

Interim Report

January–June 2024

albert
GROUP.

The quarter in brief

1 April–30 June

- Net sales amounted to SEK 49,500 (47,830) thousand, which corresponds to an increase of 3 percent compared to the same period last year.
- EBITDA amounted to SEK -1,153 (-3,160) thousand.
- EBITA amounted to SEK -4,908 (-6,947) thousand. Items affecting comparability affected EBITA by SEK -206 thousand.
- The result after financial items amounted to SEK -17,805 (-20,325) thousand.
- The result for the period amounted to SEK -16,541 (-18,156) thousand.
- Earnings per share amounted to SEK -0.66 (-0.72), before and after dilution.
- Cash flow from current operations amounted to SEK -17,826 (-5,194) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 65,284 (106,110) thousand.

1 January–30 June

- Net sales amounted to SEK 91,102 (89,869) thousand, which corresponds to an increase of 1 percent compared to the same period last year.
- EBITDA amounted to SEK -13,919 (-10,194) thousand.
- EBITA amounted to SEK -21,269 (-17,122) thousand. Items affecting comparability affected EBITA by SEK -2,889 thousand.
- The result after financial items amounted to SEK -46,215 (-42,515) thousand.
- The result for the period amounted to SEK -43,687 (-38,467) thousand.
- Earnings per share amounted to SEK -1.74 (-1.53), before and after dilution.
- Cash flow from current operations amounted to SEK -10,419 (-2,771) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 65,284 (106,110) thousand.

Significant events in the second quarter of 2024

- A new organisational structure was implemented on 1st April as part of the profitability program. The purpose was to increase efficiency and expedite the integration of the acquired companies.
- The Albert Group announced a correction of an error not affecting profit and cash flow in the income and expense reporting for the financial years 2022 and 2023. The error has not affected the company's operations or decisions, and the correction was made in consultation with the company's auditors.

Significant events after the end of the period

- The Albert Group announced that one of its B2B companies, Sumdog Ltd, entered into a strategic partnership with YPO (Yorkshire Purchasing Organisation), a leading UK distributor to schools. The partnership will see Sumdog's mathematics platform included as one of the core products in YPO's new education technology package, 'LearningBox,' significantly enhancing the Albert Group's market presence in England.

This is Albert Group

The Albert Group develops and sells education technology products for schools and consumers. The company was originally 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.

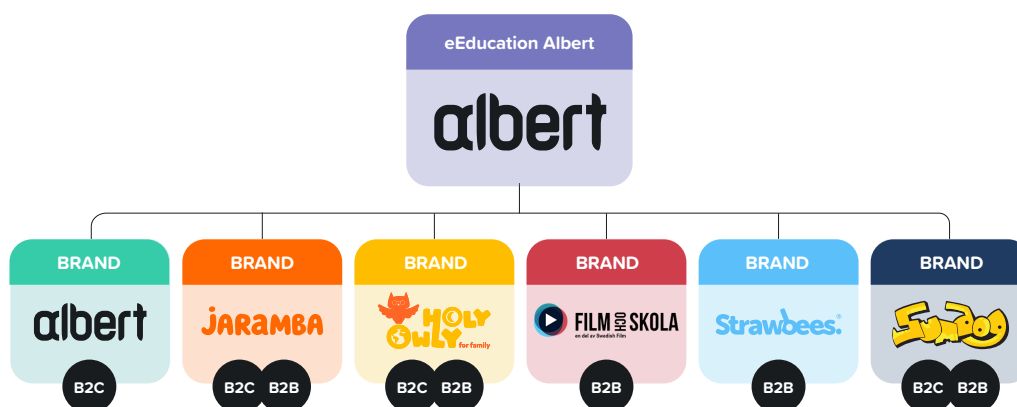
B2B products are sold to schools and school groups such as districts and multi-academy trusts through direct sales for a fixed annual fee or a one-off payment.

The consumer (B2C) products are provided through apps for an annual or monthly subscription, which are made available to

download on the Apple App Store and Google Play.

The company is mainly active in the Nordic countries, the United Kingdom and the USA, but is also present in several other markets in Europe and in Asia. Based on the company's own investigations, the company is a leading player in the digital education services sector in the Nordics, offering high quality learning content sold to consumers. Since the company was founded, it has helped hundreds of thousands of families and millions of children worldwide with learning.

The company has approximately 130 employees who together form an innovative team with diverse backgrounds whose common goal is to help more children succeed, through personalised and engaging learning content and support. 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
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Net sales	49,500	47,830	91,102	89,869	177,893
<i>Percentage change compared to comparison period</i>	3	35	1	61	75
EBITDA	-1,153	-3,160	-13,919	-10,194	-6,251
EBITA	-4,908	-6,947	-21,269	-17,122	-25,096
<i>Percentage change compared to comparison period</i>	29	45	-24	50	68
Profit before tax for the period	-17,805	-20,325	-46,215	-42,512	-85,157
<i>Percentage change compared to comparison period</i>	12	-4	-9	6	17
Profit/loss for the period	-16,541	-18,156	-43,687	-38,467	-79,897
Earnings per share (SEK)*	-0.66	-0.72	-1.74	-1.53	-3.18
Cash flow from operating activities	-17,826	-5,194	-10,419	-2,771	-17,880
Cash flow for the period	-20,809	-10,287	-15,635	-1,444	-22,217

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



Comment from our CEO

Significant steps towards profitability.
A return to organic growth.

