

# Interim Report

January–September 2024

**albert**  
**GROUP.**

# The quarter in brief

## 1 July - 30 September

- Invoiced sales for the quarter were 44,803k (40,457k) SEK, representing an improvement of 11% compared to the previous year.
- Net revenue amounted to 41,949k (44,004k) SEK, which corresponds to a decrease of 5% compared to the same period last year.
- EBITDA amounted to -8,373k (-2,969k) SEK.
- EBITA amounted to -12,277k (-6,884k) SEK.
- The result after financial items amounted to -34,886k (-20,034k) SEK.
- The result for the period amounted to -29,370k (-17,832k) SEK.
- Earnings per share amounted to -1.17 (-0.71) SEK, before and after dilution.
- Cash flow from current operations amounted to -3,220k (-10,020k) SEK.
- Cash and cash equivalents at the end of the period amounted to 59,384k (94,465k) SEK.

## 1 January - 30 September

- Invoiced sales for the period were 148,716k (151,375k) SEK, representing a decrease of 2% compared to the previous year.
- Net revenue amounted to 133,051k (133,874k) SEK, which corresponds to a decrease of 1% compared to the same period last year.
- EBITDA amounted to -22,292k (-13,163k) SEK.
- EBITA amounted to -33,546k (-24,005k) SEK. Items affecting comparability affected EBITA by -2,889k SEK.
- The result after financial items amounted to -81,102k (-62,546k) SEK.
- The result for the period amounted to -73,058k (-56,299k) SEK.
- Earnings per share amounted to -2.91 (-2.24) SEK, before and after dilution.
- Cash flow from current operations amounted to -14,075k (-12,790k) SEK.
- Cash and cash equivalents at the end of the period amounted to 59,384k (94,465k) SEK.

## Significant events in the third quarter of 2024

- Albert Junior was launched in Romania following a successful pilot project during the spring.

## Significant events after the end of the period

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

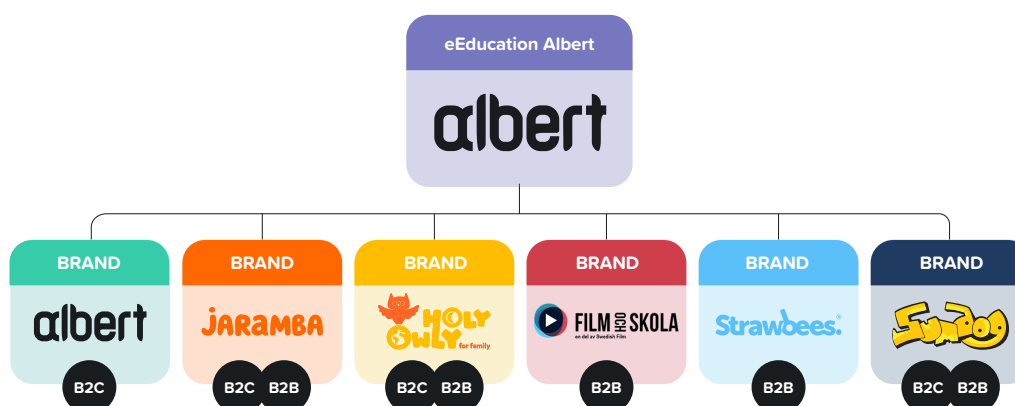
# This is Albert Group

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

The consumer products are provided through apps for a fixed annual or monthly fee, which are made available on the Apple App Store, Google Play and Amazon Store. The school products are sold through direct sales for a fixed annual fee or a one-off payment. The company is mainly active in the Nordic

countries, United Kingdom and the US, but is also active in several markets in Europe and Asia. Based on the company's own research, the Company is a leading player in the B2C segment in the Nordics regarding digital education services with in-depth learning content. Since the company was founded, Albert has helped hundreds of thousands of families and millions of children worldwide with learning.

The company has approximately 96 employees, which 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.



## Key figures in focus

SEK Thousand	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	41,949	44,004	133,051	133,874	177,893
<i>Percentage change compared to comparison period</i>	-5%	37%	-1%	69%	75%
EBITDA	-8,373	-2,969	-22,292	-13,163	-6,251
<i>Percentage change compared to comparison year</i>	-182%	85%	-69%	74%	109%
EBITDA MARGINAL (%)	-20%	-7%	-17%	-10%	-4%
EBITA	-12,277	-6,884	-33,546	-24,005	-25,096
Profit before tax for the period	-34,886	-20,034	-81,102	-62,546	-85,157
Profit/loss for the period	-29,370	-17,832	-73,058	-56,299	-79,897
Earnings per share (SEK)*	-1.17	-0.71	-2.91	-2.24	-3.18
Cash flow from operating activities	-3,220	-10,020	-14,075	-12,790	-17,880
Cash flow for the period	-5,616	-12,480	-21,688	-11,036	-22,217

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



# Comment from our CEO

## Sales growth and reallocation of resources to high-performing areas

The third quarter is a pivotal period for us, encompassing summer break, preparations for a new school term, and the start of the academic year. I am pleased to report that our invoiced sales grew by 11% compared to the same quarter last year. This increase in invoiced sales is not recognised in our quarterly earnings as some is deferred and will be recognised in future quarters. At the same time, higher marketing expenses have already impacted our results, leading to a temporary decline in profitability. All of this is in line with our plan to profitability.

Already early on this summer, our B2C performance indicators showed strong potential. Our summer campaign achieved the best results in over 18 months, delivering high volumes, lower customer acquisition costs, higher average prices, and steady initial churn rates. B2C invoiced sales increased by 10% year-over-year, with Albert Junior leading growth with a 12% rise.

