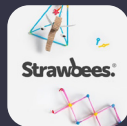


**Interim report**  
**January – september 2023**

# albert



# COMMENT FROM OUR DEPUTY CEO AND CEO

**A significantly improved EBITA result, and several successful synergy projects characterize the third quarter.**

Albert Group specializes in the development and sale of edtech products for schools (B2B) and households (B2C). Our mission is to democratize learning and help every child reach their full potential. Over the past years, our strategy has been to expand the business into more products and markets, a strategy that involves both organic expansion and the acquisition of new business. For a little over a year now, profitability has been our overarching focus, and our financial results for the third quarter is clear evidence of this commitment.

In spite of the challenging macroeconomic conditions, our losses are decreasing, while net sales are on the rise. EBITA improved by SEK 14.5 million, reaching SEK -6.9 million, compared to SEK -21.4 million in the corresponding quarter of 2022. Simultaneously, net sales during the period have increased by 46 percent compared to the same quarter of the previous year, totaling SEK 48.3 million. This significant improvement in profitability is the outcome of a number of successful initiative:

- **Increased Focus on B2B:** Given the current macroeconomic climate, we have chosen to allocate a larger portion of our resources to B2B, which now constitutes 51% of net sales. Despite tough competition, we have managed to retain key customers in our strategic markets while expanding through new business sales. Our focus on larger accounts remains, and during the quarter, Sumdog secured contracts with several school groups in the United Kingdom.
- **Optimized B2C:** Our diverse portfolio featuring five B2C brands and a presence in several markets allows us to continually fine-tune our marketing efforts towards the brands and markets yielding the best profitability at any given moment. As a result, with less than one-third of the marketing costs in the third quarter of 2023 compared to the corresponding quarter in 2022, we have managed to maintain the same level of sales.

- **Executed on revenue synergies within the group:** Throughout the quarter, we have executed a series of synergy projects where existing products have been launched in new markets through the collaboration of our local organizations. For instance, Holy Owly has been introduced in Sweden, Albert Junior has been launched in France under the Holy Owly brand, and Strawbees has been introduced in the United Kingdom
- **Cost-efficiency through group collaborations:** Leveraging existing competencies and resources within the group has allowed for a reduction in external costs.

In the education sector, the digital transformation continues, and in the majority of the markets where we operate, there is a clear political commitment supporting this development. In Sweden, the government has recently chosen to remove the requirement for the use of digital screens from the preschool curriculum. As only a very small portion of our sales is directed towards Swedish preschools, this does not pose a threat to Albert. However, we believe that the Swedish digitalization discourse has taken an unfortunate turn that does not benefit children, teachers, or parents. Digital tools have significant potential to be part of the solution to the challenges within the education sector, and we play a crucial role in this regard.

Our journey towards profitability continues, and we assess that we are well-positioned in both the current and future macroeconomic climates. We extend our gratitude to our dedicated teams, loyal users, and shareholders, who collectively continue to contribute to our mission to democratize learning and help every child reach their full potential.

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



## FOCUS ON IMPROVED PROFITABILITY

### Interim report january – september 2023

#### 1 JULY – 30 SEPTEMBER 2023

- Annual recurring revenue (ARR) amounted to SEK 203.8 (152.0) million, corresponding to an increase of 34 percent, of which -21 percent relates to organic growth and 55 percent acquired growth.
- Net sales amounted to SEK 48,259 TSEK (33,118) thousand, corresponding to an increase of 46 percent, of which -11 percent relates to organic growth and 57 percent acquired growth.
- EBITA amounted to SEK -6,884 (-21,428) thousand.
- Result after financial items amounted to SEK -20,034 (-28,225) thousand.
- Profit/loss for the period amounted to SEK -17,832 (-26,795) thousand.
- Earnings per share amounted to SEK -0.71 (-1.52), before and after dilution.
- Cash flow from operating activities amounted to SEK -10,020 (-7,441) thousand.
- Net cash (-) / debt (+) at the end of the period amounted to -84,074 (-131,288) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 94,465 (120,129) thousand.