After a few challenging quarters, we can now confirm that the second quarter of 2024 has seen a strong performance. We have good momentum in sales and costs have been reduced thanks to the profitability programme. As a result, the business has almost reached EBITDA breakeven. The new organisation structure is already performing well after the major overhaul.

We entered the year with a clear goal to reach positive EBITDA during 2025 and set a plan that would take us there by slightly increasing sales while reducing costs. The profitability programme, which was launched in the first quarter, now yields results and losses in the second quarter have been reduced to 1.1 million SEK in negative EBITDA, without any positive one-time effects. In short, we are following our plan to profitability.

The improvement in EBITDA comes from both the revenue and cost sides. Net revenue was 49.5 million SEK which is 3 percent increase on last year, all of which is organic. The main driver of this is a breakthrough in the US with our Strawbees products. After a long period of concentrated work to build brand awareness, to strengthen relationships with schools, and to develop the product, the word is now spreading and we have broken three sales records during the quarter by landing three orders of over 100,000 USD each. The organic growth is a positive shift after several quarters of negative organic growth.

On the cost side, the profitability programme included a major restructure which resulted in personnel expenses being reduced by 10%. The new organisation structure went live in April and during the quarter significant effort has been made to ensure workflows and teams are fully operational and effective. The new structure is already allowing us to capture synergies and to streamline and optimise operations across the business portfolio.

Looking forward we continue to focus on reaching positive EBITDA by growing the business mainly in B2B but also in B2C. In B2B, we have entered into a distribution partnership with the UK's biggest school distributor YPO, where our Sumdog product will be offered as one of the core products in YPO's edtech bundle "Learning Box". The bundle will be sold to all schools in England starting in September 2024. This will accelerate our growth in the England schools market by building brand awareness of the Sumdog brand and being highly visible to more educators. In the US, we see potential to sell more to existing customers, but also to new ones. Having been present in the US market for several years now, we built significant brand awareness, and visits to recent education fairs have resulted in more leads than in previous years. The multiple record orders during the second quarter is clear

evidence of our increased profile in the sector. To continue this strong momentum, we will increase investments in B2B during Q3 and Q4 to further grow in the UK, the US and in the Nordics.

In B2C, in the second quarter we reached our highest ever revenue per user and our lowest ever churn rate for paying subscribers. Together this resulted in that customer lifetime value reached an all-time high. One reason for this was the bundling and cross-selling of all our B2C products together into the Nordic markets. The challenge was driving new customer acquisition. Our pre-summer marketing campaign, which normally is the weakest one of the year, was, as expected, slow to generate new customers. To mitigate this, we are now optimising our existing markets and will be expanding to new markets. The ongoing summer marketing campaign has started really well with high free trial volumes and low customer acquisition cost, in all our existing markets. These customers will convert to paid subscriptions at the end of August. We have also resumed the expansion of Albert Junior to new markets and after a few experiments during the second quarter, we will launch in new markets during the autumn and onwards. If all goes as planned, we will see growth in the subscriber portfolio, at low CAC while preserving the strong LTV. This will put B2C on a path for profitable growth.

In summary, our commitment to profitability and cash flow remains steadfast. This quarter, we saw a significant improvement in EBITDA, driven by strong B2B sales and cost-saving initiatives. Although cash flow was negative, this was primarily due to working capital adjustments, including inventory buildup to support B2B sales, settlement of supplier liabilities, and paying for one-time restructuring costs. These developments align with our strategic plan to achieve positive EBITDA by 2025 and positive cash flow by 2026, utilising our existing cash reserves. To accelerate our progress, we are currently conducting a strategic review of all our brands, products, and markets, and we will reallocate resources to the highest-performing areas.

Finally, I would like to express my gratitude to all our employees for their hard work in successfully executing the profitability programme while simultaneously growing the business. I also want to thank our shareholders for their continued support. I look forward to continuing our journey towards profitability and beyond, while making learning engaging and personalised for children around the world.

Yours sincerely,
Jonas Mårtensson, CEO

Sales Overview

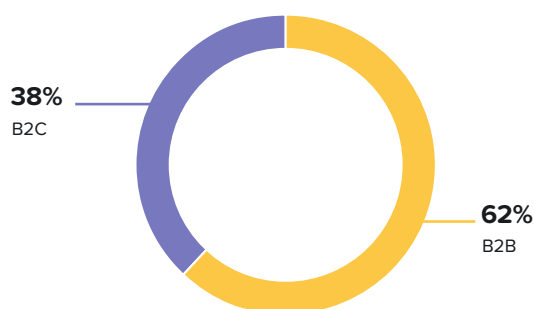
Albert had total net sales of 49,500 thousand SEK (47,830) in the second quarter, corresponding to 3% total growth.

Organic and acquired sales

No acquisitions have been made that impact the current period or the comparison period. Hence, all the sales are organic and the entire 3% growth is organic.

