.8 (92.9) percent. The adjusted gross margin is calculated as a percentage of net sales less direct selling costs. The company's direct sales costs refer to commodity costs, platform fees, royalties, licenses, and fees for payment processing. With the acquisitions of ARPU Management and Strawbees AB, the group's product offering has changed with partly a higher proportion of licensed content and partly sales of hardware, whereby the adjusted gross margin was negatively affected during the quarter.

EBITA for the quarter improved and amounted to SEK -17,122 (-34,564) thousand and is due to the change in focus from growth to profitability that was communicated in connection with the acquisitions at the end of 2022. During the period, depreciation of acquired intangible assets amounted to SEK 25,993 (10,029) thousand SEK. During the period, the company was also charged with costs of SEK 3,104 thousand attributable to advice in connection with the transaction of ARPU Management AB, Strawbees AB and Kids MBA SAS during January 2023.

The period's result amounted to SEK -38,467 (-43,017) thousand. Earnings per share before and after dilution amounted to SEK -1.53 (-2.43).

CASH FLOW AND WORKING CAPITAL

Cash flow from current operations amounted to SEK -2,771 (-46,449) thousand. Cash flow has improved during the period due to the group's focus on increased profitability.

As of June 30, the working capital amounted to SEK -44,858 (110) thousand. Accrued costs and prepaid income have increased significantly, which is driven by the B2B segment's sales to schools, which takes place on annual subscriptions with payment in advance. Film & Skola sell the absolute majority of their subscriptions in the first quarter, hence a significant improvement

Other information

SIGNIFICANT EVENTS DURING THE SECOND QUARTER OF 2023

- Several started collaborations with the aim of increasing brand awareness and lowering customer acquisition costs.
- Completed pre-study with the aim of launching Strawbees in the UK via Sumdog with positive indications.
- Katarina Strivall has been recruited as CFO and will assume the position on 21 August 2023.
- At the end of the quarter, the first major integration project was finalized with the release of Holy Owl's language learning platform in Sweden
- During June, Albert and Bonnier launched a mathematics book for the age category 6-9 years.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the period.

INVESTMENTS

During the period, Albert invested SEK 4,127 (3,707) thousand in self-developed intangible assets, which refers to the development of new products and the launch of new features in current products. The investment refers to the capitalization of development expenses for development, such as personnel and consultant costs.

FINANCING

Albert has outstanding debts to credit institutions totaling SEK 11,211 (0) thousand. The equity / assets ratio amounts to 64 (77) percent as of June 30, 2023, and the net debt amounted to SEK -94,899 (-131,228) thousand.

SIGNIFICANT RISKS AND UNCERTAINTIES

Albert 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 that affect Albert's operations and industry are described in detail in the administration report in the annual report for 2022, pages 25-26. The reported risks, as described in the 2022 annual report, are assessed to be essentially unchanged.

Financial calendar 2023

Interim report January – September	23 November
Year-end report 2023	23 February 2024

Certification

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.

Signature of report Gothenburg, 23 August 2023



Peter Grytterhielm
Chairman



Richard Sandenskog
Board Member



Eva Nilsagård
Board Member



Carl Kinell
Board Member



Andrea Carr
Board Member



Arta Mandegari
CEO

For further information, please contact:
Arta Mandegari, CEO
+46 72-309 64 94, arta@hejalbert.se

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 August 23 2023 kl. 07.30.