The B2B segment also showed solid sales performance during the back-to-school sales period. Both new business and renewals performed well and combined drove a 11 per cent increase in B2B sales compared to 2023, with maths product Sumdog contributing significantly with 17% growth. In financial terms, however, annual subscriptions are recognised over time, meaning the positive sales impact will not yet appear in the third quarter results. Recognised revenues reached 42 million SEK, a 5% decrease year-over-year, affecting our quarterly earnings.

Operationally, there were key advancements this quarter. In B2B, we restructured our Customer Success team, which helped boost subscription renewals in Sumdog. We have increased the investments in marketing and sales in order to capture the good momentum in the UK and the US. We also conducted our first roadshow in the UK to promote B2B sales synergies, connecting Sumdog clients in Scotland with Strawbees offerings. This efficient initiative has already resulted in our first contract with a big local authority. Additionally, our partnership with school distributor YPO for Sumdog's inclusion in the "Learning Box" bundle on the English market has launched, though slightly delayed, and schools are now able to purchase our products. In B2C, Albert Junior was successfully launched in Romania

with promising initial customer acquisition volumes comparable to our Tier 3 markets (UK and Poland), and not far behind Tier 2 (Norway and Denmark). As this initial campaign concludes, we will gain more insights into customer lifetime value. Encouraged by these early results, we have decided to continue Albert Junior's market expansion, with further launches planned in 2025. We have also increased the marketing investments in B2C since the customer acquisition has been favourable.

As part of our ongoing profitability programme, we conducted a strategic review across the Group this summer, leading to a restructuring in our French subsidiary, Kids MBA SAS. Actions taken include staff reductions and cuts in marketing expenses. While these changes will not significantly impact 2024 EBITDA, we expect a 5 million SEK reduction in net revenue and 13 million SEK in reduced personnel and external costs for 2025, leading to an 8 million SEK EBITDA improvement. These measures are set to positively affect the cash flow for the Albert Group.

In summary, our sales are on an upward trajectory, although it will take some time until it shows in the recognised revenues. Marketing expenses have been higher due to increased B2C and B2B investments and the Romanian launch. At the same time, we have taken cost measures in other parts of the business in order to re-allocate resources to the areas that perform well. Some of the mentioned effects will continue through year-end, but during 2025, cost reductions and recognised revenues are expected to fully contribute to achieving positive EBITDA, in line with our profitability plan.

Finally, I would like to extend my heartfelt thanks to our dedicated employees, customers, partners, and shareholders. I look forward to our continued journey towards profitability and sustainable growth, while helping children worldwide reach their full potential by making learning engaging and personalised.

Best regards,  
**Jonas Mårtensson, CEO**

# Revenue Overview

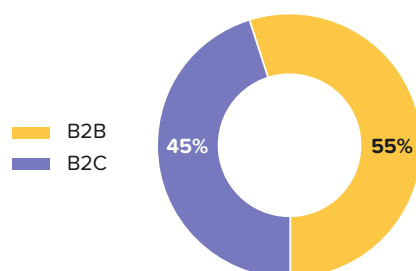
Albert had total net revenue of 41,949k (44,004k) SEK in the third quarter, corresponding to a decrease of 5% in total.

## Organic and acquired revenue

No acquisitions have been made that impact the current period or the comparison period. Hence, all the revenues are organic.

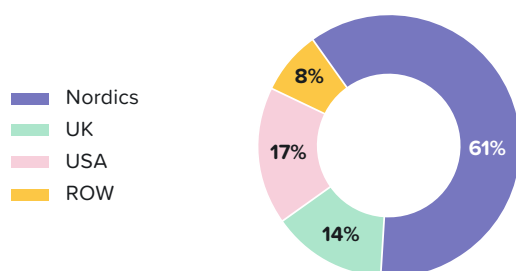
## Target group

Revenue to schools, school groups and the education sector (B2B) stood for 55% (56%) and revenue to consumers (B2C) made up 45% (44%). In the third quarter, the share of B2C revenue increased slightly, primarily driven by strong B2C revenue during the summer months, which resulted from successful campaigns throughout the quarter.



## Markets

Revenue in the Nordics were 61% (61%), in the UK 14% (14%) and in the US 17% (14%). Together this makes up 92% (89%) of the total sales and reflects the company's strategic focus on these three markets. Net revenue to the rest of the world were 8% (11%) and are mainly connected to B2C products in the rest of Europe and B2B sales through resellers in Asia.



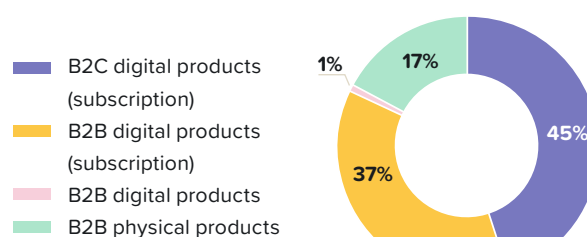
## Business model

Our revenue during the third quarter followed the usual seasonal patterns, with all three of our main business models showing improved performance compared to the previous year.

- B2C revenue of digital products through subscriptions accounted for 45% (44%).
- B2B revenue of digital products through subscriptions contributed 37% (38%).

- B2B revenue of physical products, which are not subscription-based, represented 17% (15%).

However, we placed less focus on B2B revenue of non-subscription digital products, and this segment's share decreased to 1% (3%).



## Annual revenue from subscriptions and non-subscriptions

Net revenue for the third quarter was 41,949k SEK. Given the substantial share of recurring and stable revenue, this figure indicates the annual revenue.

Annual recurring revenue (ARR) from B2B subscriptions amounted to 64,648k (63,248k) SEK, representing a 2% increase compared to the previous year. This growth is attributable to an increased focus on B2B and the expansion of the Sumdog product.