#### 1 JANUARY – 30 SEPTEMBER

- Net sales amounted to SEK 146,799 (88,876) thousand, corresponding to an increase of 65 percent, of which 3 percent relates to organic growth and 62 percent to acquired growth.
- EBITA amounted to SEK -24,006 (-55,992) thousand. Nonrecurring items affected EBITA with SEK -3,104 thousand which related to transaction costs in connection with the acquisition of ARPU Management AB (Swedish Film), Strawbees AB and Kids MBA SAS during January 2023.
- Result after financial items amounted to SEK -62,546 (-72,897) thousand.
- Profit/loss for the period amounted to SEK -56,299 (-69,814) thousand.
- Earnings per share amounted to SEK -2.24 (-3.95), before and after dilution.
- Cash flow from operating activities amounted to SEK -12,790 (-53,890) thousand.
- Net cash (-) / debt (+) at the end of the period amounted to -84,074 (-131,228) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 94,465 (120,129) thousand.

#### SIGNIFICANT EVENTS DURING THE THIRD QUARTER 2023

- On 1 September, Jonas Mårtensson took office as new CEO and Anne-Louise Wirén as deputy CEO.
- On August 23, Katarina Strivall took office as new Group CFO.
- The language app Holy Owly was launched in Sweden.
- A new math app in the Holy Owly suite was launched in France.
- Strawbees has been launched in the UK.
- A third option program was launched during Q3.

#### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Albert and Akelius deepen their collaboration in a larger project that aims to evaluate the commercial viability of Akelius' products and Albert's ability to market these to new target group.

## Key figures in focus

Interim report 2023

	jul – sep		Jan – sep		jan – dec
SEK Thousand	2023	2022	2023	2022	2022
Net sales	48,259	33,118	146,799	88,876	123,055
Percentage change compared to comparison period	46	89	65	102	162
EBITA	-6,884	-21,428	-24,006	-55,992	-78,888
Percentage change compared to comparison period	68	-20	57	-39	-118
EBITA margin (%)	-	-	-	-	-
Result after financial items	-20,034	-28,225	-62,546	-72,897	-102,445
Percentage change compared	29	57	14	79	-117
Profit/loss for the period	-17,832	-26,795	-56,299	-69,814	-97,664
Earnings per share (SEK)*	-0.71	-1.52	-2.24	-3.95	-5.51
Cash flow from operating activities	-10,020	-7,441	-12,790	-53,890	-65,479
Cash flow for the period	-12,480	-11,099	-11,036	-131,752	148,211

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

## Financial overview

### THIRD QUARTER

#### NET SALES & RESULT

Net sales during the quarter amounted to SEK 48,529 (33 118) thousand, which is an increase of 46 percent compared to the comparison period in 2022. 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 adjusted gross margin amounted to 83.5 (90.6) percent. With the acquisitions of ARPU Management AB and Strawbees AB, the group's product offering has changed with a higher proportion of licensed content, with which the adjusted gross margin was negatively affected during the quarter ARPU Management AB sells the absolute majority of its subscriptions during the first quarter.

EBITA for the quarter improved and amounted to SEK -6 884 (-21,428) 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 13,667 (6,790) thousand SEK.

The result for the period amounted to SEK -17,832 (-26,795) thousand. Earnings per share before and after dilution amounted to SEK till -0,71 (-1,52)

#### CASH FLOW AND WORKING CAPITAL

Cash flow from current operations amounted to SEK -10,020 (-7,441) thousand. The cash flow has decreased during the period due to increased existing assets as increased stock as well as increased prepaid costs. Swedish film has operations that are invoiced and paid at the beginning of the year, while the income is periodized over the whole year, which contributes to a poorer cash flow in Q3.

### JANUARY – SEPTEMBER

#### NET SALES & RESULT

Net sales during the period January – September amounted to SEK 146,799 (88,876) thousand, which is an increase of 65 percent compared to the comparison period 2022. The growth is driven by the acquisitions of ARPU Management AB (Swedish Film), Strawbees AB and Kids MBA SAS, which were all acquired in January 2022.

With the acquisitions, the B2B segment has increased in the group and makes 52 (25) percent of the total net sales during the quarter. The majority of the increase in net sales is driven by the acquired companies that were announced in December 2022 and completed in January 2023.

The adjusted gross margin amounted to 79,6 (92,1) percent. With the acquisitions of ARPU Management ("Swedish Film") and Strawbees AB, the group's product offering has changed with a higher proportion of licensed content, with which the adjusted gross margin was negatively affected during the period.

EBITA for the quarter improved and amounted to SEK -24,006 (-55,992) 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 39,661 (16 819) 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 (Swedish Film), Strawbees AB and Kids MBA SAS during January 2023.

The period's result amounted to SEK -56,299 (-69,814) thousand. Earnings per share before and after dilution amounted to SEK -2.24 (-3.95).