Review

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

Consolidated income statement

Interim report 2023

TSEK	Note	Apr – Jun 2023	Apr – Jun 2022	Jan – Jun 2023	Jan – Jun 2022	Jan – Dec 2022
Net sales	8	51,077	31,159	98,539	55,759	123,055
Capitalized work for own account	3	4,127	3,707	9,297	7,334	16,534
Other income		-	168	-	1,799	1,947
		55,204	35,034	107,836	64,891	141,536
Operating expenses						
Raw materials and consumables		-799	-	-1,472	-	-
Other external expenses		-29,900	-31,898	-65,030	-74,889	-163,426
Personnel expenses		-27,083	-13,290	-49,856	-21,089	-48,440
Depreciation, amortization, and impairment of tangible and intangible assets	3	-17,478	-8,614	-32,921	-12,788	-31,120
Other operating expenses		-581	-719	-1,672	-719	-1 051
Operating profit/loss		-20,638	-19,487	-43,115	-44,593	-102,503
Result from financial items						
Other interest income and similar income		551	-	917	-	70
Interest costs and similar profit and loss items		-239	-2	-313	-78	-11
Result after financial items		-20,325	-19,489	-42,512	-44,671	-102,445
Tax on profit/loss for the period		2,169	1,081	4,044	1,654	4,780
Profit/loss for the period		-18,156	-18,408	-38,467	-43,017	-97,664
Earnings per share						
– before and after dilution (SEK)*		-0.72	-1.04	-1.53	-2.43	-5.51
Number of shares outstanding at the end of the reporting period						
		25,128,917	17,679,655	25,128,917	17,679,655	17,721,655
Average number of shares outstanding						
		25,128,917	17,679,655	21,425,286	17,679,655	17,690,155

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

Consolidated balance sheet

Interim report 2023

SEK Thousands	Note	30 June 2023	30 June 2022	31 Dec 2022
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	88,212	46,778	47,672
Goodwill	3,6	88,913	40,509	21,012
Concessions, patents, license, brands as well as similar rights	3,6	79,765	51,948	46,384
		256,889	139,234	115,068
<i>Tangible fixed assets</i>				
Equipment, tools and installations		554	289	221
		554	289	221
<i>Financial assets</i>				
Other non-current receivables		428	257	257
		428	257	257
Total fixed assets		257,872	139,781	115,456
Current assets				
Inventory		2,125	-	-
Accounts receivable		16,994	7,385	7,193
Other receivables		5,433	11,715	72,706
Prepaid costs and accrued income		6,535	4,169	4,416
		31,088	23,268	84,315
Cash and cash equivalents				
Cash and cash equivalents		106,110	131,228	104,144
		106,110	131,228	104,144
Total current assets		137,198	154,496	188,459
TOTAL ASSETS		395,069	294,277	304,005

SEK Thousands	Note	30 June 2023	30 June 2022	31 Dec 2022
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	1,256	884	886
Other capital contributed		520,838	401,601	472,129
Retained earnings including profit/loss for the period		-269,907	-176,913	-233,637
Shareholders' equity, attributable to the Parent Company's shareholders		252,187	225,499	239,378
Non-controlling interests		-	-	-
Total equity		252,187	225,499	239,378
Provisions				
Deferred tax liabilities		28,080	17,566	15,675
Other provisions		14,031	24,825	12,450
		42,111	42,391	28,125
Long-term liabilities				
Liabilities to credit institutions		11,211	-	-
		11,211	-	-
Current liabilities				
Accounts payable		6,077	6,477	6,819
Overdraft facility		1,703	-	-
Current tax liabilities		1,714	254	323
Other liabilities		10,197	2,974	3,884
Accrued expenses and deferred income		69,869	16,681	25,477
		89,560	26,387	36,503
TOTAL EQUITY AND LIABILITIES		395,069	294,277	304,005

Consolidated changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 2022-01-01	879	410,340	-144,069	267,150
Result for the period			-43,017	-43,017
<i>Changes in equity</i>				
Qualified employee stock options			46	46
Translation difference	-	-	1,320	1,320
	-	-	1,366	1,366
<i>Transactions with owners</i>				
Rights issue	5	-5	-	-
	5	-5	-	-
<i>Transfer between items in equity</i>				
Fund for development costs		-8,734	8,734	-
	-	-8,734	8,734	-
Closing equity 2022-06-30	884	401,601	-176,913	225,499

TSEK	Share capita	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 2023-01-01	886	472,129	-233,637	239,378
Result for the period			-38,467	-38,467
<i>Changes in equity</i>				
Qualified employee stock options			185	185
Translation difference	-	-	2,013	2,013
	-	-	2,198	2,198
<i>Transaction with owners</i>				
Registered new share issue	205	-205		-
Issue costs		-3,500		-3,500
Non-cash issue	165	52,414		52,579
	370	48,709	-	49,079
<i>Transfer between items in equity</i>				
	-	-	-	-
Closing equity 2023-06-30	1,256	520,838	-269,906	252,188