ARR from B2C subscriptions were 75,755k (73,775k) SEK, representing a 3% increase compared to the previous year. The increase comes from strong B2C sales revenue during the third quarter.

Revenue from non-subscription products over the past four quarters was 36,876k (23,175k) SEK. Approximately half of this increase stems from acquisitions of this type of business in Q1 2023, and the other half from organic growth, largely driven by strong momentum in Strawbees sales, with several existing customers making significant repeat purchases to replenish stock and expand Strawbees to additional schools and classrooms.

In total, ARR from subscriptions combined with the past four quarters' revenue from non-subscription products amounts to 177,279k (160,234k) SEK.

*Note 8 provides further details on the breakdown of revenue (p.20).*

# Financial overview

## July-September

### Net revenue and results

Invoiced sales for the quarter amounted to 44,803k (40,457k) SEK, an improvement of 11% compared to the previous year. This increase is due to B2B and B2C segments, primarily driven by Sumdog and Albert. Part of these sales is deferred regarding future revenue linked to ongoing contracts and subscriptions, which will impact net revenue in upcoming periods.

Net revenue for the quarter amounted to 41,949k (44,004k) SEK, representing a 5%.

The B2B segment within the Group accounted for 55% (56%) of total net revenue during the quarter.

The gross margin was 79% (80%). The change is due to a slight increase in royalty costs, which applies to B2B segments.

Operating expenses amounted to 52,250k (50,218k) SEK, representing a 4% increase compared to the previous year. This reflects a net result of both cost increases and decreases. Direct sales costs increased in line with higher invoices sales during the quarter, driven by distribution costs to Apple and Google as well as payment processing fees.

Marketing expenses also rose as favourable customer acquisition costs within the B2C segment led to an expansion of marketing activities. These investments have contributed to the strong invoiced sales performance this quarter and are expected to positively impact future revenues.

Personnel and consultancy costs decreased as a result of the restructuring initiated earlier this year, which has now been fully implemented. This reduction is permanent, with further decreases expected as the impact of the restructuring in the French operations materialises in 2025.

EBITDA for the third quarter amounted to -8,373k (-2,969k) SEK, a decline of 5,404k SEK compared to the same quarter last year. The decrease is attributable to lower net revenue, which fell by 2,055k SEK compared to the same period last year, as well as higher costs as outlined above.

During the quarter, the amortisation of acquired intangible assets amounted to 22,484k (13,667k) SEK, including the impairment of Kids MBA's acquired assets of 10,320k SEK. The result for the period amounted to -29,370k (-17,832k) SEK. Earnings per share before and after dilution were -1.17 (-0.71) SEK.

### Working Capital

As of 30th of September, working capital amounted to -43,622k (-34,912k) SEK. Working capital declined slightly during the quarter due to an increase in current liabilities relative to current assets, as follows:

- Decreased receivables, primarily in Swedish Film, due to previously deferred costs that have now been reversed and expensed during the quarter.
- Decreased accounts receivables, mainly in Strawbees, as payments were received for outstanding customer invoices from the previous quarter, along with payments of older overdue receivables.
- Increased accounts payable, primarily in Albert.

Working capital decreased by 8,710 KSEK to -43,622 KSEK, mainly due to increased current liabilities.

### Cash flow

As of 30th of September, the total cash flow amounted to -5,616k SEK, which was an improvement compared to -12,480k SEK in the same period last year. The changes in working capital contributes positively to the cash flow.

During the third quarter of 2024 cash flow from the operating activities, before changes in working capital, was 7,419k (0.1k) SEK, corresponding to a decline of 7,418k SEK compared to the same period last year. This is mainly explained by a lower profit compared to the previous year.

The positive effect of the working capital was 4,199k SEK. Cash flow after changes in working capital during the quarter amounted to -3,220k (-10,120k) SEK. The positive effect on cash flow mainly comes from advance invoicing in Sumdog and Albert. This leads to an increase in liabilities, which positively impacts the cash flow.

Cash flow from investments during the quarter amounted to -1,895k (-1,957k) SEK, showing a slightly positive cash effect compared to the previous year, primarily due to reduced investments in proprietary product development.

Cash flow from financing activities was -501k (-504k) SEK, mainly consisting of amortisations.

The company's cash and cash equivalents at the end of the period amounted to 59,384k (94,465k) SEK. The company remains committed to achieving positive EBITDA and cash flow with its current cash reserves and execution proceeds according to plan.

The focus remains on ensuring robust and improved cash flow processes, timely receipt of payments, and optimised payments.



# Cont. Financial overview

## January-September

### Net revenue and results

Invoiced sales for the period amounted to 148,716k (151,375k) SEK, representing a decrease of -2% compared to the previous year. However, B2B increased by 2% during the period, while B2C declined by -7%. Part of these sales is deferred, as they relate to future revenue due to ongoing contracts and subscriptions, meaning they will impact net revenue in upcoming periods.

Net revenue from January to September amounted to 133,051k (133,874k) SEK, representing a decrease of 1%. Net revenue decreased by -823k SEK compared to the previous year. The total revenue has slightly decreased due to lower income from capitalised in-house developed intangible assets. Net revenue aligned with the same period last year, consistent with the company's strategy.

The B2B segment further increased in volume within the Group, accounting for 58% (54%) of total net revenue during the period, which aligns with the company's strategy.

The gross margin was the same as the previous year, 78% (78%).

Operating expenses totaled -166,078k (-158,290k) SEK, representing a 5% increase compared to the previous year. This reflects a net result of both cost increases and decrease. Marketing expenses rose, particularly in the third quarter, as favourable customer acquisition costs within the B2C segment led to increased marketing activities. These investments have partly driven the strong invoiced sales performance in the final quarter of the period and are expected to positively impact future revenues.