#### CASH FLOW AND WORKING CAPITAL

Cash flow from current operations amounted to SEK -12,790 (-53,890) thousand. Cash flow has improved during the period due to the group's focus on increased profitability.

As of September 30, the working capital amounted to SEK -34,912 (-6,585) thousand. The increase is mainly due to increased short-term liabilities from more employees and increased royalties. The B2B segment's sales to schools are on an annual subscription with payment in advance. We charge up front, the income is periodized over the contract period.

## Other information

### SIGNIFICANT EVENTS DURING THE THIRD QUARTER OF 2023

- On 1 September, Jonas Mårtensson took office as new CEO and Anne-Louise Wirén as deputy CEO.
- On August 23, Katarina Strivall took office as new Group CFO.
- The language app Holy Owly was launched in Sweden.
- A new math app in the Holy Owly suite was launched in France.
- Strawbees was launched in the UK.
- A third option program was launched during Q3.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Albert and Akelius deepen their collaboration in a larger project that aims to evaluate the commercial viability of Akelius' products and Albert's ability to market these to new target groups.

### INVESTMENTS

During the period, Albert Group invested SEK 2,000 (3,900) thousand in self-developed intangible assets, which refers to the development of new products and the launch of new functions in current products. The investment refers to the capitalization of development expenses for development, 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 SEK 10,391 (0) thousand. The equity / assets ratio amounts to 63 (72) percent as of September 30, 2023, and the net debt amounted to SEK -80,074 (-120,129) thousand.

### SIGNIFICANT RISKS AND UNCERTAINTIES

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 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. 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.

### TRANSACTIONS WITH RELATED PARTIES

Purchases of marketing took place during the financial year from Schibsted, including Group companies that are deemed to be related parties, considering board representation and ownership. The transactions are part of eEducation Albert AB's normal operations and took place on market terms.

### Financial calendar 2023

Interim report                      23 November  
January – September

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 November 2023



**Peter Grytterhielm**  
Chairman



**Richard Sandenskog**  
Board Member



**Eva Nilsagård**  
Board Member



**Carl Kinell**  
Board Member



**Andrea Carr**  
Board Member



**Jonas Mårtensson**  
CEO

**For further information, please contact:**  
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+46 72-970 70 84, [jonas@hejalbert.se](mailto:jonas@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 23 November 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	jul – sep 2023	jul – sep 2022	jan – sep 2023	jan – sep 2022	jan – dec 2022
Net sales	8	48,259	33,118	146,799	88,876	123,055
Capitalized work for own account	3	1,957	3,900	11,254	11,234	16,534
Other income		1,289	399	-	2,198	1,947
		<b>51,504</b>	<b>37,417</b>	<b>158,052</b>	<b>102,308</b>	<b>141,536</b>
<b>Operating expenses</b>						
Raw materials and consumables		-1,270	-	-2,742	-	-
Other external expenses		-29,076	-44,181	-94,106	-119,070	-163,426
Personnel expenses		-24,127	-12,573	-73,984	-33,662	-48,440
Depreciation, amortization, and impairment of tangible and intangible assets	3	-17,582	-8,884	-50,503	-21,672	-31,120
Other operating expenses		-	-	-383	-719	-1 051
<b>Operating profit/loss</b>		<b>-20,551</b>	<b>-28,221</b>	<b>-63,666</b>	<b>-72,815</b>	<b>-102,503</b>
<b>Result from financial items</b>						
Other interest income and similar income		597	-	1,513	-	70
Interest costs and similar profit and loss items		-80	-4	-393	-82	-11
<b>Result after financial items</b>		<b>-20,034</b>	<b>-28,225</b>	<b>-62,546</b>	<b>-72,897</b>	<b>-102,445</b>
Tax on profit/loss for the period		2,202	1,430	6,247	3,083	4,780
<b>Profit/loss for the period</b>		<b>-17,832</b>	<b>-26,795</b>	<b>-56,299</b>	<b>-69,814</b>	<b>-97,664</b>
<b>Earnings per share</b>						
– before and after dilution (SEK)*		-0.71	-1.52	-2.24	-3.95	-5.51
<b>Number of shares outstanding at the end of the reporting period</b>						
		<b>25,128,917</b>	<b>17,679,655</b>	<b>25,128,917</b>	<b>17,679,655</b>	<b>17,721,655</b>
<b>Average number of shares outstanding</b>						
		<b>25,128,917</b>	<b>17,679,655</b>	<b>23,967,610</b>	<b>17,679,655</b>	<b>17,690,155</b>