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

Consolidated statement of cash flow

Interim report 2023

SEK Thousands	Apr – Jun 2023	Apr – Jun 2022	Jan – Jun 2023	Jan – Jun 2022	Jan – Dec 2022
Operating activities					
Result after financial items	-20,325	-19,489	-42,512	-44,671	-102,445
Adjustments for non-cash flow items	15,917	9,333	32,814	12,032	31,577
Tax paid	-5	32	1,384	-34	65
Cash flow from operating activities before changes to working capital	-4,414	-10,124	-8,314	-32,673	-70,803
<i>Cash flow from changes in working capital</i>					
Increase (-)/Decrease (+) of operating receivables	8,398	-8,369	-6,553	-9,620	1,262
Increase (+)/Decrease (-) of operating liabilities	-9,178	-2,998	12,096	-4,156	5,196
Cash flow from operating activities	-5,194	-21,491	-2,771	-46,449	-65,479
Investing activities					
Acquisition of tangible fixed assets	-	-	-	-	-
Acquisition of intangible assets	-4,127	-3,707	-9,297	-7,334	-16,534
Acquisition of subsidiaries / operations, net cash impact	-	-	-45,431	-66,628	-66,628
Cash flow from investing activities	-4,127	-3,707	-54,728	-73,962	-83,162
Financing activities					
Redeemed warrants	-	-	-	-	430
New share issue	-	-	70,100	-	-
Issue costs	-	-	-3,500	-	-
Amortization of non-current loans	-965	-	-7,657	-	-
Cash flow from financial activities	-965	-	58,943	-	430
Cash flow for the year	-10,287	-25,198	1,444	-120,411	-148,211
Cash and cash equivalents at beginning of the year	116,319	155,378	104,144	251,499	251,499
Exchange rate difference in cash and cash equivalents	78	1 048	522	140	856
Cash and cash equivalents at end of the year	106,110	131,228	106,110	131,228	104,144

Parent Company income statement

Interim report 2023

SEK Thousands	Note	Apr – Jun 2023	Apr – Jun 2022	Jan – Jun 2023	Jan – Jun 2022	Jan – Dec 2022
Net sales	8	19,447	20,326	41,805	40,954	86,886
Capitalized work for own account	3	3,700	3,707	8,600	7,334	16,534
Other income		-	134	-	1,752	1,790
		23,177	24,166	50,405	50,040	105,210
Operating expenses						
Other external expenses		-16,294	-27,938	-39,878	-68,592	-147,601
Personnel expenses		-9,712	-7,506	-18,394	-1,3089	-28,140
Depreciation, amortization and impairment of tangible and intangible assets	3	-2,772	-1,771	-5,259	-3,232	-7,865
Other operating expenses		-522	-916	-1,380	-1,051	-1,336
Operating profit/loss		-6,122	-13,965	-14,506	-35,925	-79,731
Result from financial items						
Other interest income and similar income		411	-	776	-	70
Interest costs and similar profit and loss items		-52	-1	-65	-2	-7
Result after financial items		-5,763	-13,966	-13,795	-35,927	-79,669
Financial statements		-	-	-	-	1,086
Tax on profit/loss for the period		-	-	-	-	-
Profit/loss for the period		-5,763	-13,966	-13,795	-35,927	-78,583

Parent Company balance sheet

SEK Thousands	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	20,427	12,323	16,999
Concessions, patents, license, brands as well as similar rights	3	451	580	516
		20,878	12,903	17,515
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		0	67	22
		0	67	22
<i>Financial assets</i>				
Shares in group companies	6	236,999	123,535	110,714
Other non-current receivables		257	257	257
		237,256	123,792	110,971
Total fixed assets		258,134	136,762	128,508
Current assets				
Accounts receivable		5,487	5,275	5,563
Receivables to group companies		14,155	500	1,586
Other receivables		347	8,509	70,556
Prepaid costs and accrued income		1,833	2,111	1,158
		21,823	16,396	78,863
Cash and cash equivalents				
Cash and cash equivalents		51,577	116,383	81,964
		51,577	116,383	81,964
Total current assets		73,399	132,279	160,827
TOTAL ASSETS		331,534	269,541	289,335

