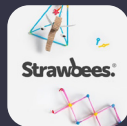


YEAR END REPORT
January – December 2023

albert



Comment from our CEO and deputy CEO

Albert continues to consolidate following round of acquisitions. Net sales remain stable. Path to profitability clear.

2023 has been a year for Albert to navigate through challenging market conditions, focusing on integrating the acquired businesses, accelerating the journey to profitability, and crafting our forward-looking strategy. Our focus on profitability has yielded results; at the same time as the integration of the acquired businesses has put pressure on our financial results as we build a robust structure for managing the group and enabling future acquisition.

The fourth quarter presented us with a set of challenges, including unfavourable exchange rates, one-time costs, and seasonal effects. They affected the EBITA negatively with approximately 3.4 million SEK compared to the third quarter 2023. At the same time, a number of non-recurring items affected the EBITA positively with 9.2 million SEK. This resulted in an EBITA of -1.1 MSEK for the fourth quarter. Disregarding the non-recurring items, the normalised EBITA would be -10.3 million SEK. Compared to the fourth quarter of 2022, both EBITA and revenues show strong development. When summarising the financial results for the full year of 2023, it is evident that our steadfast focus on profitability yields results. Combined with our efforts in integration and strategy, it positions us for continued improvements in 2024 and beyond.

Beyond the numbers, there are some noteworthy highlights deserving attention, such as the increase in share of revenue from the education sector (B2B), now at 54 percent, reflecting our strategic emphasis on B2B.

The consumer business is stable, with underlying KPIs such as customer acquisition, ARPU and churn being in line with previous quarters. One positive trend is the increasing share of customers choosing annual subscription plans. The recently launched maths product in France has started strong in terms of customer acquisition and retention.

Spring 2023, Albert entered into a partnership with Akelius Language Learning. The first phase of the project was deemed successful by both parties and in the fourth quarter the collaboration was extended throughout the end of 2023 and the first half of 2024. The size of the new project is ten times larger than the pilot project and fully financed by Akelius.

In the fourth quarter, we rolled out our proprietary streaming service for feature films, as part of our film service platform for the Swedish market. This marks a significant milestone, anticipated to enhance gross margin, increase control over the customer experience and serve as the groundwork for exploring additional revenue streams.

In the education sector, the buzz at the end of the year revolved around the 2022 PISA study results, which underscores a decline in performance across OECD countries. The report also sheds light on the role of digital tools and highlights a positive correlation between moderate use of high quality digital tools and higher performance in school. The PISA results have increased the interest in Albert Group and our products; for instance, our PISA related communication shows high marketing conversion numbers.

After the end of the fourth quarter, we made the decision to launch a profitability programme. Set for execution in the first half of 2024, the program is expected to yield a positive EBITDA for the full year of 2025. We will accelerate the integration of acquired companies, increase focus on B2B, and improve efficiency by a significant reorganisation resulting in a staff reduction of 25-30 employees, primarily affecting B2C. We have also made the decision to write down values related to the parent company's shares in the acquired companies, intangible assets and goodwill due to the increased uncertainty in the macro environment and increased interest rates. This has resulted in a negative one-time effect on the Group's EBIT result of 8.3 million SEK in the fourth quarter. The acquired companies all play central roles in the Albert Group and our confidence in the future development of them remains. .

Looking ahead, we continue to remain optimistic about the future. We are well-positioned in the growing EdTech industry, the path to profitability is clear, and we now establish a robust and scalable organisation.

We extend our gratitude to our dedicated teams, loyal users, and shareholders, who collectively continue to contribute to our mission.

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



ROBUST NET SALES AND CLEAR PATH TO PROFABILITY

YEAR END REPORT JANUARY – DECEMBER 2023

1 OKTOBER – 31 DECEMBER 2023

- Annual recurring revenue (ARR) amounted to SEK 188,2 (154,7) million, corresponding to an increase of 22 percent.
- Net sales amounted to 48,278 (34,178) TSEK, corresponding to an increase of 41 percent, of which -19 percent relates to organic growth and 60 percent acquired growth.
- EBITA amounted to -1,091 (-22,819) TSEK. Nonrecurring items affected EBITA with 9,152 TSEK.
- The result after financial items amounted to -22,611 (-29,549) TSEK.
- Profit/loss for the period amounted to -23,598 (-27,853) TSEK.
- Earnings per share amounted to -0.94 (-1.57) TSEK, before and after dilution.
- Cash flow from operating activities amounted to -5,294 (-11,589) TSEK.
- Cash and cash equivalents at the end of the period amounted to 80,482 (104,144) TSEK.

