

Interim report
January – March 2023

albert



Net sales increase by 93 percent with improved EBITA of 45 percent. Acquisitions contribute to positive cash flow at group level

Interim report January – March 2023

JANUARY – MARCH 2023

- Annual recurring revenue (ARR) amounted to SEK 213.2 (115.8) million, corresponding to an increase of 84 percent, of which 16 percent relates to organic growth and 68 percent acquired growth.
- Net sales amounted to SEK 47.463 (24.599) thousand, corresponding to an increase of 93 percent, of which 15 percent relates to organic growth and 78 percent acquired growth.
- EBITA amounted to SEK -10.175 (-22.429) thousand. Nonrecurring items affected EBITA with SEK – 3.104 thousand which related to transaction costs in connection with the acquisition of ARPU Management AB, Strawbees AB and Kids MBA SAS during January 2023.
- Result before tax for the period amounted to SEK -22.187 (-25.182) thousand.
- Result after tax for the period amounted to SEK -20.311 (-24.610) thousand.
- Earnings per share amounted to SEK -0.81 (-1.39), before and after dilution.
- Cash flow from operating activities amounted to SEK -2.423 (-24.958) thousand.
- Net cash (-) / liability by the end of the period summarize to SEK -105,710 (-155,378) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 116.319 (155.378) thousand.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER 2023

- In January, the announced directed share issue was completed, resulting in a capital injection of approximately 70 million SEK before transaction costs, and the number of shares increased by 4,099,410.
- In January, all acquisitions, including ARPU Management AB, Strawbees AB, and Kids MBA SAS, which were announced in December 2022, were finalized.

AFTER THE END OF THE PERIOD

- In May, it was announced that the board had appointed Jonas Mårtensson as the new CEO. Additionally, Anne-Louise Wirén was appointed as the new Vice-CEO. Both individuals have previous experience within the Albert Group and will assume their respective positions no later than September 1, 2023.

Key figures in focus

	Jan-Mar		Jan – Dec
SEK Thousand	2023	2022	2022
Net sales	47,463	24,599	123,055
Percentage change compared to comparison period	93	122	97
EBITA	-10,175	-22,429	-78,888
Percentage change compared to comparison period	45	-196	-38
EBITA margin (%)	-	-	-
Profit before tax for the period	-22,187	-25,182	-102,445
Percentage change compared to comparison period	12	-231	-79
Profit after tax for the period	-20,311	-24,610	-97,664
Earnings per share (SEK)*	-0.81	-1.39	-5.51
Cash flow from operating activities	2,423	-24,958	-65,479
Cash flow for the period	11,731	-95,213	-148,211

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

Founder's comment

We can happily and proudly summarize the first quarter of the year, which was characterized by strong sales growth and clear steps towards profitability for the group, in line with the communicated strategy. We see a clear value that has been realized through our completed acquisitions, which have increased our exposure to the B2B market. The first and third quarters of the year are typically billing periods for schools and municipalities, which have had a strong impact on our cash flow, which has been positive at the group level during the quarter. Furthermore, we have appointed a solid and competent group management that prepares the company well for the future. The focus on profitable growth remains, which is evident in the quarter. EBITA amounted to -10.2 million SEK, which was an improvement of 45 percent compared to the previous year. Adjusted for one-time items related to acquisitions, amounted to -7.1 million SEK, which is an improvement of 69 percent compared to the previous year, where operational cost savings have been the major contributing factor to the positive development of the operating result.

Profitable growth through our own cash flow is a focus area for Albert. Operational efficiency is therefore high on the agenda and permeates the entire organization. The same applies to optimizing cash flow, where we maintain a high level of commitment to streamline working capital. The cash should drive the company towards profitability while also providing liquidity to support future growth opportunities that arise.

Net sales for the quarter amounted to 47.5 million SEK, which is an impressive growth increase of 93 percent compared to the same period last year, of which 15 percent is organic growth and 78 percent is contribution from acquisitions. Our Annual Recurring Revenue (ARR) now amounts to 213.2 million SEK, representing an 84 percent increase. All group companies are growing and performing according to plan, which is clear evidence that we have a solid market position while the demand from our customers in both B2B and B2C segments remains high.

