

albert™

INTERIM REPORT

1 JANUARY – 30 JUNE 2022



FOCUS ON INTEGRATION OF ACQUIRED OPERATIONS

1 APRIL – 30 JUNE 2022

- Annual recurring revenue (ARR) amounted to SEK 130.6 (69.1) million, corresponding to an increase of 89 percent, of which 40 percent relates to organic growth and 49 percent acquired growth.
- Net sales amounted to SEK 31,159 (15,413) thousand, corresponding to an increase of 102 percent, of which 32 percent relates to organic growth and 70 percent acquired growth.
- EBITA amounted to SEK -12,636 (-14,963) thousand.
- Profit before tax for the period amounted to SEK -19,489 (-15,035) thousand.
- Profit after tax for the period amounted to SEK -18,408 (-15,035) thousand.
- Earnings per share amounted to SEK -1.04* (-311,13), before and after dilution.
- Cash flow from operating activities amounted to SEK -21,491 (-12,343) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 131,228 (43,389) thousand.

1 JANUARY – 30 JUNE 2022

- Annual recurring revenue (ARR) amounted to SEK 130.6 (69.1) million, corresponding to an increase of 89 percent, of which 40 percent relates to organic growth and 49 percent acquired growth.
- Net sales amounted to SEK 55,759 (26,508) thousand, corresponding to an increase of 110 percent, of which 54 percent relates to organic growth and 56 percent acquired growth.
- EBITA amounted to SEK -34,564 (-22,496) thousand. Nonrecurring items affected EBITA with SEK 1,732 thousand which related to transaction costs in connection with the acquisition of Sumdog Ltd in February 2022.
- Profit before tax for the period amounted to SEK -44,593 (-22,638) thousand.
- Profit after tax for the period amounted to SEK -43,017 (-22,638) thousand.
- Earnings per share amounted to SEK -2.43* (-468.47), before and after dilution.
- Cash flow from operating activities amounted to SEK -46,449 (-21,801) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 131,228 (43,389) thousand.

*Earnings per share have been calculated for 2021 with the share split (250:1) registered on 25 August 2021.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2022

- In April, the technical and operational integration of Jaramba, which was acquired in December 2021, was completed. Jaramba's platform, focusing on reading, arithmetic and learning games for children aged 1-5, is thus available to all Albert customers, which has increased the product offering.
- In April, Jonas Mårtensson was recruited as Chief Operating Officer with effect from 1 June 2022. Jonas will be part of the management team and responsible for the company's B2C operations.
- In June, a license agreement was signed with Bonnierförlagen to launch a mathematics book for the age category 6-9 years. The book is expected to go on sale during the second quarter of 2023.

KEY FIGURES IN FOCUS

	Apr-June		Jan-June		Jan-Dec
SEK Thousand	2022	2021	2022	2021	2021
Net sales	31,159	15,413	55,759	26,508	62,564
Percentage change compared to comparison period	102		110		162
EBITA	-12,636	-14,963	-34,564	-22,496	-57,113
Percentage change compared to comparison period	16		-54		-118
EBITA margin (%)	-	-	-	-	-
Profit before tax for the period	-19,489	-15,035	-44,593	-22,638	-57,264
Percentage change compared to comparison period	-30		-97		-117
Profit after tax for the period	-18,408	-15,035	-43,017	-22,638	-57,264
Earnings per share (SEK)*	-1.04	-311.13	-2.43	-468.47	-3.26
Cash flow from operating activities	-21,491	-12,343	-46,449	-21,801	-51,513
Cash flow for the period	-25,198	-13,737	-120,411	-25,143	182,968

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

	30 June		31 Dec
Operational key figures	2022	2021	2021
B2C			
Paying subscribers (thousands)	86.1	59.7	77.8
ARPPU (SEK)	101.6	97.0	96.0
ARR (MSEK)	105.1	69.1	89.6
B2B			
Paying subscribers (thousands)	667.7	-	-
ARPPU (SEK)	3.2	-	-
ARR (MSEK)	25.5	-	-

FOUNDER'S COMMENT

The acquisition of Sumdog in February was strategically important in the ambition to eventually deliver a comprehensive offer to both schools and families, and thus connect teacher-parent-student. Albert as a group is taking shape while we continue to optimize towards cost-conscious growth. In short, the quarter has been characterized by 2 primary focus areas, to (i) realize the synergies from the previously made acquisitions and (ii) evaluate and execute on cost-conscious growth areas.