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



# Consolidated balance sheet

SEK Thousands	Note	30 sep 2023	30 sep 2022	31 dec 2022
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i><b>Intangible assets</b></i>				
Capitalized development costs and similar work	3	82,873	46,798	47,672
Goodwill	6	83,577	38,340	21,012
Concessions, patents, license, brands as well as similar rights	3,6	74,819	49,166	46,384
		241,268	134,303	115,068
<i><b>Tangible fixed assets</b></i>				
Equipment, tools and installations		503	272	221
		503	272	221
<i><b>Financial assets</b></i>				
Other non-current receivables		424	257	257
		424	257	257
<b>Total fixed assets</b>		<b>242,195</b>	<b>134,833</b>	<b>115,546</b>
<b>Current assets</b>				
Inventory		3,418	-	-
Accounts receivable		17,574	12,220	7,193
Other receivables		7,300	2,307	72,706
Prepaid costs and accrued income		7,877	5,020	4,416
		36,170	19,547	84,315
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		94,465	120,129	104,144
		94,465	120,129	104,144
<b>Total current assets</b>		<b>130,635</b>	<b>139,677</b>	<b>188,459</b>
<b>TOTAL ASSETS</b>		<b>372,830</b>	<b>274,509</b>	<b>304,005</b>

SEK Thousands	Note	30 sep 2023	30 sep 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	4	1,256	884	886
Other capital contributed		520,838	401,601	472,129
Retained earnings including profit/loss for the period		-287,692	-204,375	-233,637
<b>Shareholders' equity, attributable to the Parent Company's shareholders</b>		<b>234,402</b>	<b>198,110</b>	<b>239,378</b>
Non-controlling interests		-	-	-
<b>Total equity</b>		<b>234,402</b>	<b>198,110</b>	<b>239,378</b>
<b>Provisions</b>				
Deferred tax liabilities		26,370	16,620	15,675
Other provisions		13,846	24,814	12,450
		40,216	41,434	28,125
<b>Long-term liabilities</b>				
Liabilities to credit institutions		10,391	-	-
		10,391	-	-
<b>Current liabilities</b>				
Accounts payable		5,560	5,538	6,819
Overdraft facility		1,000	-	-
Current tax liabilities		1,758	293	323
Other liabilities		13,980	5,062	3,884
Accrued expenses and deferred income		65,522	24,072	25,447
		87,820	34,965	36,503
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>372,830</b>	<b>274,509</b>	<b>304,005</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 2022-01-01</b>	<b>879</b>	<b>410,340</b>	<b>-144,069</b>	<b>267,150</b>
Result for the period			-69,814	-69,814
<i>Changes in equity</i>				
Qualified employee stock options			178	178
Translation difference	-	-	594	594
	-	-	772	772
<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	-
<b>Closing equity 2022-09-30</b>	<b>884</b>	<b>401,601</b>	<b>-204,375</b>	<b>198,110</b>

TSEK	Share capita	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
<b>Opening equity 2023-01-01</b>	<b>886</b>	<b>472,129</b>	<b>-233,637</b>	<b>239,378</b>
Result for the period			-56,299	-56,302
<i>Changes in equity</i>				
Qualified employee stock options			407	410
Translation difference	-	-	1,837	1,837
	-	-	2,247	2,247
<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>				
	-	-	-	-
<b>Closing equity 2023-0-30</b>	<b>1,256</b>	<b>520,838</b>	<b>-287,692</b>	<b>234,402</b>