Parent Company balance sheet

SEK Thousands	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES				
EQUITY				
<i>Restricted equity</i>				
Share capital	4	1,256	884	886
Ongoing rights issue		-	-	205
Fund for development costs		20,427	12,323	16,999
		21,683	13,207	18,090
<i>Non-restricted equity</i>				
Share premium reserve		520,838	401,601	471,924
Retained earnings		-233,821	-147,558	-151,995
Profit/loss for the period		-13,795	-35,927	-78,583
		273,222	218,116	241,346
Total equity		294,906	231,323	259,436
Provision				
Other provisions		14,031	24,825	12,450
		14,031	24,825	12,450
Current liabilities				
Accounts payable		2,912	5,908	6,316
Liabilities to group companies		7,607	-	-
Current tax liabilities		292	261	330
Other liabilities		3,142	2,760	3,173
Accrued expenses and deferred income		8,644	4,464	7,631
		22,597	13,393	17,450
TOTAL EQUITY AND LIABILITIES		331,534	269,541	289,335

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 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 2022, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, and Sumdog Ltd are included in the consolidated financial statements. 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.

Note 2 Estimates and assessments

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.

During the six months ended June 30, 2023, management has made new estimates regarding:

- 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 June 30, 2023, Albert had total tax loss carryforwards of 221 MSEK.

Note 3 Intangible and tangible fixed assets

Acquisitions and divestments

During the quarter, Albert capitalized work for his own account regarding capitalized expenses for development work. These development works relate to the development of the company's products such as Albert, Albert Junior, Albert ABC, Albert English and Albert Teen. In total, these investments in the second quarter of 2023 amounted to SEK 4,127 (3,707) thousand.

In addition to self-developed intangible assets, acquisitions have taken place of Sumdog Ltd, ARPU Management AB, Strawbees AB and Kids SAS MBA, which resulted in intangible assets in the form of brand, software, customer relations and goodwill.

Impairment and reversal of impairment

No impairments have taken place during the period.

Note 4 Equity

As of June 30, 2023, the registered share capital comprised 25,128,917 ordinary shares (17,679,655) with a quota value of SEK 0.05 (0.05).

Note 5 Share-based payments

As of the end of June 30, 2023, the company has two qualified employee stock option program consisting of a maximum of 201,68 option rights entitling to a maximum of 368,000 shares, whereby the share capital can increase by a maximum of SEK 18,400. 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 SEK 59.11.

The maximum dilution of the qualified employee stock option program amounts to 1.46 percent.

Note 6 Acquisition of business

eEducation Albert acquired all the shares of ARPU Management AB ("Film & Skola") on January 17, 2023. The purchase price amounted to 75.6 MSEK, of which 10 MSEK was paid through a directed new share issue to the sellers at a subscription price of 17.22 SEK per share, and the remaining amount was paid in cash and financed with available liquid funds. Additional purchase considerations may apply. The acquisition is considered a business combination in accordance with K3 Chapter 19.

The net sales of ARPU Management AB, including subsidiaries, in 2022 amounted to SEK 49.3 million (44.4), and the operating profit before depreciation and amortization (EBITDA) for the same period amounted to SEK 8.7 million (6.8). The acquisition is expected to contribute to a positive EBITDA from 2023 onwards.

The excess value related to the acquisition amounted to SEK 71.2 million as of January 17, 2023, of which SEK 30 million pertained to customer relationships, SEK 47.4 million pertained to goodwill, and SEK -6.2 million pertained to deferred tax related to the excess value.

The table below summarizes the paid purchase price and the acquired assets and liabilities reported at fair value as of the acquisition date. The acquisition analysis is preliminary and subject to adjustment.

<i>SEK Thousands</i>	2023
Cash and cash equivalents	65,600
Additional purchase price	10,070
Total purchase price	75,670
Identifiable assets and liabilities	
Software	1,106
Trade mark	0
Self-developed intangible assets	0
Customer relations	30,000
Tangible assets	331
Other current receivables	9,013
Cash and cash equivalents	26,494
Operating liabilities	-32,031
Deferred tax attributable to surplus values	-6,180
Total assets and liabilities acquired	28,307

<i>SEK Thousands</i>	
Total purchase price	76,670
Fair value of acquired assets	-28,307
Goodwill	47,363

<i>SEK Thousand</i>	
Cash and cash equivalents	-65,600
Cash acquired	26,494
Outflow of cash to acquire subsidiary	-39,106

Goodwill is primarily attributable to the acquired business's combined expertise and the synergies that arise from expanded product offerings in the B2C and B2B segments. The useful life for customer relationships is estimated to be 5 years, and the goodwill is also estimated to have a useful life of 5 years.