We look back with pride on the team's efforts in recent months to bring Jaramba and Sumdog into Albert's consumer business, with Jaramba first out for the Swedish market and then Sumdog for the UK and US markets towards the end of the quarter. In previous years, we have shown that the marketing strategy also works in markets other than Sweden and the Nordic countries, and now happily also see clear indications that it also works with brands other than Albert. With a centralized customer acquisition as a start, work also began during the quarter to find other Group-wide synergies.

In parallel with the integration of Jaramba and Sumdog for the B2C business, we have evaluated other growth opportunities. Changes in the rest of the world with rising interest rates and high inflation have had a positive effect on the opportunities to make strategically important acquisitions for Albert. The flexibility to be able to drive growth in different ways gives us greater security on the journey towards becoming a leading European player within EdTech. In addition to contributing important pieces of the puzzle to the vision, the flexibility helps to make growth less sensitive to rapid fluctuations in, for example, costs for digital marketing. We have, and will continue to, carefully consider growth options.

With a decentralized product and development organization, we were affected by the ongoing war in Ukraine. Our first and highest priority was, and continues to be, to contribute in every possible way to increasing the security of our affected colleagues in the region. As a result, a number of colleagues have joined the team in Gothenburg, and we are following developments in the region closely.

The recruitment of Jonas Mårtensson as COO is another key event during the quarter. With a focus from us founders to shape and drive the group's growth, Jonas has come in and from day one taken responsibility for the B2C business in an exemplary way. With Jonas joining the management team, the group is also organisationally well equipped to continue the growth journey.

When we look back at the past quarter, we find that a lot has happened. The entire business continues to move towards the goal of becoming a leading player in the European EdTech market, at the same time as major changes are taking place in the outside world. All in all, the consequence of this will be that we will continue to be selective in how we invest in growth, at the same time as we consider and act on new growth opportunities that are created. Our vision and long-term goals will continue to lead us into an exciting future.



The founders,
Artta Mandegari & Salman Eskandari

FINANCIAL OVERVIEW

SECOND QUARTER

NET SALES & RESULT

Net sales during the quarter amounted to SEK 31,159 (15,413) thousand, which is an increase of 102 percent compared to the comparison period 2021. The acquisition of Sumdog Ltd during February 2022 and continued expansion in current markets has contributed to a decrease in dependence on the Swedish market in relation to total net sales, which now amount to 43 (58) percent in the second quarter of 2022.

The increase in net sales is driven by growth in the number of paying subscribers, average revenue per paying user (ARPPU) and acquisitions of operations during the year. ARPPU has increased on total compared to the comparison period when new subscription plan was launched with a higher monthly fee. The users that were added in connection with the acquisition of Ampd AB and Sumdog Ltd B2C subscribers had a significantly lower ARPPU than Albert's subscribers, with which ARPPU was initially negatively affected. In the long run, the ambition is to integrate these subscribers into Albert's remaining ecosystem, with which ARPPU should return to previous levels.

The adjusted gross margin amounted to 93.8 (89.0) percent. The adjusted gross margin is calculated as a share of net sales less direct sales costs. The company's direct sales costs refer to platform fees, royalties, licenses, and fees for payment management.

EBITA for the quarter improved to SEK -12,636 (-14,963) thousand and is due to the acquired business having a significantly better EBITA margin than the remaining operations. In addition to this, growth investments made by the company, and which meant that marketing costs increased

during the year compared to the second quarter of 2021. During the period, amortization of acquired intangible assets amounted to SEK 6,851 (-) thousand.

Profit for the period amounted to SEK -18,408 (-15,035) thousand. Earnings per share before and after dilution amounted to SEK -1.04 (-311.13).

CASH FLOW & WORKING CAPITAL

Cash flow from operating activities amounted to SEK -21,491 (-12,343) thousand. Cash flow decreased during the period due to increased prepaid expenses for the summer campaign during the third quarter.

Working capital as of June 30 amounted to SEK 110 (187) thousand. Accrued expenses and prepaid income have increased significantly, which is driven by Sumdog's sales to schools, which takes place on annual subscriptions with payment in advance. In addition, other receivables and prepaid expenses have increased, which is attributable to marketing campaigns in the third quarter.