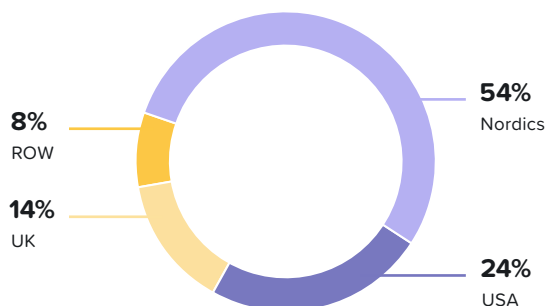
Target group

Sales to schools, school groups and the education sector (B2B) stood for 62% (57%) and sales to consumers (B2C) made up 38% (43%). The increased share of B2B is in line with the company's strategy to focus more on B2B. In the second quarter, it was driven by a breakthrough of B2B Strawbees sales in the US. B2C sales decreased, both due to lower resource allocation and slower customer acquisition in the pre-summer campaign that took place in the second quarter.



Markets

Sales in the Nordics was 54% (66%), in the UK 14% (17%) and in the US 24% (15%). Together this makes up 93% (91%) of the total sales and reflects the Company's strategic focus on these three markets. The US, especially, stands out this quarter and is connected to the breakthrough sales of Strawbees in that market. Sales to the rest of the world was 8% (9%) and is mainly connected to B2C products in the rest of Europe and B2B sales through resellers in Asia.



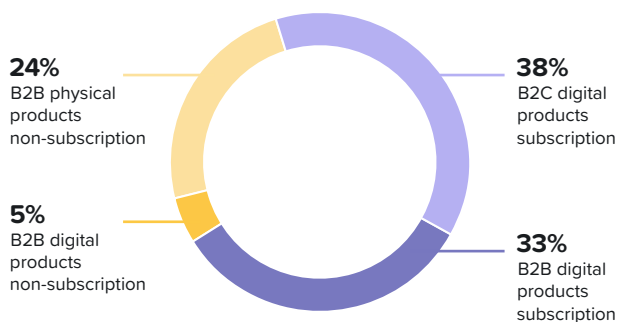
Business model

The company has four business models:

- B2C sales of digital products through subscriptions stood for 38% (43%). The decrease in share comes both from the increase in B2B in general, and in the slower customer

acquisition in the second quarter as mentioned above.

- B2B sales of digital products through subscriptions contributed to 33% (36%) of total sales. The second quarter is a stable period, since most new sales come in the first and third quarters. In the second quarter, the revenues in this category came from periodised sales.
- B2B sales of digital products through non-subscriptions was stable at 5% (6%).
- B2B sales of physical products through non-subscriptions amounted to 24% (14%). The increase was driven by the breakthrough of Strawbees sales.



Annual revenue from subscriptions and non-subscriptions

Net sales was SEK 49,500 thousand in the second quarter. Given the large share of recurring and repeat business this gives an indication of the annual revenue.

Annual recurring revenue (ARR) from B2B subscriptions was SEK 65,835 thousand (62,186), which corresponds to 6% growth compared to the same period last year. The reason is increased focus on B2B and increase in the Sumdog product.

ARR from B2C subscriptions was SEK 66,252 thousand (74,769), which corresponds to 11% decrease compared to the same period last year. The decrease is due to slow customer acquisition.

Revenue from non-subscription products during the last four quarters amounted to SEK 37,130 thousand (15,316). Approximately half of the increase comes from the acquisitions of this type of business during Q1 2023, while the other half stems from organic growth, with a significant portion driven by the strong momentum in Strawbees sales, where several existing customers have made substantial repeat purchases to replenish their stocks and expand Strawbees into more schools and classes.

Combining the ARR from subscriptions and the revenues from non-subscriptions during the last four quarters amount to SEK 169,219 thousand (152,274).

Note 8 describes more details on the segments.

Financial overview

Second quarter

Net sales and results

Net sales for the quarter amounted to SEK 49,500 (47,830) thousand, representing a 3 percent increase driven solely by organic growth. Net sales are in line with the same period last year, consistent with the company's strategy.

The B2B segment further increased in volume within the Group and accounted for 62 (56) percent of total net sales for the quarter, in line with the company's strategy.

The gross margin was 81 (80) percent. This improvement is due to a reduction in distribution costs to Apple and Google, as a larger share of sales occurred through the company's own websites instead of app stores, affecting both B2C and B2B segments.

EBITDA for the second quarter amounted to SEK -1,153 (-3,160) thousand, which includes one-time costs of SEK 206 thousand related to personnel expenses from the restructuring carried out in the first quarter. EBITDA improved by SEK 2,007 thousand compared to the second quarter of the previous year, driven primarily by lower personnel costs related to the profitability program initiated in the first quarter. Net sales increased by SEK 1,700 thousand compared to the previous year, while total revenues decreased due to lower revenues from capitalised internally developed intangible assets.

During the quarter, amortisation of acquired intangible assets amounted to SEK 12,719 (13,691) thousand. The result for the period amounted to SEK -16,541 (-18,156) thousand. Earnings per share before and after dilution were SEK -0.66 (-0.72).