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	jul – sep 2023	jul – sep 2022	jan – sep 2023	jan – sep 2022	jan – dec 2022
<b>Operating activities</b>					
Result after financial items	-20,037	-28,225	-62,548	-72,926	-102,445
Adjustments for non-cash flow items	19,936	8,485	52,749	20,517	31,577
Tax paid	51	39	1,435	5	65
<b>Cash flow from operating activities before changes to working capital</b>	<b>-50</b>	<b>-19,701</b>	<b>-8,364</b>	<b>-52,734</b>	<b>-70,803</b>
<i>Cash flow from changes in working capital</i>					
Increase (-)/Decrease (+) of operating receivables	-6,582	3,721	-13,135	-5,899	1,262
Increase (+)/Decrease (-) of operating liabilities	-3,388	8,539	8,709	4,383	5,196
<b>Cash flow from operating activities</b>	<b>-10,020</b>	<b>-7,441</b>	<b>-12,790</b>	<b>-53,890</b>	<b>-65,479</b>
<b>Investing activities</b>					
Acquisition of tangible fixed assets	-	-	-	-	-
Acquisition of intangible assets	-1,957	-3,900	-11,254	-11,234	-16,534
Acquisition of subsidiaries / operations, net cash impact	-	-	-45,431	-66,628	-66,628
<b>Cash flow from investing activities</b>	<b>-1,957</b>	<b>-3,900</b>	<b>-56,685</b>	<b>-77,862</b>	<b>-83,162</b>
<b>Financing activities</b>					
Redeemed warrants	-	-	-	-	430
New share issue	-	-	70,100	-	-
Issue costs	-	-	-3,500	-	-
Amortization of non-current loans	-504	-	-8,161	-	-
<b>Cash flow from financial activities</b>	<b>-504</b>	<b>-</b>	<b>58,439</b>	<b>-</b>	<b>430</b>
<b>Cash flow for the year</b>	<b>-12,480</b>	<b>-11,099</b>	<b>-11,036</b>	<b>-131,752</b>	<b>-148,211</b>
Cash and cash equivalents at beginning of the year	106,110	131,228	104,144	251,499	251,499
Exchange rate difference in cash and cash equivalents	835	242	1,357	382	856
<b>Cash and cash equivalents at end of the year</b>	<b>94,465</b>	<b>120,129</b>	<b>94,465</b>	<b>120,129</b>	<b>104,144</b>

# Parent Company income statement

Interim report 2023

SEK Thousands	Note	jul – sep 2023	jul – sep 2022	jan – sep 2023	jan – sep 2022	jan – dec 2022
Net sales	8	19,347	22,756	61,151	63,709	86,886
Capitalized work for own account	3	1,600	3,900	10,200	11,234	16,534
Other income		1,019	38	2,532	1,790	1,790
		21,966	26,694	73,883	76,733	105,210
<b>Operating expenses</b>						
Other external expenses		-18,286	-40,916	-58,164	-109,509	-147,601
Personnel expenses		-8,042	-6,509	-26,436	-19,598	-28,140
Depreciation, amortization and impairment of tangible and intangible assets	3	-2,906	-2,096	-8,165	-5,327	-7,865
Other operating expenses		-219	-	-3,111	-1,051	-1,336
<b>Operating profit/loss</b>		<b>-7,487</b>	<b>-22,827</b>	<b>-21,993</b>	<b>-58,752</b>	<b>-79,731</b>
<b>Result from financial items</b>						
Other interest income and similar income		419	-	1,195	-	70
Interest costs and similar profit and loss items		-73	-3	-138	-5	-7
<b>Result after financial items</b>		<b>-7,142</b>	<b>-22,830</b>	<b>-20,936</b>	<b>-58,757</b>	<b>-79,669</b>
Financial statements		-	-	-	-	1,086
Tax on profit/loss for the period		-	-	-	-	-
<b>Profit/loss for the period</b>		<b>-7,142</b>	<b>-22,830</b>	<b>-20,936</b>	<b>58,757</b>	<b>-78,583</b>

# Parent Company balance sheet

SEK Thousands	Note	30 sep 2023	30 sep 2022	31 dec 2022
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i><b>Intangible assets</b></i>				
Capitalized development costs and similar work	3	19,154	14,182	16,999
Concessions, patents, license, brands as well as similar rights	3	419	548	516
		19,573	14,730	17,515
<i><b>Tangible fixed assets</b></i>				
Equipment, tools, and installations		0	45	22
		0	45	22
<i><b>Financial assets</b></i>				
Shares in group companies	6	240,099	123,535	110,714
Other non-current receivables		257	257	257
		240,356	123,792	110,971
<b>Total fixed assets</b>		<b>259,929</b>	<b>138,567</b>	<b>128,508</b>
<b>Current assets</b>				
Accounts receivable		6,642	6,703	5,563
Receivables to group companies		15,768	500	1,586
Other receivables		412	897	70,556
Prepaid costs and accrued income		1,395	737	1,158
		24,217	8,837	78,863
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		40,310	98,657	81,964
		40,310	98,657	81,964
<b>Total current assets</b>		<b>48,760</b>	<b>107,494</b>	<b>160,827</b>
<b>TOTAL ASSETS</b>		<b>324,456</b>	<b>246,061</b>	<b>289,335</b>