JANUARY - JUNE

NET SALES & RESULT

Net sales during the period January – June amounted to SEK 55,759 (26,508) thousand, which is an increase of 110 percent compared to the comparison period 2021. The acquisition of Sumdog Ltd during February 2022 and continued expansion in current markets has contributed to a decrease in dependence on the Swedish market in relation to total net sales, which now amount to 47 (63) percent. With the acquisition, the offer was expanded with B2B, which is also reported as a separate operating segment.

The increase in net sales is driven by growth in the number of paying subscribers, average revenue per paying user (ARPPU) and acquisitions of operations during the year. ARPPU has increased on total compared to the comparison period when new subscription plan was launched with a higher monthly fee. The users that were added in connection with the acquisition of Ampd AB and Sumdog Ltd B2C subscribers had a significantly lower ARPPU than Albert's subscribers, with which ARPPU was initially negatively affected. In the long run, the ambition is to integrate these subscribers into Albert's remaining ecosystem, with which ARPPU should return to previous levels.

The adjusted gross margin amounted to 92.9 (91.0) percent. The adjusted gross margin is calculated as a share of net sales less direct sales costs.

The company's direct sales costs refer to platform fees, royalties, licenses, and fees for payment management.

EBITA for the period decreased to SEK -34,564 (-22,496) thousand and is due to the growth investment that the company has made and which has resulted in marketing costs increasing during the year compared to the comparison period 2021.

During the period, amortization of acquired intangible assets amounted to SEK 10,029 (-) thousand. During the period, the company was also charged with costs of SEK 1,732 thousand attributable to advice in connection with the transaction of Sumdog Ltd.

Profit for the period amounted to SEK -43,017 (-22,638) thousand. Earnings per share before and after dilution amounted to SEK -2.43 (-468.47).

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Other information

SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2022

In connection with the Annual General Meeting on May 2, 2022, a new qualified employee stock option program was launched. More information can be found in Note 5.

INVESTMENTS

During the period, Albert invested SEK 3,707 (1,849) thousand in self developed intangible assets, which refers to the development of new products and the launch of new functions in current products. The investment refers to the capitalization of development expenses for development, such as personnel costs for employees in product and technology development and the purchase of consultants.

FINANCING

Albert has outstanding debts to credit institutions totaling SEK 0 (1,172) thousand. The equity / assets ratio amounts to 77 (85) percent as of June 30, 2022, and the net debt amounted to SEK -131,228 (-42,217) thousand.

SIGNIFICANT RISKS AND UNCERTAINTIES

Albert works continuously and systematically to identify, evaluate and manage overall risks as well as various systems and processes. In this way, the company can have a high rate of development and at the same time have knowledge of both opportunities and risks. The most significant strategic and operational risks that affect Albert's operations and industry are described in detail in the administration report in the annual report for 2021, pages 30-31. The reported risks, as described in the 2021 annual report, are assessed to be essentially unchanged.

TRANSACTIONS WITH RELATED PARTIES

Purchases of marketing took place during the financial year from Schibsted, including Group companies that are deemed to be related parties, taking into account board representation and ownership. The transactions are part of eEducation Albert AB's normal operations and took place on market terms. Total costs during the quarter amounted to SEK 1,487 thousand and 2,766 for 2022 so far.

Upcoming reporting dates

Interim report, January – September	1 November 2022
Yearend report 2022	24 February 2023
Interim report, January – March	2 May 2023

Certification

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

Signatures of the report

Gothenburg, 18 July 2022

Jacob Møller
Chairman

Richard Sandenskog
Board Member

Eva Nilsagård
Board Member

Helene Broms
Board Member

Andrea Carr
Board Member

Arta Mandegari
CEO

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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 July 18, 2022, at 07.30.

Review

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

Consolidated income statement

SEK Thousands	Note	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Jan-Dec 2021
Net sales	8	31,159	15,413	55,759	26,508	62,564
Capitalized work for own account	3	3,707	1,849	7,334	3,524	7,749
Other income		168	76	1,799	82	-
		35,034	17,339	64,891	30,114	70,313
Operating expenses						
Other external expenses		-31,898	-24,855	-74,889	-41,531	-103,650
Personnel expenses		-13,290	-6,311	-21,089	-8,960	-18,828
Depreciation, amortization, and impairment of tangible and intangible assets	3	-8,614	-1,136	-12,788	-2,119	-4,844
Other operating expenses		-719	-	-719	-	-104
Operating profit/loss		-19,487	-14,963	-44,593	-22,496	-57,113
Result from financial items						
Interest costs and similar profit and loss items		-2	-72	-78	-142	-151
Result after financial items		-19,489	-15,035	-44,671	-22,638	-57,264
Tax on profit/loss for the period		1,081	-	1,654	-	-
Profit/loss for the period		-18,408	-15,035	-43,017	-22,638	-57,264
Earnings per share						
—before and after dilution (SEK)*		-1.04	-311.13	-2.43	-468.47	-3.26
Number of shares outstanding at the end of the reporting period		17,679,655	48,323	17,679,655	48,323	17,579,655
Average number of shares outstanding		17,679,655	48,323	17,629,655	43,634	13,480,851