Working capital

As of June 30, working capital amounted to SEK -40,411 (-44,858) thousand. The positive development in the company's working capital compared to the same quarter last year is primarily due to lower accrued expenses and deferred income, as well as reduced short-term liabilities.

- Accounts receivable have increased due to strong sales within B2B.
- In connection with strong sales within B2B, an investment was made in inventory buildup of the Strawbees product to fulfill existing orders and ensure short delivery times for future business.
- The inventory buildup has led to an increase in current assets.
- Deferred income, classified as short-term liabilities, decreased as recognised sales from the first quarter have been recognised as revenue, particularly annual subscriptions within Swedish Film.

- Accounts payable decreased as liabilities, particularly for royalties within Swedish Film, were settled.
- Other short-term liabilities related to reserved costs for the restructuring program decreased as these funds were paid out.

In summary, working capital improved by SEK 4,447 thousand to SEK -40,411 thousand.

Cash flow for the quarter

Total cash flow for the period amounted to SEK -20,809 thousand, a decrease compared to SEK -10,287 thousand in the same period last year. The reason for the negative cash flow is mainly negative working capital.

In the second quarter of 2024, cash flow from operating activities, before changes in working capital, was SEK 466 thousand (-4,414), which corresponds to an improvement of SEK 3,948 thousand compared to the second quarter of last year and is mainly explained by an improved result.

The negative effect from working capital totals SEK -17,360 thousand. Cash flow after changes in working capital during the quarter amounted to SEK -17,826 thousand (-5,194). This was mainly due to reduced current liabilities related to payment of royalties, payment of one-time costs for the restructuring program, and decreased accounts payable linked to previous purchases of B2B stock. Increased short-term receivables in B2B as accounts receivables also resulted in a negative cash flow in the quarter.

Cash flow from investments during the quarter was SEK -1,658 thousand (-4,127). Compared with the previous year, the improvement is due to reduced investments in the company's own product development.

The cash flow from financing activities was SEK -1,325 thousand (-965), mainly due to debt amortisation. The decrease is due to a regulation of overdrafts.

The company's cash and cash equivalents at the end of the period amounted to SEK 65,284 thousand (106,110). The company's target of achieving positive EBITDA with existing cash remains, and so far, execution is proceeding according to plan.

The focus is on ensuring good and improved cash flow processes, receiving payments on time, and optimising payments.

Cont. Financial overview

January - June

Net sales and results

Net sales for the period January to June amounted to SEK 91,102 (89,869) thousand, representing an increase of 1 percent, with 3 percent coming from acquired growth and -2 percent from organic growth. Net sales have increased by SEK 1,200 thousand compared to the previous year, while total revenue has slightly decreased due to lower income from capitalised in-house developed intangible assets. Net sales are in line with the same period last year, which is consistent with the company's strategy.

The B2B segment has continued to grow in volume within the Group, accounting for 60 (55) percent of total net sales during the period, which is also in line with the company's strategy.

The gross margin amounted to 78 (76) percent. The improvement is due to slightly reduced distribution costs to Apple and Google as a larger proportion of sales were made through the company's own websites rather than app stores. This applies to both B2C and B2B.

EBITDA for the period amounted to SEK -13,919 (-10,194) thousand. EBITDA deteriorated by SEK 3,725 thousand compared to the same period last year, driven by slightly lower income from capitalised in-house developed intangible assets and higher personnel costs. The higher personnel costs were addressed in the restructuring programme implemented in the first quarter.

Amortisation of acquired intangible assets during the period amounted to SEK 25,735 (25,993) thousand. The result for the period was SEK -43,687 (-38,467) thousand. Earnings per share before and after dilution amounted to SEK -1.74 (-1.53).

Working capital

As of 30 June, working capital amounted to SEK -40,411 (-44,858) thousand. The positive development of the company's working capital compared to the same period last year is mainly due to slightly higher current receivables and lower short-term liabilities in the form of:

- Higher receivables for prepaid expenses, which have increased in the form of Swedish Films' accrued royalties.
- Lower accrued costs in Albert related to royalties compared to the previous year.
- Lower deferred income in Sumdog due to a lower proportion of deferred annual subscriptions compared to the previous year.
- Trade payables have decreased slightly.

In summary, working capital has improved by SEK 4,447 thousand to SEK -40,411 thousand.

Cash flow for the period

Cash flow during the period amounted to SEK -15,635 thousand (1,444), a decrease of SEK 17,079 thousand compared to the previous year. Weaker earnings and negative working capital partly explain the lower cash flow. Furthermore, the difference is explained by the fact that the cash flow in the corresponding period 2023 was extraordinarily good due to the capital injection carried out in connection with the company's three acquisitions.

During the period January to June 2024, cash flow from operating activities, before changes in working capital, was SEK -13,649 thousand (-8,314), which corresponds to a deterioration of SEK 5,335 thousand compared to the same period last year and is mainly explained by the decline in earnings before financial items.