Personnel and consultancy costs decreased as a result of the restructuring initiated at the beginning of the year, which has now been fully implemented by the end of the period. This reduction is permanent, with further decreases expected as the restructuring in the French operations takes full effect in 2025.

EBITDA for the period amounted to -22,292k (-13,163k) SEK, a decline of -9,129k SEK compared to the same period last year. The decrease is primarily attributable to higher marketing expenses, as outlined above. Net revenue decreased by 824k SEK compared to the previous year.

### Working Capital

As of 30th of September, working capital amounted to -43,622k (-34,912k) SEK. The change in the company's working capital compared to the same period last year is mainly due to slightly higher short-term liabilities in the form of:

- Short-term liabilities increased in the form of Swedish Film's accrued royalties.

- Prepaid invoices increased the liabilities due to periodised yearly subscriptions.
- Increased accounts payables in Albert.

Working capital declined by -8,710k SEK to -43,622k SEK.

### Cash Flow for the Period

Cash flow during the period amounted to -21,688k (-11,036k) SEK, reflecting a decrease of -10,652k SEK compared to the previous year. The weaker cash flow is primarily explained by a decrease in earnings. Furthermore, the difference is due to the exceptionally strong cash flow during the corresponding period, 2023, which resulted from a capital infusion made in connection with the company's completion of three acquisitions.

From January to September 2024, cash flow from operating activities before changes in working capital amounted to -21,030k SEK (-8,364k) SEK, representing a decrease of -12,666k SEK compared to last year. This decrease is primarily due to a weaker operating result before financial items.

Cash flow from operating activities after changes in working capital during the period was -14,075k (-12,790k) SEK, representing a decrease of -1,285k SEK compared to the same period in the previous year.

Cash flow from changes in working capital had a positive cash flow effect of 6,955k SEK from January to September, driven by increased current liabilities from higher deferrals in B2C and slightly higher accounts payable.

Cash flow from investments during the period amounted to -5,282k (-56,685k) SEK. The difference compared to the previous year is mainly due to the three acquisitions made in 2023, as well as the lower capitalisation of internally developed intangible assets during the period in 2024.

Cash flow from financing activities was -2,331k (58,439k) SEK, mainly consisting of amortisations. The change compared to the previous year is due to the new share issuance related to acquisitions carried out in 2023.

The company's cash and cash equivalents at the end of the period amounted to 59,384k (94,465k) SEK. The company's goal of achieving positive EBITDA and cash flow with the existing cash remains, and execution proceeds according to plan.

The focus remains on ensuring robust and improved cash flow processes to ensure timely receipt of payments and optimise disbursements.

# Other information

## Investments

During the quarter, the Albert group invested 1,895k (1,957k) SEK in internally developed intangible assets, which included developing new products and launching new functions in existing products. The investment included capitalisation of development costs, such as personnel costs for employees in product and technology development and the purchase of consultants.

## Financing

The Albert group has outstanding debts to credit institutions totalling 7,053k (10,391k) SEK. The equity ratio stands at 56% (63)% as of the 30th of September, 2024, and the net debt amounted to -52,331k (-84,074k) SEK.

## Material risks and uncertainties

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

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

## Transactions with related parties

Purchases of marketing and management consultancy services were carried out during the financial year from Schibsted 300k SEK and mr Grytterhielm AB 500k SEK, including group companies that are considered related parties due to Board representation and ownership. Costs for the quarter were from Schibsted 100k SEK. The transactions are part of eEducation Albert AB's normal operations and were carried out on market terms.



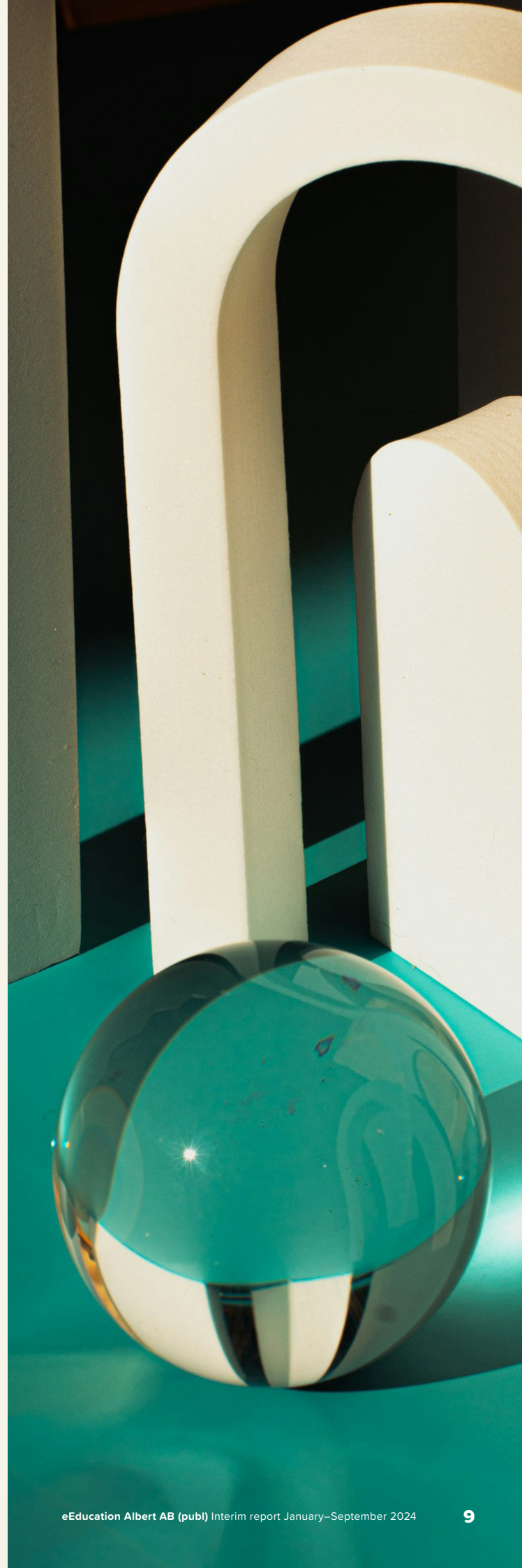
# Content

## Summarised financial reports

10	Consolidated income statement
11	Consolidated balance sheet
13	Consolidated changes in equity
14	Consolidated statement of cash flow
15	Parent Company income statement
16	Parent Company balance sheet