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

Consolidated balance sheet

SEK Thousands	Note	30 June 2022	30 June 2021	31 Dec 2021
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development costs and similar work	3	46,778	6,452	8,734
Goodwill	6	40,509	-	28
Concessions, patents, license, brands as well as similar rights	3, 6	51,948	83	12,426
		139,234	6,535	21,188
Tangible fixed assets				
Equipment, tools and installations		289	188	144
		289	188	144
Financial assets				
Other non-current receivables		257	257	257
		257	257	257
Total fixed assets		139,781	6,980	21,589
Current assets				
Accounts receivable		7,385	4,202	5,411
Other receivables		11,715	109	945
Prepaid costs and accrued income		4,169	2,020	357
		23,268	6,330	6,713
Cash and cash equivalents				
Cash and cash equivalents		131,228	43,389	251,499
		131,228	43,389	251,499
Total current assets		154,496	49,719	258,212
TOTAL ASSETS		294,277	56,699	279,801

SEK Thousands	Note	30 June 2022	30 June 2021	31 Dec 2021
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	884	242	879
Other capital contributed		401,601	154,828	410,340
Retained earnings including profit/loss for the period		-176,913	-106,929	-144,069
Shareholders' equity, attributable to the Parent Company's shareholders		225,499	48,141	267,150
Non-controlling interests		-	-	-
Total equity		225,499	48,141	267,150
Provisions				
Deferred tax liabilities		17,566	-	2,427
Other provisions		24,825	-	-
		42,391	-	2,427
Non-current liabilities				
Other liabilities		-	268	-
		-	268	-
Current liabilities				
Accounts payable		6,477	2,646	2,238
Current tax liabilities		254	132	288
Other liabilities		2,974	2,035	1,798
Accrued expenses and deferred income		16,681	3,477	5,900
		26,387	8,290	10,224
SUMMA EGET KAPITAL OCH SKULDER		294,277	56,699	297,801

Consolidated changes in equity

<i>SEK Thousands</i>	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 2021-01-01	195	152,469	-82,591	70,073
Result for the period			-22,638	-22,638
<i>Transactions with owners</i>				
<i>Paid in unregistered share capital</i>		731		731
Rights issue	47	-47		-
	47	684	-	731
<i>Transfer between items in equity</i>				
Fund for development costs		1,675	-1,700	-25
	-	1,675	-1,700	-25
Closing equity 2021-06-30	242	154,828	-106,929	48,141

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

The number of shares outstanding as of the balance sheet date amounts to 17,679,655.

Consolidated statement of cash flow

<i>SEK Thousands</i>	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Jan-Dec 2021
Operating activities					
Result after financial items	-19,489	-15,035	-44,671	-22,638	-57,264
Adjustments for non-cash flow items	9,333	1,136	12,032	2,288	4,839
Tax paid	32	20	-34	-8	201
Cash flow from operating activities before changes to working capital	-10,124	-13,879	-32,673	-20,358	-52,225
<i>Cash flow from changes in working capital</i>					
Increase (-)/Decrease (+) of operating receivables	-8,369	-1,020	-9,620	-3,563	-3,747
Increase (+)/Decrease (-) of operating liabilities	-2,998	2,556	-4,156	2,120	4,459
Cash flow from operating activities	-21,491	-12,343	-46,449	-21,801	-51,513
Investing activities					
Acquisition of tangible fixed assets	—	—	—	—	—
Acquisition of intangible assets	-3,707	-1,849	-7,334	-3,524	-8,394
Acquisition of subsidiaries / operations, net cash impact	—	—	-66,628	—	-4,808
Cash flow from investing activities	-3,707	-1,849	-73,962	-3,524	-13,202
Financing activities					
Redeemed warrants	—	731	—	731	731
New share issue	—	—	—	—	264,473
Issue costs	—	—	—	—	-15,863
Amortization of non-current loans	—	-276	—	-549	-1,658
Cash flow from financial activities	—	455	—	182	247,683
Cash flow for the year	-25,198	-13,737	-120,411	-25,143	182,968
Cash and cash equivalents at beginning of the year	155,378	57,126	251,499	68,532	68,532
Exchange rate difference in cash and cash equivalents	1,048	—	140	—	—
Cash and cash equivalents at end of the year	131,228	43,389	131,228	43,389	251,499