1 JANUARY – 31 DECEMBER 2023

- Net sales amounted to 195,077 (123,055) TSEK, corresponding to an increase of 59 percent, of which -3 percent relates to organic growth and 62 percent to acquired growth.
- EBITA amounted to -25,096 (-78,888) TSEK. Nonrecurring items affected EBITA with 6,048 TSEK.
- Result after financial items amounted to -85,157 (-102,445) TSEK.
- Profit/loss for the period amounted to -79,897 (-97,664) TSEK.
- Earnings per share amounted to -3.18 (-5,51) SEK, before and after dilution.
- Cash flow from operating activities amounted to -18,085 (-65,679) TSEK.
- Net cash (-) / debt (+) at the end of the period amounted to -68,689 (-104,144) TSEK.
- Cash and cash equivalents at the end of the period amounted to 80,482 (104,144) TSEK.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER 2023

- Albert and Akelius Language Learning deepen their collaboration in a larger project aiming to evaluate the commercial viability of Akelius' products and Albert's ability to market them to new target groups.
- A new mathematics product, "Holy Owly Math," has been developed and launched in France.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Albert introduces a profitability programme, setting a target for achieving positive EBITDA by 2025.
- An organisational restructure is announced by Albert to enhance efficiency and expedite the integration of acquired companies. The new structure will be implemented on 1 April, 2024.
- Deputy CEO Anne-Louise Wirén announces her departure from her position at Albert. She will continue in her role during the spring, ensuring a seamless transition to the new organisational structure.
- Albert announces that founders Salman and Arta will leave their operational roles in the company during the first quarter.

Key figures in focus

	okt - dec		jan – dec	
SEK Thousand	2023	2022	2023	2022
Net sales	48,278	34,178	195,077	123,055
Percentage change compared to comparison period	41	84	59	97
EBITA	-1,091	-22,819	-25,096	-78,888
Percentage change compared to comparison period	95	-38	68	-38
EBITA margin (%)	-	-	-	-
Result after financial items	-22,611	-29,549	-85,157	-102,445
Percentage change compared	-23	-78	17	-79
Profit/loss for the period	-23,598	-27,853	-79 897	-97,664
Earnings per share (SEK)*	-0,94	-1.57	-3.18	-5.51
Cash flow from operating activities	-5,294	-11,589	-18,085	-65,479
Cash flow for the period	-11,181	-16,459	-22,217	-148,211

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

Financial overview

FOURTH QUARTER

NET SALES & RESULT

Net sales during the quarter amounted to 48,278 (34,178) TSEK, which is an increase of 41 percent compared to the comparison period in 2022. The growth is driven by the acquisitions of ARPU Management AB, Strawbees AB and Kids MBA SAS, which were all acquired in January 2023.

With the acquisitions, the B2B segment has increased in scope in the group and makes up 55 (24) percent of the total net sales during the quarter.

The adjusted gross margin amounted to 86.8 (87.5) percent. Due to the acquisitions of Swedish Film and Strawbees, the group's product offering has changed to a higher proportion of licensed content in Swedish Film and hardware in Strawbees.

EBITA for the quarter improved and amounted to -1,091 (-22,819) TSEK and is due to the change in focus from growth to profitability that was communicated in connection with the acquisitions at the end of 2022. During the period, depreciation of acquired intangible assets amounted to 21,993 (6,795) TSEK, of which 8,325 TSEK relates to the impairment of Goodwill. Items affecting comparability positively impacted the result by 9,152 TSEK.

The items refer to depreciation costs for goodwill in connection with an adjusted depreciation period (-3,000) TSEK, impairments of intangible assets of own activation (-850) TSEK, and an additional purchase price in the Sumdog acquisition that did not materialize (13,002) TSEK.

The result for the period amounted to -23,598 (-27,853) TSEK. Earnings per share before and after dilution amounted to -0,94 (-1.57) SEK.