Successful integration of our acquired businesses is key to solidifying and strengthening our position while being a necessity to achieve our full potential in these strategic investments. During the quarter, we initiated integration projects to ensure an efficient transition for these companies. The integration work is proceeding according to plan, and we are pleased to highlight Kids MBA (Holy Owly), which has already been well integrated in terms of internal governance, management, and marketing. We look forward with confidence to leveraging the strengths, expertise, products, and distribution power across the group's different companies to drive future growth and create additional value for customers, employees, and shareholders.

Throughout the quarter, we have been exploring synergies between all companies and operations, with a focus on quickly identifying opportunities for shared resources, technologies, and market knowledge. Revenue synergies between our B2B companies have been high on the integration agenda, and we have

completed an initial market survey for potential cross-selling between Strawbees and Sumdog in the UK, with positive results. We are looking forward to continued integration and synergy work.

In parallel with all of the above, our team has been working hard throughout the quarter to continuously update all our apps and services with user interfaces, technology, and content to always be at the forefront of offering a high-quality user and learning experience. This has been done while successfully delivering an Easter campaign in the B2C business, maintaining low customer acquisition costs while achieving a high influx of new customers who converted into paying subscribers after Easter, during the first period of the second quarter. Furthermore, the launch of Bamse on the Jaramba platform has been successful and highly appreciated by our customers.

Looking ahead, we remain optimistic about our growth potential. We will continue to prioritize profitability, cash flow, and operational efficiency while executing and investing in opportunities that contribute to growth. At the same time, we have a steady focus on ongoing integration and synergy efforts to deliver high value for all our stakeholders and position ourselves well for future successes.

Finally, we would like to extend a big thank you to our dedicated employees, loyal customers, and especially our supportive shareholders for their continued support, trust, and engagement. We are confident that together we will achieve new milestones and reap new successes in our shared journey of democratizing knowledge through technology.

Arta Mandegari & Salman Eskandari The founders



Financial overview

FIRST QUARTER

NET SALES & RESULT

The net sales for the quarter amounted to 47,463 (24,599) TSEK, representing a 93 percent increase compared to the same period in 2022. The growth is primarily driven by the acquisitions of ARPU Management AB, Strawbees AB, and Kids MBA SAS, all of which were acquired in January 2022. Most of the revenue increase is attributed to the acquired companies announced in December 2022 and completed in January 2023. During the quarter, sales of hardware amounted to SEK 2,548 thousand.

The adjusted gross margin was 78.5 (91.9) percent. The adjusted gross margin is calculated as a percentage of net revenue, deducting direct sales costs. The company's direct sales costs include product costs, platform fees, royalties, licenses, and payment processing fees. With the acquisitions of ARPU Management ("Film & Skola") and Strawbees AB, the product offering of the group has changed, resulting in a higher proportion of licensed content and a negative impact on the adjusted gross margin during the quarter. Film & Skola generates most of its subscriptions during the first quarter, contributing to the improvement of working capital.

The EBITA for the quarter improved and amounted to -10,175 (-22,429) TSEK. This improvement is a result of the shift in focus from growth to profitability communicated during the acquisitions at the end of 2022. Amortization of acquired intangible assets amounted to 12,302 (2,678) TSEK during the period. The company also incurred costs of 3,104 TSEK related to advisory services in connection with the transactions of ARPU Management AB, Strawbees AB, and Kids MBA SAS in January 2023.

The result for the period was -20,311 (-24,610) TSEK. Earnings per share before and after dilution amounted to -0.81 (-1.39) SEK.

CASH FLOW & WORKING CAPITAL

The cash flow from operating activities amounted to 2,423 (-24,958) TSEK. The cash flow has improved during the period due to Film & Skola generating most of its annual subscription sales in the first quarter.

The working capital as of March 31 was -44,403 (-19,298) TSEK. Accrued expenses and prepaid revenue have significantly increased, driven by the B2B segment's sales to schools, which are based on annual subscriptions with upfront payment.

Other information

SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2023

In January, the announced directed share issue was completed, resulting in a capital injection of approximately 70 million SEK before transaction costs, and the number of shares increased by 4,099,410.