Parent Company income statement

SEK Thousands	Note	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Jan-Dec 2021
Net sales	8	20,326	15,413	40,954	26,508	62,564
Capitalized work for own account	3	3,707	1,849	7,334	3,524	7,749
Other income		134	76	1,752	82	-
		24,166	17,339	50,040	30,114	70,313
Operating expenses						
Other external expenses		-27,938	-24,855	-68,592	-41,531	-103,639
Personnel expenses		-7,506	-6,311	-13,089	-8,960	-18,828
Depreciation, amortization and impairment of tangible and intangible assets	3	-1,771	-1,136	-3,232	-2,119	-4,844
Other operating expenses		916	-	1,051	-	-104
Operating profit/loss		-13,965	-14,963	-35,925	-7,533	-57,103
Result from financial items						
Income from shares in group companies		-	-	-	25	25
Interest costs and similar profit and loss items		-1	-72	-2	-167	-177
Result after financial items		-13,966	-15,035	-35,927	-22,638	-57,254
Tax on profit/loss for the period		-	-	-	-	-
Profit/loss for the period		-13,966	-15,035	-35,927	-22,638	-57,254
Earnings per share						
–before and after dilution (SEK)*		-0.79	-311.13	-12.03	-468.47	-3.26
Number of shares outstanding at the end of the reporting period		17,679,655	48,323	17,679,655	48,323	17,579,655
Average number of shares outstanding		17,629,655	48,323	17,629,655	43,634	13,480,851

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

Parent Company balance sheet

<i>SEK Thousands</i>	Note	30 June 2022	30 June 2021	31 Dec 2021
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	12,323	6,452	8,112
Concessions, patents, license, brands as well as similar rights	3	580	83	645
		12,903	6,535	8,757
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		67	188	111
		67	188	111
<i>Financial assets</i>				
Shares in group companies	6	123,535	88	10,088
Other non-current receivables		257	257	257
		123,792	345	10,345
Total fixed assets		136,762	7,069	19,214
Current assets				
Accounts receivable		5,275	4,202	5,120
Receivables to group companies		500	-	-
Other receivables		8,509	109	927
Prepaid costs and accrued income		2,111	2,020	335
		16,396	6,330	6,382
Cash and cash equivalents				
Cash and cash equivalents		116,383	43,389	251,273
		116,383	43,389	251,273
Total current assets		132,279	49,719	257,655
TOTAL ASSETS		269,541	56,788	276,869

SEK Thousands	Note	30 June 2022	30 June 2021	31 Dec 2021
EQUITY AND LIABILITIES				
EQUITY				
<i>Restricted equity</i>				
Share capital	4	884	242	879
Ongoing rights issue		-	-	5
Fund for development costs		12,323	6,452	8,112
		13,207	6,694	8,996
<i>Non-restricted equity</i>				
Share premium reserve		401,601	147,537	401,601
Retained earnings		-147,558	-83,383	-86,139
Profit/loss for the period		-35,927	-22,638	-57,254
		218,116	41,516	258,208
Total equity		231,323	48,210	267,204
Provision				
Other provisions		24,825	-	-
		24,825	-	-
Non-current liabilities				
Other liabilities		-	268	-
Liabilities to group companies		-	20	-
		-	288	-
Current liabilities				
Accounts payable		5,908	2,646	2,149
Current tax liabilities		261	132	285
Other liabilities		2,760	2,035	1,761
Accrued expenses and deferred income		4,464	3,477	5,469
		13,393	8,290	9,665
TOTAL EQUITY AND LIABILITIES		269,541	56,788	276,869

Notes

Note 1 Accounting principles

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

For 2021, eEducation Albert AB (publ), eEducation Albert Invest AB and Ampd AB are included in the consolidated accounts. For 2022, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB and Sumdog Ltd are included in the consolidated accounts

Note 2 Estimates and assessments

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

During the six month ended June 30, 2022, management has made new estimates regarding:

- As the business continues to focus on growth, a negative tax result is reported. This has resulted in loss carryforwards in the business. Considering the uncertainty about the future, the company's management has not chosen to value these as a deferred tax asset. As of June 30, 2022, Albert had a total loss deduction of SEK 185 million.