Cash flow from operating activities after working capital amounted to SEK -10,419 thousand (-2,771) during the period. This is a decrease of SEK -7,648 thousand compared to the same period last year when SEK -2,313 thousand came from negative cash flow from working capital and SEK -5,335 thousand from operating activities.

From January to June, changes in working capital positively affected the cash flow of SEK 3,230 thousand due to an increase in current receivables, reduced inventory in B2B, increased receivables from accrued income and an increase in current liabilities linked to royalties.

Cash flow from investments during the quarter was SEK -3,386 thousand (-54,728). The difference compared to last year's period is mainly due to three acquisitions made in 2023 and the lower capitalisation of proprietary intangible assets in 2024.

The cash flow from financing activities was SEK -1,830 thousand (58,943), mainly due to debt amortisation. The change compared to the previous year is due to the new share issue linked to acquisitions in 2023.

The company's cash and cash equivalents at the end of the period amounted to SEK 65,284 thousand (106,110). The company's target of achieving positive EBITDA with existing cash remains, and so far, execution is proceeding according to plan.

The focus remains on ensuring good and improved cash flow processes, receiving payments on time, and optimising payments.

Other information

Investments

During the quarter, the Albert group invested SEK 1,658 (4,127) in internally developed intangible assets, which included the development of new products and the launch of new functions in existing products. The investment included capitalisation of development costs such as personnel costs for employees in product and technology development as well as the purchase of consultants.

Financing

The Albert Group has outstanding debts to credit institutions totaling SEK 8,006 (12,211) thousand. The equity ratio stands at 61 (64) percent as of June 30, 2024, and the net debt amounted to SEK -57,278 (-94,899) thousand.

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 SEK 200 thousand and mr Grytterhielm AB SEK 400 thousand, including Group companies that are considered related parties due to board representation and ownership. Costs for the quarter were from Schibsted SEK 100 thousand and mr Grytterhielm AB SEK 100 thousand. The transactions are part of eEducation Albert AB's normal operations and were carried out on market terms.

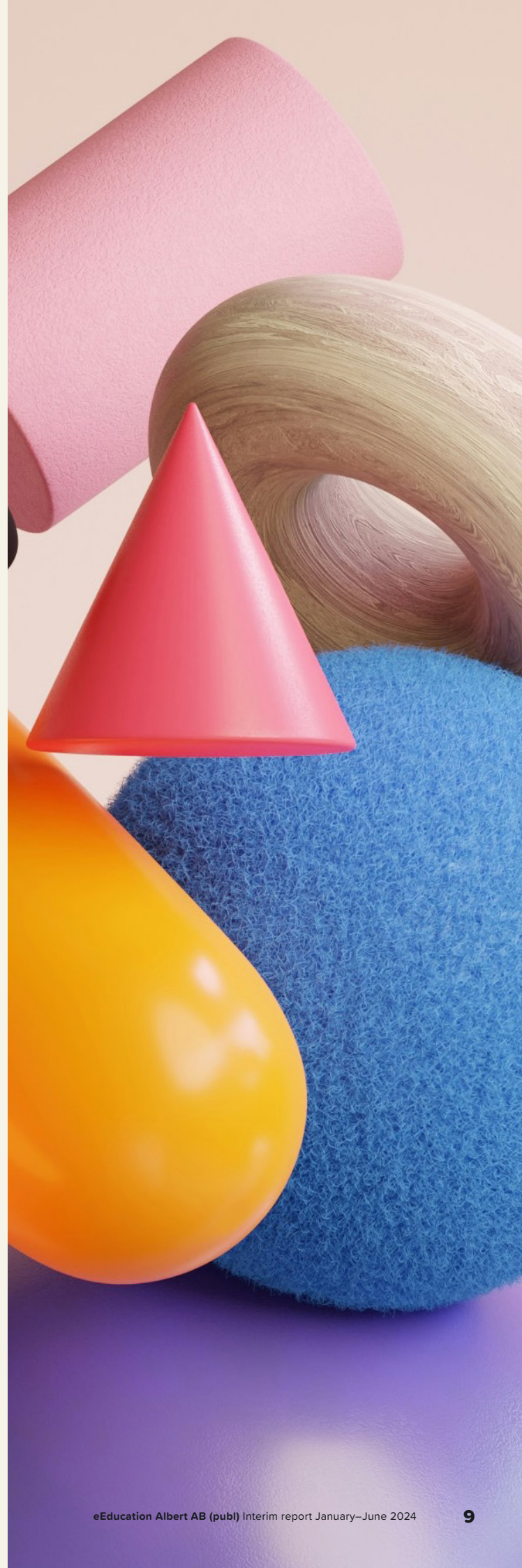
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GROUP