## Notes

18	<b>Note 1</b>	Accounting principles
18	<b>Note 2</b>	Estimates and assessments
19	<b>Note 3</b>	Intangible and tangible
19	<b>Note 4</b>	Equity
19	<b>Note 5</b>	Share-related compensation
20	<b>Note 6</b>	Pledged collateral
20	<b>Note 7</b>	Events after the end of the interim period
20	<b>Note 8</b>	Revenue split



## GROUP

# Income statement

SEK Thousands	Note	2024	2023	2024	2023	2023
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	8	41,949	44,004	133,051	133,874	177,893
Capitalised work for own account	3	1,896	1,957	5,282	11,254	14,034
Other income		32	1,289	5,453	-	17,585
		<b>43,877</b>	<b>47,250</b>	<b>143,786</b>	<b>145,127</b>	<b>209,512</b>
<b>Operating expenses</b>						
Raw materials and consumables		-1,472	-1,270	-4,551	-2,742	-4,805
Other external expenses		-31,061	-24,821	-90,465	-81,181	-104,880
Personnel expenses		-18,953	-24,127	-70,717	-73,984	-100,021
Depreciation, amortisation, and impairment of tangible and intangible assets	3	-26,352	-17,582	-59,438	-50,503	-80,499
Other operating expenses		-764	-	-345	-383	-6,776
<b>Operating profit/loss</b>		<b>-34,725</b>	<b>-20,551</b>	<b>-81,730</b>	<b>-63,666</b>	<b>-86,750</b>
<b>Result from financial items</b>						
Other interest income and similar income		-56	597	984	1,513	2,212
Interest costs and similar profit and loss items		-105	-80	-356	-393	-619
<b>Result after financial items</b>		<b>-34,886</b>	<b>-20,034</b>	<b>-81,102</b>	<b>-62,546</b>	<b>-85,157</b>
Tax on profit/loss for the period		5,516	2,202	8,044	6,247	5,260
<b>Profit/loss for the period</b>		<b>-29,370</b>	<b>-17,832</b>	<b>-73,058</b>	<b>-56,299</b>	<b>-79,897</b>
<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>25,128,917</b>	<b>25,128,917</b>
<b>Average number of shares outstanding</b>		<b>25,128,917</b>	<b>25,128,917</b>	<b>25,128,917</b>	<b>24,661,605</b>	<b>24,235,604</b>

GROUP

# Balance sheet

SEK Thousands	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	48,051	82,873	74,256
Goodwill	6	78,045	83,577	97,402
Concessions, patents, license, brands as well as similar rights	3,6	26,911	74,819	35,256
		<b>153,007</b>	<b>241,268</b>	<b>206,913</b>
<b>Tangible fixed assets</b>				
Equipment, tools and installations		311	503	468
		<b>311</b>	<b>503</b>	<b>468</b>
<b>Financial assets</b>				
Other non-current receivables		424	424	421
		424	424	421
<b>Total fixed assets</b>		<b>153,742</b>	<b>242,195</b>	<b>207,802</b>
<b>Current assets</b>				
Inventory		4,115	3,418	3,556
Accounts receivable		14,322	17,574	15,441
Other receivables		5,301	7,300	3,573
Prepaid costs and accrued income		10,159	7,877	4,673
		<b>33,897</b>	<b>36,169</b>	<b>27,243</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		59,384	94,465	80,482
		59,384	94,465	80,482
<b>Total current assets</b>		<b>93,281</b>	<b>130,635</b>	<b>107,725</b>
<b>TOTAL ASSETS</b>		<b>247,024</b>	<b>372,830</b>	<b>315,529</b>

CONT &gt;&gt;

## GROUP

**Cont. Balance sheet**

SEK Thousands	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1,256	1,256	1,256
Other capital contributed	520,838	520,838	520,838
Retained earnings including profit/loss for the period	-383,710	-287,692	-311,676
<b>Shareholders' equity, attributable to the Parent Company's shareholders</b>	<b>138,384</b>	<b>234,402</b>	<b>210,418</b>
<b>Total equity</b>	<b>138,384</b>	<b>234,402</b>	<b>210,418</b>
<b>Provisions</b>			
Deferred tax liabilities	9,899	26,370	17,944
Other provisions	311	13,846	311
	<b>10,210</b>	<b>40,216</b>	<b>18,255</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	7,053	10,391	9,271
	<b>7,053</b>	<b>10,391</b>	<b>9,271</b>
<b>Current liabilities</b>			
Accounts payable	6,455	5,560	5,366
Overdraft facility	2,409	1,000	2,522
Current tax liabilities	1,362	1,758	1,727
Other liabilities	10,087	13,980	8,687
Accrued expenses and deferred income	71,064	65,522	59,283
	<b>91,377</b>	<b>87,820</b>	<b>77,585</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>247,024</b>	<b>372,830</b>	<b>315,529</b>