In January, all acquisitions, including ARPU Management AB, Strawbees AB, and Kids MBA SAS, which were announced in December 2022, were finalized. During December, three companies were announced to be acquired which contributes approximately MSEK 77 in ARR and accelerates the company's growth and path to increased profitability

INVESTMENTS

During the period, Albert invested SEK 5.170 (3.627) 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 10.609 (0) thousand. The equity / assets ratio amounts to 64 (77) percent as of March 31, 2023, and the net debt amounted to SEK -105,710 (-155,378) thousand.

SIGNIFICANT RISKS AND UNCERTAINTIES

Albert works continuously and systematically to identify, evaluate, and manage overall risks as well as various systems and processes. In this way, the company can have a high rate of development and at the same time have knowledge of both opportunities and risks. The most significant strategic and operational risks that affect Albert's operations and industry are described in detail in the administration report in the annual report for 2022, pages 25-26. The reported risks, as described in the 2022 annual report, are assessed to be essentially unchanged.

TRANSACTIONS WITH RELATED PARTIES

Purchases of marketing took place during the financial year from Schibsted, including Group companies that are deemed to be related parties, considering board representation and ownership. The transactions are part of eEducation Albert AB's normal operations and took place on market terms. Total costs during the quarter amounted to SEK 100 (1,278) thousand.

NOMINATION COMMITTEE

The nomination committee shall consist of representatives from the three largest shareholders on August 31 and the chairman of the board as convening. The member representing the largest shareholder shall be appointed chairman of the nomination committee unless the nomination committee unanimously appoints someone else.

The Nomination Committee before the AGM 2023 consists of the following members:

- Richard Sanderskog (Schibsted)
- Claes Kinell (Muirfield Invest AB)
- Mats Andersson (Abanico Invest AB)
- Jacob Møller (Chairman of the Board)

ANNUAL GENERAL MEETING

The annual general meeting for eEducation Albert AB (publ) will be held on June 1, 2023, at 10:00 am at KvarterEtt, located at Polhemsplatsen 5 in Gothenburg. For more information, please visit investors.hejalbert.se.

Financial calendar 2023

Annual General Meeting: 1 June

Interim report
January – June: 23 August

Interim report
January – September 2 November

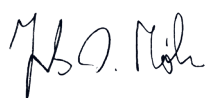
Year-end report 2023 23 February 2024

Certification

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

Signature of report

Gothenburg, 26 May 2023



Jacob Møller
Chairman



Richard Sandenskog
Board Member



Eva Nilsagård
Board Member



Helene Broms
Board Member



Andrea Carr
Board Member



Arta Mandegari
CEO

For further information, please 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 26 May 2023 kl. 07.30.

Review

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

Consolidated income statement

TSEK	Note	Jan – Mar 2023	Jan – Mar 2022	Jan – Dec 2022
Net sales		47,463	24,599	123,055
Capitalized work for own account	3	5,170	3,627	16,534
Other income		-	1,631	1,947
		52,632	29,858	141,536
Operating expenses				
Raw materials and consumables		-672	-	-
Other external expenses		-35,131	-42,991	-163,426
Personnel expenses		-22,773	-7,799	-48,440
Depreciation, amortization, and impairment of tangible and intangible assets	3	-15,443	-4,174	-31,120
Other operating expenses		-1,090	-	-1 051
Operating profit/loss		-22,477	-25,106	-102,503
Result from financial items				
Other interest income and similar income		366	-	70
Interest costs and similar profit and loss items		-75	-76	-11
Result after financial items		-22,187	-25,610	-102,445
Tax on profit/loss for the period		1,875	573	4,780
Profit/loss for the period		-20,311	-24,610	-69,814
Earnings per share				
– before and after dilution (SEK)*		-0.81	-1.39	-5.51
Number of shares outstanding at the end of the reporting period				
		25,128,917	17,679,655	17,721,655
Average number of shares outstanding				
		21,425,286	17,629,655	17,690,155