Income statement

SEK Thousands	Note	2024	2023	2024	2023	2023
		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Net sales	8	49,500	47,830	91,102	89,869	177,893
Capitalised work for own account	3	1,658	4,127	3,387	9,297	14,034
Other income		787		5,841		17,585
		51,945	51,957	100,330	99,166	209,512
Operating expenses						
Raw materials and consumables		-1,976	-799	-3,079	-1,472	-4,805
Other external expenses		-27,552	-26,653	-59,405	-56,360	-104,880
Personnel expenses		-23,569	-27,083	-51,764	-49,856	-100,021
Depreciation, amortisation, and impairment of tangible and intangible assets	3	-16,474	-17,478	-33,086	-32,921	-80,499
Other operating expenses		–	-581	-	-1,672	-6,776
Operating profit/loss		-17,626	-20,638	-47,004	-43,115	-86,750
Result from financial items						
Other interest income and similar income		9	551	1,040	917	2,212
Interest costs and similar profit and loss items		-188	-239	-251	-313	-619
Result after financial items		-17,805	-20,325	-46,215	-42,515	-85,157
Tax on profit/loss for the period		1,264	2,169	2,528	4,044	5,260
Profit/loss for the period		-16,541	-18,156	-43,687	-38,467	-79,897
Number of shares outstanding at the end of the reporting period						
		25,128,917	25,128,917	25,128,917	25,128,917	25,128,917
Average number of shares outstanding						
		25,128,917	25,128,917	25,128,917	21,425,286	24,235,604

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Balance sheet

SEK Thousands	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	63,708	88,212	74,256
Goodwill		84,005	88,913	97,402
Concessions, patents, license, brands as well as similar rights	3	29,693	79,765	35,256
		177,406	256,889	206,913
Tangible fixed assets				
Equipment, tools and installations		360	554	468
		360	554	468
Financial assets				
Other non-current receivables		424	428	421
		424	428	421
Total fixed assets		178,190	257,872	207,802
Current assets				
Inventory		2,126	2,125	3,556
Accounts receivable		15,766	16,994	15,441
Other receivables		5,635	5,433	3,573
Prepaid costs and accrued income		7,206	6,535	4,673
		30,733	31,088	27,243
Cash and cash equivalents				
Cash and cash equivalents		65,284	106,110	80,482
		65,284	106,110	80,482
Total current assets		96,017	137,198	107,725
TOTAL ASSETS		274,207	395,069	315,529

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Cont. Balance sheet

SEK Thousands	30 Jun 2024	30 Jun 2023	31 Dec 2023
EQUITY AND LIABILITIES			
EQUITY			
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	-355,283	-269,907	-311,676
Shareholders' equity, attributable to the Parent Company's shareholders	166,812	252,187	210,418
Total equity	166,812	252,187	210,418
Provisions			
Deferred tax liabilities	15,415	28,080	17,944
Other provisions	311	14,031	311
	15,726	42,111	18,255
Long-term liabilities			
Liabilities to credit institutions	8,006	11,211	9,271
	8,006	11,211	9,271
Current liabilities			
Accounts payable	4,001	6,077	5,366
Overdraft facility	1,957	1,703	2,522
Current tax liabilities	1,434	1,714	1,727
Other liabilities	9,129	10,197	8,687
Accrued expenses and deferred income	67,142	69,869	59,283
	83,663	89,560	77,585
TOTAL EQUITY AND LIABILITIES	274,207	395,069	315,529

GROUP

Changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 01/01/23	886	472,129	-233,637	239,378
Result for the period			-38,467	-38,467
<i>Changes in equity</i>				
Qualified employee stock options	–	–	185	185
Translation difference	–	–	2,013	2,013
	–	–	2,198	2,198
<i>Transactions with owners</i>				
Rights issue	205	-205	–	–
Exercise of options	–	-3,500	–	-3,500
Ongoing share issues	165	52,414	–	52,579
	370	48,709	–	49,079
Closing equity 30/06/23	1,256	520,838	-269,906	252,187

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 01/01/24	1,256	520,838	-311,676	210,418
Result for the period			-43,687	-43,687
<i>Changes in equity</i>				
Qualified employee stock options	–	–	460	460
Translation difference	–	–	-379	-379
	–	–	81	81
Closing equity 30/06/24	1,256	520,838	-355,283	166,812

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

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Cash flow statement

SEK THOUSANDS	2024	2023	2024	2023	2023
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Operating activities					
Result before financial items	-17,626	-20,638	-47,005	-43,115	-86,750
Adjustments for non-cash flow items					
Depreciation and write-downs	16,474	17,478	33,086	32,921	80,499
Changes in provisions	-	-	-	-	-13,002
Options	460	-	460	-	772
Exchange rate gains/losses	398	-1,561	-378	-108	-165
Interest received	9	551	733	917	2,212
Interest Paid	-188	-239	-251	-313	-619
Tax paid	7	-5	-294	1,384	2,128
Cash flow from operating activities before changes to working capital	-466	-4,414	-13,649	-8,314	-14,925
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in stock	905	-1,025	1,430	2,125	3,494
Increase (-)/Decrease (+) of operating receivables	-5,557	9,423	-4,919	-6,553	3,091
Increase (+)/Decrease (-) of operating liabilities	-12,708	-9,178	6,719	9,971	-9,540
Cash flow from operating activities	-17,826	-5,194	-10,419	-2,771	-17,880
Investing activities					
Acquisition of subsidiaries / operations, net cash impact	-	-	-	-45,431	-45,431
Acquisition of tangible fixed assets	-	-	-	-	-204
Acquisition of intangible assets	-1,658	-4,127	-3 386	-9,297	-15,752
Cash flow from investing activities	-1,658	-4,127	-3 386	-54,728	-61,387
Financing activities					
New share issue	-	-	-	70,100	70,100
Issue costs	-	-	-	-3,500	-3,500
Net change checking account	-411	-	-565	-	124
Amortization of non-current loans	-914	-965	-1,265	-7,657	-9,674
Cash flow from financial activities	-1,325	-965	-1,830	58,943	57,050
Cash flow for the year	-20,809	-10,287	-15,635	1,444	-22,217
Cash and cash equivalents at beginning of the year	86,082	116,319	80,482	104,144	104,144
Exchange rate difference in cash and cash equivalents	11	78	437	522	-1,445
Cash and cash equivalents at end of the year	65,284	106,110	65,284	106,110	80,482