## GROUP

# 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			-56,299	-56,299
<i>Changes in equity</i>				
Translation difference	-	-	1,837	1,837
Qualified employee stock options	-	-	407	407
	-	-	2,247	2,247
<i>Transaction with owners</i>				
Rights issue	205	-205	-	-
Exercise of options	0	-3,500	-	-3,500
Ongoing share issues	165	52,414	-	52,579
	370	48,709	-	49,079
<b>Closing equity 30/09/2023</b>	<b>1,256</b>	<b>520,838</b>	<b>-287,692</b>	<b>234,402</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	-	-	-73,058	-73,085
<i>Changes in equity</i>				
Translation difference	-	-	282	282
Qualified employee stock options	-	-	742	742
	-	-	1,024	1,024
<b>Closing equity 30/09/24</b>	<b>1,256</b>	<b>520,838</b>	<b>-383,710</b>	<b>138,384</b>

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

## GROUP

# Cash flow statement

SEK Thousands	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Operating activities</b>					
Result before financial items	-34,725	-20,551	-81,730	-63,666	-86,750
Adjustments for non-cash flow items					
Depreciation and write-downs	26,352	17,582	59,438	50,503	80,499
Changes in provisions	-	-	-	-	-13,002
Options	281	222	742	407	772
Exchange rate gains/losses	582	2,128	243	1,757	-165
Interest received	268	597	999	1,513	2,212
Interest Paid	-105	-80	-356	-313	-619
Tax paid	-72	51	-366	1,435	2,128
<b>Cash flow from operating activities before changes to working capital</b>	<b>-7,419</b>	<b>-51</b>	<b>-21,030</b>	<b>-8,364</b>	<b>-14,925</b>
<b>Cash flow from changes in working capital</b>					
Increase (-)/Decrease (+) in stock	-1,989	138	-559	-3,418	3,494
Increase (-)/Decrease (+) of operating receivables	-1,742	-6,720	-5,343	-9,717	3,091
Increase (+)/Decrease (-) of operating liabilities	7,930	-3,387	12,857	8,709	-9,540
<b>Cash flow from operating activities</b>	<b>-3,220</b>	<b>-10,020</b>	<b>-14,075</b>	<b>-12,790</b>	<b>-17,880</b>
<b>Investing activities</b>					
Acquisition of subsidiaries / operations, net cash impact	-	-	-	-45,431	-45,431
Acquisition of tangible fixed assets	-	-	-	-	-204
Acquisition of intangible assets	-1,895	-1,957	-5,282	-11,254	-15,752
<b>Cash flow from investing activities</b>	<b>-1,895</b>	<b>-1,957</b>	<b>-5,282</b>	<b>-56,685</b>	<b>-61,387</b>
<b>Financing activities</b>					
New share issue	-	-	-	70,100	70,100
Issue costs	-	-	-	-3,500	-3,500
Net change checking account	452	-	-113	-	124
Amortisation of non-current loans	-953	-504	-2,218	-8,161	-9,674
<b>Cash flow from financial activities</b>	<b>-501</b>	<b>-504</b>	<b>-2,331</b>	<b>58,439</b>	<b>57,050</b>
<b>Cash flow for the year</b>	<b>-5,616</b>	<b>-12,480</b>	<b>-21,688</b>	<b>-11,036</b>	<b>-22,217</b>
Cash and cash equivalents at beginning of the year	65,284	106,110	80,482	104,144	104,144
Exchange rate difference in cash and cash equivalents	-284	835	590	1,357	-1,445
<b>Cash and cash equivalents at end of the period</b>	<b>59,384</b>	<b>94,465</b>	<b>59,384</b>	<b>94,465</b>	<b>80,482</b>

## PARENT COMPANY

# Income statement

SEK Thousands	Note	2024	2023	2024	2023	2023
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	8	14,697	15,092	43,211	48,226	62,118
Capitalised work for own account	3	1,767	1,600	4,898	10,200	12,700
Other income		3,020	1,019	15,649	2,532	3,303
		<b>19,484</b>	<b>17,711</b>	<b>63,758</b>	<b>73,883</b>	<b>78,121</b>
<b>Operating expenses</b>						
Other external expenses		-19,652	-14,031	-55,048	-45,239	-55,893
Personnel expenses		-6,557	-8,042	-27,689	-26,436	-37,220
Depreciation, amortization, and impairment of tangible and intangible assets		-3,154	-2,906	-9,041	-8,165	-11,279
Other operating expenses		-4	-219	-33	-3,111	-4,959
<b>Operating profit/loss</b>		<b>-9,883</b>	<b>-7,487</b>	<b>-28,053</b>	<b>-21,993</b>	<b>-31,230</b>
<b>Result from financial items</b>						
Other interest income and similar income		-107	419	413	1,195	1,565
Interest costs and similar profit and loss items		-1	-73	-11	-138	-190
Impairment Loss on Shares in Subsidiaries		-21,286	-	-21,286	-	-46,815
Impairments of long-term receivables		-7,695	-	-7,695	-	-
<b>Result after financial items</b>		<b>-38,972</b>	<b>-7,142</b>	<b>-56,632</b>	<b>-20,936</b>	<b>-76,670</b>
Tax on profit/loss for the period		-	-	-	-	2,941
<b>Profit/loss for the period</b>		<b>-38,972</b>	<b>-7,142</b>	<b>-56,632</b>	<b>-20,936</b>	<b>-73,729</b>