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

Consolidated balance sheet

Interim report 2023

SEK Thousands	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	90,765	46,678	47,672
Goodwill	3,6	94,288	42,705	21,012
Concessions, patents, license, brands as well as similar rights	3,6	84,690	54,705	46,384
		269,744	144,087	115,068
<i>Tangible fixed assets</i>				
Equipment, tools and installations		531	316	221
		531	316	221
<i>Financial assets</i>				
Other non-current receivables		409	257	257
		409	257	257
Total fixed assets		270,684	144,661	115,456
Current assets				
Inventory		3,151	-	-
Accounts receivable		17,611	8,392	7,193
Other receivables		8,880	2,591	72,706
Prepaid costs and accrued income		6,693	3 146	4,416
		39,485	14,130	84,315
Cash and cash equivalents				
Cash and cash equivalents		116,319	155,378	104,144
		116,319	155,378	104,144
Total current assets		155,804	169,508	188,459
TOTAL ASSETS		426,488	314,168	304,005

SEK Thousands	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	1,256	884	886
Other capital contributed		520,83	401,601	472,129
Retained earnings including profit/loss for the period		-247,870	-160,348	-233,637
Shareholders' equity, attributable to the Parent Company's shareholders		274,225	242 137	239,378
Non-controlling interests		-	-	-
Total equity		274,225	242 137	239,378
Provisions				
Deferred tax liabilities		29,786	18,511	15,675
Other provisions		13,125	24,167	12,450
		42,911	42,678	28,125
Long-term liabilities				
Liabilities to credit institutions		10,609	-	-
		10,609	-	-
Current liabilities				
Accounts payable		7,985	6,565	6,819
Overdraft facility		2,051	-	-
Current tax liabilities		1,719	222	323
Other liabilities		75,904	19,863	25,477
Accrued expenses and deferred income		75,904	19,863	25,477
		98,743	29,353	36,503
TOTAL EQUITY AND LIABILITIES		426,488	314,168	304,005

Consolidated changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 2022-01-01	195	410,340	-144,069	267,150
Result for the period			-24,610	-24,610
<i>Changes in equity</i>				
Translation difference	-	-	-403	-403
	-	-	-403	-403
<i>Transactions with owners</i>				
Rights issue	5	-5		-
	5	-5	-	-
<i>Transfer between items in equity</i>				
Fund for development costs		-8,734	8,734	-
	-	-8,734	8,734	-
Closing equity 22023-03-31	884	401,601	-160,348	242,137

TSEK	Share capita	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
Opening equity 2023-01-01	886	472,129	-233,637	239,378
Result for the period			-20,311	-20,311
<i>Changes in equity</i>				
Qualified employee stock options			114	114
Translation difference	-	-	5,965	5,965
	-	-	6,079	6,079
<i>Transaction with owners</i>				
Registered new share issue	205	-205		-
Issue costs		-3,500		-3,500
Non-cash issue	165	52,414		52,580
	370	48,709	-	49,080
<i>Transfer between items in equity</i>				
	-	-	-	-
Closing equity 2022-12-31	1,256	520,838	-247,869	274,225

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

Consolidated statement of cash flow

SEK Thousands	Jan – Mar 2023	Jan – Mar 2022	Jan – Dec 2022
Operating activities			
Result after financial items	-22,187	-25,182	-102,445
Adjustments for non-cash flow items	16,897	2,699	31,577
Tax paid	1,389	-66	65
Cash flow from operating activities before changes to working capital	-3,900	-22,549	-70,803
<i>Cash flow from changes in working capital</i>			
Increase (-)/Decrease (+) of operating receivables	-14,950	-1,251	567
Increase (+)/Decrease (-) of operating liabilities	21,274	-1,158	5,891
Cash flow from operating activities	2,423	-24,958	-65,479
Investing activities			
Acquisition of tangible fixed assets	-	-	-
Acquisition of intangible assets	-5,170	-3,627	-16,534
Acquisition of subsidiaries / operations, net cash impact	-45,431	-66,628	-66,628
Cash flow from investing activities	-50,601	-70,255	-83,162
Financing activities			
Redeemed warrants	-	-	430
New share issue	70,100	-	-
Issue costs	-3,500	-	-
Amortization of non-current loans	-6,692	-	-
Cash flow from financial activities	59,908	-	430
Cash flow for the year	11,731	-95,213	-148,211
Cash and cash equivalents at beginning of the year	104,144	251,499	251,499
Exchange rate difference in cash and cash equivalents	444	-908	856
Cash and cash equivalents at end of the year	116,319	155,378	104,144