PARENT COMPANY

Income statement

SEK THOUSANDS	Note	2024	2023	2024	2023	2023
		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Net sales	8	14,827	16,200	28,514	33,135	62,118
Capitalised work for own account	3	1,530	3,700	3,130	8,600	12,700
Other income		3,678	-	12,600	-	3,303
		20,035	19,930	44,244	41,735	78,121
Operating expenses						
Other external expenses		-15,467	-13,047	-35,394	-48,548	-55,893
Personnel expenses		-8,345	-9,712	-21,132	-18,394	-37,220
Depreciation, amortization, and impairment of tangible and intangible assets		-3,007	-2,772	-5,887	-5,259	-11,279
Other operating expenses		-	-522	-	-1,380	-4,959
Operating profit/loss		-6,784	-6,122	-18,169	-14,506	-31,230
Result from financial items						
Other interest income and similar income		-240	411	519	776	1,565
Interest costs and similar profit and loss items		-9	-52	-10	-65	-190
		-	-	-	-	-46,815
Result after financial items		-7,033	-5,763	-17,660	-13,795	-76,670
Tax on profit/loss for the period		-	-	-	-	2,941
Profit/loss for the period		-7,033	-5,763	-17,660	-13,795	-73,729

PARENT COMPANY

Balance sheet

SEK Thousands	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalised development costs and similar work	3	15,879	20,427	18,571
Concessions, patents, license, brands as well as similar rights	3	323	451	387
		16,202	20,878	18,958
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		-	-	-
		-	-	-
<i>Financial assets</i>				
Shares in group companies		188,282	236,999	188,282
Other non-current receivables		257	257	257
		188,539	237,256	188,539
Total fixed assets		204,741	258,134	207,497
Current assets				
Accounts receivable		6,791	5,487	5,929
Receivables to group companies		21,580	14,155	14,889
Other receivables		2	347	-
Prepaid costs and accrued income		3,736	1,833	874
		32,109	21,823	21,692
Cash and cash equivalents				
Cash and cash equivalents		7,463	51,577	29,888
		7,463	51,577	29,888
Total current assets		39,571	73,399	51,579
TOTAL ASSETS		244,313	331,534	259,076

CONT >>

PARENT COMPANY

cont. Balance sheet

SEK Thousands	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
EQUITY AND LIABILITIES				
EQUITY				
<i>Restricted equity</i>				
Share capital		1,256	1,256	1,256
Fund for development costs		15,879	20,427	18,571
		17,135	21,683	19,827
<i>Non-restricted equity</i>				
Share premium reserve		520,838	520,838	520,838
Retained earnings		-319,617	-233,821	-231,381
Profit/loss for the period		-	-13,795	-73,729
		201,221	273,222	215,728
Total equity		218,356	294,906	235,555
Provision				
Other provisions		311	14,031	311
		311	14,031	311
Current liabilities				
Accounts payable		3,749	2,912	2,652
Liabilities to group companies		9,958	7,607	-
Current tax liabilities		57	292	377
Other liabilities		3,455	3,142	2,675
Accrued expenses and deferred income		8,426	8,644	7,423
		25,646	22,597	23,208
TOTAL EQUITY AND LIABILITIES		244,313	331,534	259,076

Notes

Note 1. Accounting principles

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

The adjusted gross margin is calculated as a percentage of net sales 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. 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 June 30, 2024, the Albert Group had a total of tax loss deductions of SEK 274 million.

On January 20, 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 sales for all companies in the group as of January 31, 2023 amounts to a total of

70 percent 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.

On 31 January 2023, eEducation Albert acquired all shares in Strawbees AB. There is an agreed additional purchase price to be paid after the 2025 annual general meeting if organic growth in consolidated annual net sales for all companies in the group as of January 31, 2023 amounts to a total of 50 percent 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 sales 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 development works concern the development of the companies' products such as Strawbees Classroom, Albert Junior, Albert Teen and Jaramba. In total, these investments per the first quarter of 2024 amounted to SEK 1,658 (4,127) thousand.