## PARENT COMPANY

# Balance sheet

SEK Thousands	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	14,525	19,154	18,571
Concessions, patents, license, brands as well as similar rights	3	290	419	387
		<b>14,815</b>	<b>19,573</b>	<b>18,958</b>
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		-	-	-
		-	-	-
<i>Financial assets</i>				
Shares in group companies		180,587	240,099	188,282
Other non-current receivables		257	257	257
		180,844	240,356	188,539
<b>Total fixed assets</b>		<b>195,659</b>	<b>259,929</b>	<b>207,497</b>
<b>Current assets</b>				
Accounts receivable		4,683	6,642	5,929
Receivables to group companies		6,341	15,768	14,889
Tax receivables 2024 juli-sept 18		18	-	-
Other receivables		3	412	-
Prepaid costs and accrued income		3,415	1,395	874
		<b>14,460</b>	<b>24,217</b>	<b>21,692</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents		4,736	40,310	29,888
		4,736	40,310	29,888
<b>Total current assets</b>		<b>19,196</b>	<b>64,526</b>	<b>51,579</b>
<b>TOTAL ASSETS</b>		<b>214,855</b>	<b>324,456</b>	<b>259,076</b>

CONT &gt;&gt;

PARENT COMPANY

# cont. Balance sheet

SEK Thousands	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<i>Restricted equity</i>				
Share capital		1,256	1,256	1,256
Ongoing rights issue		-	-	-
Fund for development expenditure		14,525	19,153	18,571
		<b>15,781</b>	<b>20,409</b>	<b>19,827</b>
<i>Non-restricted equity</i>				
Share premium reserve		520,838	520,838	520,838
Retained earnings		-300,321	-232,323	-231,381
Profit/loss for the period		-56,632	-20,939	-73,729
		<b>163,885</b>	<b>267,576</b>	<b>215,728</b>
<b>Total equity</b>		<b>179,666</b>	<b>287,986</b>	<b>235,555</b>
<b>Provision</b>				
Other provisions		311	13,846	311
		<b>311</b>	<b>13,846</b>	<b>311</b>
<b>Current liabilities</b>				
Accounts payable		5,356	2,339	2,652
Liabilities to group companies		15,527	7,634	-
Current tax liabilities		-	337	377
Other liabilities		3,746	3,774	2,675
Accrued expenses and deferred income		10,249	8,540	7,423
		<b>34,878</b>	<b>20,285</b>	<b>23,208</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>214,855</b>	<b>324,456</b>	<b>259,076</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 accounts and consolidated accounts (K3). The same accounting principles and calculation bases have been applied as in the most recent annual report. All amounts are, unless otherwise stated, rounded to the nearest thousand.

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

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

## Note 2. Estimates and assessments

---

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

As the business has historically focused on growth, a negative taxable result is reported. This has resulted in tax loss carry-forwards in the company. Considering the uncertainty about the future, the company management has decided not to report these as deferred tax assets. As of the 30th of September 2024, 2024, Albert had a total of tax loss deductions of 309M SEK.

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

purchase price has been booked.

As a result of the restructuring for Kids MB SAS, the company has written down goodwill within the group by 10,320k SEK during the quarter, which does not affect cash flow. In the parent company, eEducation Albert AB, the shares acquired from Kids MBA have been written down by 7,695k SEK, representing 100% of the shares in the subsidiary. Additionally, intercompany balances between the parent company and the subsidiary have been written down by 21,286k SEK.

On the 31st of January 2023, eEducation Albert acquired all shares in Strawbees AB. There is an agreed additional purchase price to be paid after the 2025 annual general meeting if organic growth in consolidated annual net revenue for all companies in the group as of the 30th of September 2024 amounts to a total of 50% between the financial years 2022–2024. The company's current assessment is that the additional purchase price will not be paid. No provision for the additional purchase price has been booked.

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

### Note 3. Intangible and tangible

#### Acquisitions and divestments

During the quarter, Albert and Strawbees have capitalised work for their own account regarding balanced expenses for development work. These developments includes the development of the companies' products such as Strawbees Classroom, Albert Junior, Albert Teen, and Jaramba. These investments per the third quarter of 2024 amounted to 1,896k (1,957k) SEK.

#### Depreciation and impairment of tangible and intangible assets

TSEK	2024	2023	2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Capitalised work for own account	-3,841	-3,840	-11,055	-10,605
Acquired intangible assets	-16,457	-8,299	-28,731	-24,115
Goodwill	-5,959	-5,336	-19,356	-15,449
Licenses	-32	-32	-97	-97
Equipment, Tools and Installations	-63	-75	-199	-237
<b>Total</b>	<b>-26,352</b>	<b>-17,582</b>	<b>-59,438</b>	<b>-50,503</b>

### Note 4. Equity

As of the 30th of September 2024, the registered share capital comprised 25,128,917 ordinary shares (25,128,917) with a quota value of 0.05 (0.05) SEK.

### Note 5. Share-related compensation

As of the end of 30th of September, 2024, the company has three qualified employee 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 SEK 102,624. The company has entered into agreements with each participant for all options, whereby, upon exercise by the participant, the company's Board of Directors shall convene a general meeting to address the decision on the issuance of the corresponding number of shares.

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

The other qualified employee options vest over a period of three and a half (3.5) years from the date of grant and can then be used by option holders to subscribe for shares no later than 2 months thereafter. The last possible exercise date occurs in 2025. The redemption price for each share covered by the qualified employee 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 after that. 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 active qualified employee option program amounts to 7.5%.

## Note 6. Pledged collateral

The company has no pledged collateral available as of the 30th of September 2024

## Note 7. Events following the balance sheet date

Other events after the end of the period:

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

## Note 8. Revenue split

Albert's CEO, as the top executive decision maker, follows up and analyses the results and financial position of the company as a whole and per business area. The company's operating segments are therefore divided as follows:

B2C - Sales to households

B2B - Sales to schools/other businesses

SEK Thousands	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Business area</b>					
B2B	22,970	24,752	55,454	61,124	98,821
B2C	18,979	19,253	77,597	72,750	79,036
<b>Sum</b>	<b>41,949</b>	<b>44,004</b>	<b>133,051</b>	<b>133,874</b>	<b>177,893</b>

### Markets

Sales mainly comes from the focus markets in the Nordics, in the UK and in the US. Besides that, the company has sales from the rest of Europe and the rest of the world.