On January 20, 2023, eEducation Albert acquired all the shares of Kids MBA SAS. The purchase price amounted to SEK 7.7 million, of which SEK 7.7 million was paid through a directed share issue to the sellers at a subscription price of 15.94 SEK per share. An additional purchase price of approximately SEK 15 million may be paid out after Albert's annual general meeting approves the consolidated financial statements for the fiscal year 2024 and subject to the consolidated annual net revenue of all companies in the group reaching a total of 70 percent between the fiscal years 2022-2024. The acquisition is considered a business acquisition in accordance with K3 Chapter 19.

The net sales for Kids MBA SAS in 2022 amounted to EUR 0.6 million (0.5), and the operating result before depreciation and amortization (EBITDA) for the same period was EUR -1 million (-0.5). The acquisition is expected to contribute to a positive EBITDA from 2024 onwards.

The excess value attributable to the acquisition amounted to SEK 24.6 million as of January 20, 2023, of which SEK 31 million related to software and SEK -6.4 million related to deferred tax attributable to the excess value.

The table below summarizes the paid purchase price and the acquired assets and liabilities reported at fair value as of the acquisition date. The acquisition analysis is preliminary and subject to adjustments.

<i>SEK Thousands</i>	2023
Directed new share issue (15.94 SEK / share)	7,695
Total purchase price	7,695
Identifiable assets and liabilities	
Software	34,312
Trade mark	0
Self-developed intangible assets	0
Customer relations	0
Tangible assets	45
Other current receivables	1,299
Cash and cash equivalents	0
Operating liabilities	-21,583
Deferred tax attributable to surplus values	-6,378
Total assets and liabilities acquired	7,695
Total purchase price	7,695
Fair value of acquired assets	-7,695
Goodwill	0

Goodwill is primarily attributable to the acquired business's combined expertise and the synergies that arise from expanded product offerings in the B2C and B2B segments. The useful life for customer relationships is estimated to be 5 years, and the goodwill is also estimated to have a useful life of 5 years.

Education Albert acquired all shares in Strawbees AB on January 31, 2023. The purchase price amounted to SEK 42.9 million, of which SEK 34.8 million was paid through a directed new share issue to the sellers at a subscription price of 15.54 SEK per share, and the remaining amount was paid in cash and financed with available liquid funds. An additional payment of SEK 0.3 million was settled in the second quarter of 2023. An additional purchase price of SEK 45 SEK may be paid out after Albert's annual general meeting has approved the consolidated financial statements for the fiscal year 2024, subject to the condition that the consolidated annual net revenue growth for all companies in the group reaches a total of 50 percent between the fiscal years 2022-2024, and an additional SEK 45 million if the growth reaches a total of 90 percent. A maximum of SEK 45 million can be paid in cash, and any remaining amount will be paid either in cash or in newly issued shares in Albert, at Albert's discretion. The acquisition is considered a business acquisition in accordance with Chapter 19 of the K3 accounting standard.

Strawbees AB's net sales for 2022 amounted to SEK 16.6 million (8.3), and the operating profit before depreciation and amortization (EBITDA) for the same period amounted to SEK -6.1 million (-5.9). The acquisition is expected to contribute to a positive EBITDA from 2024 onwards.

The excess value attributable to the acquisition amounted to SEK 40.8 million as of January 31, 2023, of which SEK 13 million related to customer relationships, SEK 30.5 million related to goodwill, and SEK -2.7 million related to deferred tax attributable to the excess value.

The table below summarizes the paid purchase price and acquired assets and liabilities reported at fair value as of the acquisition date. The acquisition analysis is preliminary and subject to adjustment.