Note 3 Intangible and tangible fixed assets

Acquisitions and divestments

During the quarter, Albert capitalized work for his own account regarding capitalized expenses for development work. These development works relate to the development of the company's products such as Albert, Albert Junior, Albert ABC, Albert English and Albert Teen. In total, these investments in the first quarter of 2022 amounted to SEK 3,707 (1,849) thousand and to SEK 7,334 (3,524) thousand for the year so far.

In addition to development of intangible assets, Sumdog Ltd was acquired, which resulted in intangible assets in the form of trademarks, software, customer relationships and goodwill.

Impairment and reversal of impairment

No impairments have taken place during the period.

Note 4 Equity

As of June 30, 2022, the registered share capital comprised 17,679,655 ordinary shares (48,323) with a quota value of SEK 0.05 (5).

Note 5 Share-based payments

As of the end of June 30, 2022, the company has a qualified employee stock option program consisting of a maximum of 233,311 option rights entitling to a maximum of 599,750 shares, whereby the share capital can increase by a maximum of SEK 27,987.50. The Company has entered into agreements with the respective participants for all options, whereby in the event of a call for exercise of the participant, the Board of Directors of the Company shall convene a general meeting where decisions on the issue of the corresponding number of shares shall be considered.

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

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

The maximum dilution of the qualified employee stock option program amounts to 3.17 percent.

Note 6 Acquisition of business

eEducation On February 24, 2022, Albert acquired all the shares in Sumdog Ltd. The purchase price amounted to MGBP 8.85, of which SEK 6.85 M was paid in cash and financed with available cash and cash equivalents and the remaining 2 MGBP pertains to the additional purchase price linked to growth in ARR between 2022–2023. The acquisition was valued in SEK at a total of SEK 112.9 million, including the maximum additional purchase price. For the maximum additional purchase price, the ARR for Sumdog shall amount to 4.5 MGBP. The acquisition is seen as a business acquisition in accordance with K3 capital 19.

Net sales for Sumdog 2021 amounted to GBP 2.6 million (2.3), and operating profit before depreciation (EBITA) for the same period amounted to SEK -0.2 million (0). The acquisition has been included in affected Albert's reported income statement for the Group as of February 25, 2022. The acquisition is expected to have an initial positive impact on Albert's EBITA margin already in 2022. The effect on cash flow is expected to be neutral during the current year and provide a positive cash flow from 2023.

The surplus value attributable to the acquisition amounted to SEK 106.9 million as of February 24, 2022, of which SEK 25 million pertained to trademarks, SEK 25 million pertained to proprietary intangible assets, SEK 30 million pertained to customer relations, SEK -16.5 million pertained to deferred tax attributable to surplus values and SEK 43.4 million pertained to goodwill.

The table below summarizes the purchase price paid as well as acquired assets and liabilities that are reported at fair value as of the acquisition date. The acquisition analysis is preliminary and may be adjusted.

<i>SEK Thousand</i>	2022
Cash and cash equivalents	87,248
Additional purchase price	25,642
Total purchase price	112,890
Identifiable assets and liabilities	
Software	35
Trade mark	25,000
Self-developed intangible assets	25,000
Customer relations	30,000
Tangible assets	189
Other current receivables	6,938
Cash and cash equivalents	20,134
Operating liabilities	-21,304
Deferred tax attributable to surplus values	-16,480
Total assets and liabilities acquired	69,512
Total purchase price	112,890
Fair value of acquired assets	-69,512
Goodwill	43,378
<i>SEK Thousand</i>	
Cash and cash equivalents	-87,248
Cash acquired	20,620
Outflow of cash to acquire subsidiary	-66,628

Goodwill is mainly attributable to the acquired operations' overall competence and the synergies that arise in the form of an expanded product offering in the B2C and B2C business. The useful life of the brand is estimated to be 5 years, in-house developed intangible assets are estimated to be 5 years, customer relationships are estimated to be 5 years and goodwill is estimated to be 5 years.