Parent Company income statement

<i>SEK Thousands</i>	Note	Jan – Mar 2023	Jan – Mar 2022	Jan – Dec 2022
Net sales		22,327	20,628	86,886
Capitalized work for own account	3	4,900	3,627	16,534
Other income		-	1,618	1,790
		27,227	25,873	105,210
Operating expenses				
Other external expenses		-23,585	-40,643	-147,601
Personnel expenses		-8,682	-5,584	-28,140
Depreciation, amortization and impairment of tangible and intangible assets	3	-2,486	-1,462	-7,865
Other operating expenses		-856	-	-1,336
Operating profit/loss		-8,384	-21,815	-79,731
Result from financial items				
Income from shares in group companies		-	-	-
Other interest income and similar income		365	-	70
Interest costs and similar profit and loss items		-13	-135	-7
Result after financial items		-8,032	-21,950	-79,669
Financial statements		-	-	1,086
Tax on profit/loss for the period		-	-	-
Profit/loss for the period		-8,032	-21,950	-78,583

Parent Company balance sheet

SEK Thousands	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	19,467	10,332	16,999
Concessions, patents, license, brands as well as similar rights	3	484	613	516
		19,951	10,945	17,515
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		0	89	22
		0	89	22
<i>Financial assets</i>				
Shares in group companies	6	236,999	123,476	110,714
Other non-current receivables		257	257	257
		237,256	123,734	110,971
Total fixed assets		257,207	134,767	128,508
Current assets				
Accounts receivable		6,519	5,637	5,563
Receivables to group companies		11,765	500	1,586
Other receivables		420	2,035	70,556
Prepaid costs and accrued income		1,480	680	1,158
		20,185	8,852	78,863
Cash and cash equivalents				
Cash and cash equivalents		60,684	137,451	81,964
		60,684	137,451	81,964
Total current assets		80,869	146,303	160,827
TOTAL ASSETS		338,076	281,070	289,335

Parent Company balance sheet

SEK Thousands	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY AND LIABILITIES				
EQUITY				
<i>Restricted equity</i>				
Share capital	4	1,256	884	886
Ongoing rights issue		-	-	205
Fund for development costs		19,467	10,332	16,999
		20,724	11,216	18,090
<i>Non-restricted equity</i>				
Share premium reserve		520,838	401,601	471,924
Retained earnings		-232,932	-86,139	-151,995
Profit/loss for the period		-78,583	-21,950	-78,583
		279,874	234,038	241,346
Total equity		300,598	245,254	259,436
Provision				
Other provisions		13,125	24,167	12,450
		13,125	24,167	12,450
Current liabilities				
Accounts payable		4,803	4,134	6,316
Current tax liabilities		251	227	330
Other liabilities		3,204	1,954	3,173
Accrued expenses and deferred income		9,047	5,334	7,631
		24,353	11,649	17,450
TOTAL EQUITY AND LIABILITIES		338,076	281,070	289,335

Notes

Note 1 Accounting principles

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

For 2022, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, and Sumdog Ltd are included in the consolidated financial statements. For 2023, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, Sumdog Ltd, ARPU Management AB, Strawbees AB, and Kids SAS MBA are included in the consolidated financial statements.

Note 2 Estimates and assessments

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

During the three months ended March 31, 2023, management has made new estimates regarding:

As the business has historically focused on growth, a negative taxable result is reported. This has resulted in tax loss carryforwards in the company. Considering the uncertainty about the future, the company management has chosen not to recognize these as deferred tax assets. As of March 31, 2023, Albert had total tax loss carryforwards of 215 MSEK.

Note 3 Intangible and tangible fixed assets

Acquisitions and divestments

During the quarter, Albert capitalized work for his own account regarding capitalized expenses for development work. These development works relate to the development of the company's products such as Albert, Albert Junior, Albert ABC, Albert English and Albert Teen. In total, these investments in the first quarter of 2023 amounted to SEK 5,170 (3,627) thousand.

Impairment and reversal of impairment

No impairments have taken place during the period.