SEK Thousands	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Markets</b>					
Nordics	25,535	26,728	77,069	82,604	110,956
UK	5,933	6,164	20,952	21,344	29,605
USA	7,149	6,342	23,337	17,913	22,125
Rest of World	3,332	4,770	11,693	12,013	15,207
<b>Sum</b>	<b>41,949</b>	<b>44,004</b>	<b>133,051</b>	<b>133,874</b>	<b>177,893</b>

CONT. >>

## Business model

Albert Group has four different business models:

- **B2C sales of digital products through subscriptions:** All B2C products are digital apps that are sold through subscriptions where customers pay a monthly or an annual recurring subscription fee.
- **B2B sales of digital products through subscriptions:** B2B products like Sumdog and Film & Skola are pure digital web or app products that are sold through subscriptions which are renewed after one to five years depending on contract and customers pay annually up front.
- **B2B sales of digital products through non-subscriptions:** Some B2B digital products

(e.g. films) are sold on demand for single usage purpose, typically connected to specific events. It is typically repeat sales to the same customers.

- **B2B sales of physical products through non-subscriptions:** Physical B2B products like Strawbees and films on DVD and blueray are sold or rented out for one time fees. A large share of sales is recurring to existing customers, for instance Strawbees users who need to refill their Strawbees kits or Swedish Film customers who rent films repeatedly.

SEK Thousands	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Business model</b>					
B2C digital product subscription	18,988	19,253	55,454	61,125	79,069
B2B digital product subscription	15,358	16,893	48,178	49,575	68,192
B2B digital product non-subscription	532	1,383	4,702	5,845	9,129
B2B physical product non-subscription	7,071	6,476	24,717	17,330	21,503
<b>Sum</b>	<b>41,949</b>	<b>44,004</b>	<b>133,051</b>	<b>133,874</b>	<b>177,893</b>

# Key Figures – Definitions

Financial key figures	Definition	Motivation for users
<b>Net revenue, LTM</b>	Refers to Recognise revenue and are periodised and non-periodised income for the period.	Clarifies the Company's net sales for the last 12 months
<b>Invoiced sales</b>	Refers to sales that are invoiced but not periodised.	Clarifies the sale, which gives a perception of future earnings.
<b>Net income growth</b>	Change in net revenue compared to the same period last year	Clarifies the Company's growth in net sales compared to the same period last year
<b>Organic net revenue growth</b>	Organic growth refers to revenue growth from existing operations adjusted for effects from acquisitions and divestitures	Measure the Company's growth in net revenue compared to the same period last year excluding any acquisitions during the periods, this for increased comparison over time
<b>Adjusted gross profit</b>	Net revenue with deductions for direct selling costs, which are defined as cost of goods, platform fees, royalties, licenses and payment processing fees	Clarify the Company's contribution, which must cover fixed and variable costs in the business
<b>Adjusted gross margin</b>	Adjusted gross profit as part of net revenue	Measure how much of the Company's net sales remains to cover fixed and variable costs
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization	Measure the results from the ongoing the business independent of depreciation and write-downs of tangible and intangible assets
<b>Adjusted EBITA</b>	Earnings before interest, tax and depreciation write-downs of acquisition-related assets	Measure the results from the ongoing the business independent of and impairment of acquisition-related assets
<b>Adjusted EBITA margin</b>	Adjusted EBITA as part of net revenue	Clarify the Company's profitability generated by the ongoing operations. Facilitates the comparison of profitability between different companies and industries
<b>EBIT-marginal</b>	EBIT as part of net revenue	Shows what percentage of turnover is remains after all the business's costs and which can be allocated to other purposes

CONT. &gt;&gt;



# Cont. Key Figures – Definitions

Financial key figures	Definition	Motivation for users
<b>Net cash (-) /debt (+)</b>	Interest-bearing liabilities minus interest-bearing receivables and cash and cash equivalents	Shows the company's total indebtedness
<b>Working capital</b>	Current assets excluding liquid funds reduced by accounts payable and accrued expenses as well as prepaid income	Clarifies how much capital is needed to finance ongoing operations
<b>Solidity</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 for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding during the period	Clarifies shareholders' earnings per share before dilution
<b>Earnings per share after dilution</b>	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding adjusted for the effects of all potential ordinary shares that give rise to a dilutive effect during the period	Clarifies shareholders' earnings per share after dilution
<b>Annual Recurring Revenue (ARR)</b>	Annual recurring revenue in MSEK. Means expected annual revenue 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) multiplied by the number of paying subscribers merants for different purchase occasion cohorts for the current month multiplied by 12. ARR from B2B is calculated based on Monthly Recurring Revenue (MRR). MRR is determined monthly by allocating historical license sales evenly across the license period. For each quarter, an average MRR is calculated based on the months included in the period. This average MRR is then multiplied by 12 to derive the Annual Recurring Revenue (ARR).	Clarifies the company's recurring revenue on an annual basis
<b>ARPU</b>	Average Revenue Per User = average revenue per user. The price a customer pays excluding VAT	Clarify what revenue the company has for each subscriber each month

The Board of Directors and the CEO assure that the 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, 21 November 2024

**Björn Bengtsson**  
Chairman

**Richard Sandenskog**  
Board Member

**Peter Grytterhielm**  
Board Member

**Carl Kinell**  
Board Member

**Andrea Carr**  
Board Member

**Jonas Mårtensson**  
CEO

## Financial Calendar

Interim report Q3 2024 Jul–Sep 22 Nov

Year-end report, Q4 2024 28 Feb 2025

## Contact

For further information, please contact:

**CEO, Jonas Mårtensson**

+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 22 November 2024 at 07.30 am.

**Review**

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