Note 7 Pledged collateral

During the quarter, the company repaid all loans to credit institutions with which no collateral is available as of June 30, 2022. These collateral as of June 30, 2022 amounted to SEK 0 (4,000) thousand.

Note 8 Events following the balance sheet date

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

Note 9 Segment reporting

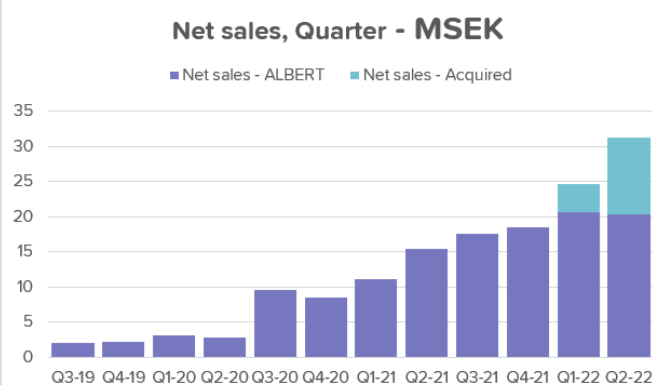
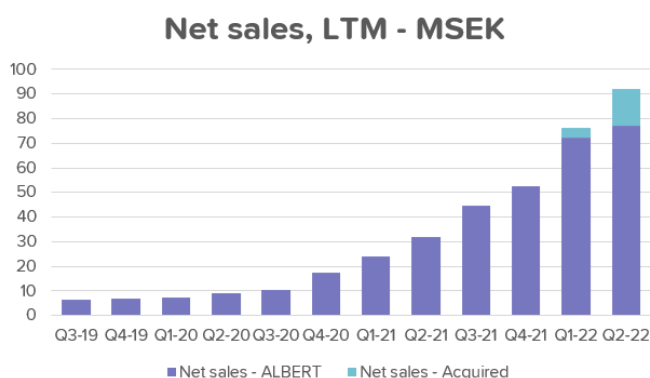
Albert's CEO, as the highest executive decision-maker, monitors and analyzes results and financial position for the company as a whole, by geographic market and business area. The company's operating segments are therefore distributed as in Sweden – B2C, Other – B2C, UK – B2B and Other – B2B.

The following operating segments have been identified:

- Segment: Sweden – B2C, all B2C net sales to Sweden as a market
- Segment: Other – B2C, all B2C net sales that do not take place in Sweden as a market
- Segment: UK – B2B, all B2B net sales to UK as a market
- Segment: Other – B2B, all B2B net sales that do not take place in UK as a market

	Apr-June		Jan-June		Jan-Dec
SEK Thousand	2022	2021	2022	2021	2021
Geographic market					
Sweden – B2C	13,307	8,867	26,240	16,811	38,110
Other – B2C	9,296	6,546	18,065	9,697	24,454
UK – B2B*	8,003	-	10,465	-	-
Other – B2B*	553	-	988	-	-
Total	31,159	15,413	55,759	26,508	62,564

*Additional segments with the acquisition of Sumdog Ltd in February 2022



Key Figures – Definitions

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

Financial key figures	Definition	Motivation for users
Working capital	Current assets excluding cash and cash equivalents less trade payables and accrued expenses as well as prepaid income	Clarifies how much capital is needed to finance the day-to-day operations
Equity ratio	Equity as part of total assets	Clarifies the Company's capital structure and hence the company's financial strength
Earnings per share before dilution	Profit after tax for the period attributable to the Parent Company's shareholders divided by the weighted average number of outstanding ordinary shares during the period	Clarifies shareholders' earnings per share before dilution
Earnings per share after dilution	Profit after tax for the period attributable to the Parent Company's shareholders divided by the weighted average number of outstanding ordinary shares adjusted for the effects of all potential ordinary shares that give rise to a dilution effect during the period	Clarifies shareholders' earnings per share after dilution

Financial key figures	Definition	Motivation for users
Number of subscribers	Refers to the company's paying subscribers at the end of the period	Clarify the company's total paying user base at the end of the period
ARPPU (SEK)	Average monthly net sales per paying subscriber during the period	Clarifies the company's average net sales per paying subscriber during the period
ARR (MSEK)	Annual recurring income in MSEK. Calculated via ARPPU multiplied by the number of subscribers multiplied by 12	Clarify the company's recurring income on an annual basis in MSEK.

eEducation Albert in brief

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

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

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

eEducation Albert – Financial Targets

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

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