Note 4 Equity

As of March 31, 2023, the registered share capital comprised 25,128,917 ordinary shares (17,679,655) with a quota value of SEK 0.05 (0.05).

Note 5 Share-based payments

As of the end of March 31, 2023, the company has a qualified employee stock option program consisting of a maximum of 201,68 option rights entitling to a maximum of 368,000 shares, whereby the share capital can increase by a maximum of SEK 18,400. The Company has entered into agreements with the respective participants for all options, whereby in the event of a call for exercise of the participant, the Board of Directors of the Company shall convene a general meeting where decisions on the issue of the corresponding number of shares shall be considered.

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

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

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

Note 6 Acquisition of business

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

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

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

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

SEK Thousands		SEK Thousands	
Cash and cash equivalents	65,600	Total purchase price	75,670
Directed new share issue (17.22 SEK / share)	10,070	Fair value of acquired assets	-28,307
Total purchase price	75,670	Goodwill	47,363
Identifiable assets and liabilities		SEK Thousand	
Software	1,106	Cash and cash equivalents	-65,600
Trade mark	0	Cash acquired	26,494
Self-developed intangible assets	0	Outflow of cash to acquire subsidiary	-39,106
Customer relations	30,000		
Tangible assets	331		
Other current receivables	9,013		
Cash and cash equivalents	26,494		
Operating liabilities	-32,031		
Deferred tax attributable to surplus values	-6,180		
Total assets and liabilities acquired	28,307		

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

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

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

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

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

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

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

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

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

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

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

SEK Thousands		SEK Thousands	
Cash and cash equivalents	7,794	Cash and cash equivalents	7,794
Hold-back payment	310	Cash acquired	1,249
Directed new share issue (15.54 SEK/share)	34,814	Outflow of cash to acquire subsidiary	-6,325
Total purchase price	42,918		
Identifiable assets and liabilities			
Software	8,709		
Trade mark	0		
Self-developed intangible assets	0		
Customer relations	13,000		
Tangible assets	139		
Other current receivables	36		
Inventory	3,494		
Cash and cash equivalents	1,469		
Operating liabilities	-13,312		
Deferred tax attributable to surplus values	-2,678		
Total assets and liabilities acquired	12,409		
Total purchase price	42,918		
Fair value of acquired assets	-12,409		
Goodwill	30,510		

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

Note 7 Pledged collateral

As of March 31, 2023, the company does not have any pledged securities.

Note 8 Events following the balance sheet date

In May, it was announced that the board had appointed Jonas Mårtensson as the new CEO of the company. At the same time, Anne-Louise Wirén was appointed as the new Vice-CEO. Both individuals have previously worked within the Albert group and will assume their respective positions no later than September 1, 2023.

Note 9 Segment reporting

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

<i>TSEK</i>	jan – mars 2023	jan – mars 2022	jan–dec 2022
Geographic market			
Sweden – B2C	16,510	12,933	56,678
Other – B2C	10,064	8,769	38,589
UK – B2B	4,957	2,462	23,221
Other – B2B	15,932	435	4,567
Summa	47,463	24,599	123,055

Key Figures – Definitions

Financial key figures	Definition	Motivation for users
Net sales, LTM	Refers to net sales for the last 12 months	Clarify the company's net sales for the last 12 months
Net income growth	Change in net sales compared with the same period last year	Clarify the company's growth in net sales compared with the same period last year
Organic net sales growth	Organic growth refers to sales growth from existing operations adjusted for effects from acquisitions and divestments. An acquisition or sale is only included in the calculation of organic growth as it is included with an equal number of months in the current period and the corresponding period last year. Otherwise, it is included in the calculation for acquired growth.	Clarify the company's growth in net sales compared with the same period last year, excluding any acquisitions during the periods for increased comparison over time
Adjusted gross profit	Net sales less direct sales costs, which are defined as raw materials and consumables, platform fees, royalties, licenses, and payment handling fees	Clarify the Company's contribution, which is to cover fixed and variable costs in the business
Adjusted gross margin	Adjusted gross profit as part of net sales	Clarify how much of the Company's net sales remains to cover fixed and variable costs
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 before dilution

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

eEducation Albert in brief

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

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

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

eEducation Albert – Financial Targets

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

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

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