## Parent Company balance sheet

SEK Thousands	Note	30 sep 2023	30 sep 2022	31 dec 2022
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<i>Restricted equity</i>				
Share capital	4	1,256	884	886
Ongoing rights issue		-	-	205
Fund for development costs		19,153	14,182	16,999
		20,410	15,066	18,090
<i>Non-restricted equity</i>				
Share premium reserve		520,838	401,601	471,924
Retained earnings		-232,323	-149,285	-151,995
Profit/loss for the period		-20,939	-58,757	-78,583
		267,576	193,559	241,346
<b>Total equity</b>		<b>287,986</b>	<b>208,625</b>	<b>259,436</b>
<b>Provision</b>				
Other provisions		13,846	24,814	12,450
		13,846	24,814	12,450
<b>Current liabilities</b>				
Accounts payable		2,339	4,076	6,316
Liabilities to group companies		7,634	-	-
Current tax liabilities		337	301	330
Other liabilities		3,774	2,826	3,173
Accrued expenses and deferred income		8,540	5,419	7,631
		20,285	12,622	17,450
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>324,456</b>	<b>246,061</b>	<b>289,335</b>

## 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.

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.

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 September 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 228 MSEK.

### Note 3 Intangible and tangible fixed assets

#### Acquisitions and divestments

During the quarter, Albert and Strawbees 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 Strawbees Classroom, Albert, Albert Junior, Albert ABC, Albert English, Albert Teen and Jaramba. In total, these investments in the third quarter of 2023 amounted to SEK 2,000 (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 September 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 September 30, 2023, the company has two qualified employee stock option program consisting of a maximum of 1,971,054 option rights entitling to a maximum of 2,052,477 shares, whereby the share capital can increase by a maximum of SEK 102,624. 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 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 2026. The redemption price for each share covered by the qualified employee options amounts to SEK 13.74.

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



## Note 6 Acquisition of business

eEducation Albert acquired all the shares of ARPU Management AB 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>	<b>2023</b>
Cash and cash equivalents	65,600
Additional purchase price	10,070
<b>Total purchase price</b>	<b>76,670</b>
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
<b>Total assets and liabilities acquired</b>	<b>28,307</b>

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

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

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>	<b>2023</b>
Directed new share issue (15.94 SEK / share)	7,695
<b>Total purchase price</b>	<b>7,695</b>
Identifiable assets and liabilities	
Software	34,312
Trade mark	0
Self-developed intangible assets	0
Customer relations	0
Goodwill	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
<b>Total assets and liabilities acquired</b>	<b>7,695</b>
Total purchase price	7,695
Fair value of acquired assets	-7,695
<b>Goodwill</b>	<b>0</b>

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>	
Cash and cash equivalents	7,794
Hold-back payment	310
Directed new share issue (15.54 SEK/share)	34,814
<b>Total purchase price</b>	<b>42,918</b>
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	1,469
Operating liabilities	-13,312
Deferred tax attributable to surplus values	2,678
<b>Total assets and liabilities acquired</b>	<b>12,409</b>
Total purchase price	42,918
Fair value of acquired assets	-12,409
<b>Goodwill</b>	<b>30,510</b>
<i>SEK Thousands</i>	
Cash and cash equivalents	7,794
Cash acquired	1,249
<b>Outflow of cash to acquire subsidiary</b>	<b>-6,325</b>

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

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

	apr – jun		jan – jun		jan – dec
<i>SEK Thousands</i>	2023	2022	2023	2022	2022
<b>Business area</b>					
B2C	24,129	25,008	74,671	69,167	95,267
B2B	24,750	8,110	72,747	19,709	27,788
<b>Sum</b>	<b>48,259</b>	<b>33,118</b>	<b>146,799</b>	<b>88,876</b>	<b>123,055</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.	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>Adjusted 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>Adjusted gross margin</b>	Adjusted gross profit as part of net sales	Clarify how much of the Company's net sales remains to cover fixed and variable costs
<b>Adjusted EBITA</b>	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
<b>Adjusted EBITA margin</b>	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
<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

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

Financial key figures	Definition	Motivation for users
<b>ARR (MSEK)</b>	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.

## **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 democratizing education and giving every child the opportunity to reach their full potential. The company makes learning engaging and individualized 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 140 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 organizations in the UK and France.

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.

# 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.