Depreciation and impairment of tangible and intangible assets

TSEK	2024	2023	2024	2023
	apr–jun	apr–jun	jan–jun	jan–jun
Capitalised work for own account	-3,689	-3,713	-7,214	-6,765
Acquired intangible assets	-6,170	-8,315	-12,339	-15,880
Goodwill	-6,549	-5,376	-13,397	-10,113
Equipment, Tools and Installations	-67	-74	-136	-163
Total	-16,474	-17,478	-33,086	-32,921

Note 4. Equity

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

Note 5. Share-related compensation

As of the end of June 30, 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 an agreement with the respective participant for all options, whereupon in the event of exercise by the participant, the board of the Company must call a general meeting where the decision on the issue of the corresponding amount of shares must be considered.

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 thereafter. 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 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. Maximum dilution of the active qualified employee option program amounts to 7.5 percent.

Note 6. Pledged collateral

The company has no pledged collateral available as of June 30, 2024.

Note 7. Events following the balance sheet date

Other events after the end of the period:

- The Albert Group announced that group company Sumdog Ltd entered into a strategic partnership with YPO (Yorkshire Purchasing Organisation), a leading UK distributor to schools. The partnership means that Sumdog's mathematics platform will be included as one of the core products in YPO's new EdTech package 'Learning Box', significantly strengthening the Albert Group's market presence in England.

Note 8. Revenue split

Target customers

The company sells to two target groups: B2C is sales to households and B2B is sales to schools, school groups and the education sector.

SEK Thousands	2024	2023	2024	2023	2023
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Business area					
B2B	30,831	27,128	54,634	47,998	98,821
B2C	18,669	20,700	36,467	41,872	79,036
Sum	49,500	47,830	91,102	89,870	177,893

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
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Markets					
Nordics	26,864	28,293	51,535	55,876	110,956
UK	7,022	8,312	15,018	15,180	29,605
USA	11,891	7,145	16,189	11,571	22,125
Rest of World	3,723	4,079	8,360	7,243	15,207
Sum	49,500	47,830	91,102	89,870	177,893

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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.

	2024	2023	2024	2023	2023
SEK Thousands	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	Jan–Dec
Business model					
B2C digital product subscription	18,669	20,700	36,467	41,872	79,036
B2B digital product subscription	16,434	17,283	32,819	32,682	68,189
B2B digital product non-subscription	2,376	3,096	4,170	4,462	9,129
B2B physical product non-subscription	12,021	6,752	17,646	10,855	21,503
Sum	49,500	47,830	91,102	89,870	177,893

Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Net sales, LTM	Refers to the net sales for the last 12 months	Clarifies the Company's net sales for the last 12 months
Net income growth	Change in net sales compared to the same period last year	Clarifies the Company's growth in net sales compared to the same period last year
Organic net sales growth	Organic growth refers to sales growth from existing operations adjusted for effects from acquisitions and divestitures	Measure the Company's growth in net sales compared to the same period last year excluding any acquisitions during the periods, this for increased comparison over time
Adjusted gross profit	Net sales 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
Adjusted gross margin	Adjusted gross profit as part of net sales	Measure how much of the Company's net sales remains to cover fixed and variable costs
EBITDA	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
Adjusted EBITA	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
Adjusted EBITA margin	Adjusted EBITA as part of net sales	Clarify the Company's profitability generated by the ongoing operations. Facilitates the comparison of profitability between different companies and industries
EBIT-marginal	EBIT as part of net sales	Shows what percentage of turnover is remains after all the business's costs and which can be allocated to other purposes

CONT. >>

Cont. Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Net cash (-)/debt (+)	Interest-bearing liabilities minus interest-bearing receivables and cash and cash equivalents	Shows the company's total indebtedness
Working capital	Current assets excluding liquid funds reduced by accounts payable and accrued expenses as well as prepaid income	Clarifies how much capital is needed to finance ongoing operations
Solidity	Equity as part of total assets	Clarifies the company's capital structure and hence the company's financial strength
Earnings per share before dilution	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding during the period	Clarifies shareholders' earnings per share before dilution
Earnings per share after dilution	Profit for the period after tax attributable to the parent company's shareholders divided by the weighted average number of ordinary shares outstanding adjusted for the effects of all potential ordinary shares that give rise to a dilutive effect during the period	Clarifies shareholders' earnings per share after dilution
Annual Recurring Revenue (ARR)	ARR represents the total value of subscription-based revenue that the company expects to receive annually from its customers. This metric is a key indicator of the stability and predictability of revenue streams and is calculated by taking the monthly recurring revenue (MRR) from subscription services and annualising it. For contracts being one year or longer, the MRR is done by periodising the full contract value. For contracts being shorter than one year, for instance monthly subscription plans, the ARR is calculated as 12 times the MRR	Clarifies the company's recurring revenue on an annual basis
ARPU	Average Revenue Per User = average revenue per user. The price a customer pays excluding VAT	Clarify what revenue the company has for each subscriber each month

The Board of Directors and the CEO assure that the 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 August 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 Q1 2024 Jan–Mar	8 May
Annual general meeting 2024	16 May
Interim report Q2 2024 Apr–Jun	22 Aug
Interim report Q3 2024 Jul–Sep	22 Nov

Contact

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This information is such information that eEducation Albert is required to publish in accordance with the EU Market Abuse Regulation.

The information was submitted, through the care of the above contact person, for publication on 22 August 2024 at 07.30 am.

Review

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