<i>SEK Thousands</i>		<i>SEK Thousands</i>	
Cash and cash equivalents	7,794	Cash and cash equivalents	7,794
Hold-back payment	310	Cash acquired	1,249
Directed new share issue (15.54 SEK/share)	34,814	Outflow of cash to acquire subsidiary	-6,325
Total purchase price	42,918		
Identifiable assets and liabilities			
Software	8,709		
Trade mark	0		
Self-developed intangible assets	0		
Customer relations	13,000		
Tangible assets	139		
Other current receivables	36		
Inventory	3,494		
Cash and cash equivalents	1,552		
Operating liabilities	1,469		
Deferred tax attributable to surplus values	-13,312		
Total assets and liabilities acquired	12,409		
Total purchase price	42,918		
Fair value of acquired assets	-12,409		
Goodwill	30,510		

Goodwill is primarily attributable to the acquired business's combined expertise and the synergies that arise from expanded product offerings in the B2C and B2B segments. The useful life for customer relationships is estimated to be 5 years, and the goodwill is also estimated to have a useful life of 5 years.

Note 7 Pledged collateral

As of June 30, 2023, the company does not have any pledged securities.

Note 8 Events following the balance sheet date

No other events have occurred after the end of the period which in essential respects affect the assessment of the financial information in the report.

Note 9 Segment reporting

Albert's CEO, as the top executive decision maker, monitors and analyzes the results and financial position of the company as a whole and per business area. After the completed acquisitions in January 2023, the following operating segments are considered to be representative for the business:

- B2C - Net sales from households
- B2B - Net sales from schools/other businesses

	apr – jun		jan – jun		jan – dec
<i>SEK Thousands</i>	2023	2022	2023	2022	2022
Business area					
B2C	23,970	22,603	50,545	44,305	95,267
B2B	27,107	8,556	47,996	11,453	27,788
Sum	51,077	24,599	98,539	55,759	123,055

Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Net sales, LTM	Refers to net sales for the last 12 months	Clarify the company's net sales for the last 12 months
Net income growth	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
Organic net sales growth	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.	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
Adjusted gross profit	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
Adjusted gross margin	Adjusted gross profit as part of net sales	Clarify how much of the Company's net sales remains to cover fixed and variable costs
Adjusted EBITA	Earnings before interest, tax and amortisation and write-downs of acquisition-related assets	Measure the result from operating activities independent of amortisation and write-down of acquisition-related assets
Adjusted EBITA margin	Adjusted EBITA as part of net sales	Clarifies the company's profitability generated by operating activities. Facilitates comparison of profitability between different companies and industries
EBIT margin	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
Net cash (-)/ liability (+)	Interest-bearing liabilities minus interest-bearing receivables and cash and cash equivalents	Shows the Company's total indebtedness

Financial key figures	Definition	Motivation for users
Working capital	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
Equity ratio	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 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
Earnings per share after dilution	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

Financial key figures	Definition	Motivation for users
ARR (MSEK)	Annual recurring income in MSEK. Calculated via ARPPU multiplied by the number of subscribers multiplied by 12	Clarify the company's recurring income on an annual basis in MSEK.

About Albert

It all started when childhood friends Arta Mandegari and Salman Eskandari studied at Chalmers in Gothenburg. They volunteered evenings and weekends, offering free maths lessons to children from Gothenburg's suburbs. After graduation, they chose different career paths in management and finance.

In 2015, they decided to pick up where they left off at Chalmers. They resigned from their jobs and put everything into creating what would become Albert.

Albert started with a clear goal – to democratize knowledge through technology. This also drives us today. At present, over 500,000 families have chosen Albert as their digital maths teacher, a trust of which we are very proud.



eEducation Albert in brief

Albert was founded in 2015 and is an app-based education platform for children in the age range 3-16 years. The company offers digital education services on a subscription basis.

The services are provided for a fixed monthly fee through apps, which are available on the Apple App Store and Google Play. Based on the Company's own surveys, the Company is a leading player in the B2C segment in the Nordic region regarding digital education services with in-depth learning content. Since the Company was founded, Albert has helped over 300,000 families with their children's education.

The company has about 70 employees who together form an innovative group of people with a diversified background whose common goal is to help more children develop their skills in a way that suits them. The company is headquartered in Gothenburg.

eEducation Albert – Financial Targets

The following financial targets have been adopted by Albert's board:

- Albert targets to grow net sales on average by more than 50 percent per year in the medium term, of which organic growth will constitute the majority, and to achieve net sales exceeding SEK 500 million for the full year 2025.
- Albert targets an EBITA margin of 40 percent in the long term.

The logo for Albert, featuring the word "albert" in a lowercase, bold, sans-serif font. The letter "a" is stylized with a vertical bar on its left side.