CASH FLOW AND WORKING CAPITAL

Cash flow from current operations amounted to -5,294 (-11 589) TSEK. Cash flow has improved during the quarter compared to the previous year due to better results from current operations and increased operating liabilities, which is mainly related to the acquired companies.

JANUARY – DECEMBER

NET SALES & RESULT

Net sales during the period January – December amounted to 195,077 (123,055) TSEK, which is an increase of 59 percent compared to the comparison period 2022. The growth is driven by the acquisitions of ARPU Management AB ("Swedish Film"), Strawbees AB and Kids MBA SAS ("Holy Owl"), which were all acquired in January 2022.

Due to the acquisitions, the B2B segment has increased in the group and makes up 51 (23) percent of the total net sales during the quarter.

The adjusted gross margin amounted to 81.1 (90.8) percent. Due to the acquisitions of Swedish Film and Strawbees, the group's product offering has changed to a higher proportion of licensed content and hardware, why the adjusted gross margin was negatively affected during the period.

EBITA for the year improved and amounted to -25,096 (-78,888) TSEK and is due to the change in focus from growth to profitability that was communicated in connection with the acquisitions at the end of 2022. During the period, depreciation of acquired intangible assets amounted to 61,653 (23,058) TSEK, of which 8,325 TSEK relates to the impairment of Goodwill. Items affecting comparability positively impacted the result by 6,048 TSEK.

The items refer to transaction costs in connection with acquisitions (-3,104 TSEK), depreciation costs for goodwill in connection with an adjusted depreciation period (-3,000) TSEK, impairments of intangible assets of own activation (-850) TSEK, and an additional purchase price in the Sumdog acquisition that did not materialize (13,002) TSEK.

The period's result amounted to -79,897 (-97,664) TSEK. Earnings per share before and after dilution amounted to -3,18 (-5,51) SEK.

Cash flow from current operations amounted to -18,085 (-65,479) TSEK. Cash flow has improved during the period due to the group's focus on increased profitability.

As of 31 December, the working capital amounted to -37,405 (-18,081) TSEK. The change in working capital is mainly due to the acquisitions and the B2B segment's sales, Swedish Film's royalty liabilities, increased short-term liabilities as well as increased short-term liabilities that come from a larger number of employees.

Other information

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER OF 2023

- A new mathematics product, "Holy Owly Math," has been developed and launched in France.
- Albert and Akelius Language Learning deepen their collaboration in a larger project aiming to evaluate the commercial viability of Akelius' products and Albert's ability to market them to new target groups.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Albert introduces a Profitability Programme, setting a target for achieving positive EBITDA by 2025.
- An organisational restructure is announced by Albert to enhance efficiency and expedite the integration of acquired companies. The new structure will be implemented on April 1, 2024.
- Deputy CEO Anne-Louise Wirén announces her departure from her position at Albert. She will continue in her role during the spring, ensuring a seamless transition to the new organisational structure.
- Albert announces that founders Salman and Arta will leave their operational roles in the company during the first quarter.

INVESTMENTS

During the quarter, Albert Group invested 2,780 (5,300) TSEK in self-developed intangible assets, which refers to the development of new products and the launch of new functions in current products. The investment refers to the capitalization of development expenses for development, such as personnel costs for employees in product and technology development and the purchase of consultants.

FINANCING

Albert Group has outstanding debts to credit institutions totaling 9,271 (0) TSEK. The equity / assets ratio amounts to 67 (79) percent as of December 31, 2023, and the net debt amounted to -68,689 (-104,144) TSEK.

SIGNIFICANT RISKS AND UNCERTAINTIES

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

TRANSACTIONS WITH RELATED PARTIES

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

Financial calendar 2024

Year-end report 2023	23 February 2024
Annual report 2023	17 April 2024
Interim report January - Mars Q1	8 May 2024
Annual general meeting 2024	16 May 2024
Interim report April - June Q2	22 August 2024
Interim report July - september Q3	22 October 2024

Certification

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

Signature of report Gothenburg, 23 November 2023



Peter Grytterhielm
Chairman



Richard Sandenskog
Board Member



Eva Nilsagård
Board Member



Carl Kinell
Board Member



Andrea Carr
Board Member



Jonas Mårtensson
CEO

For further information, please contact:

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This information is such information that eEducation Albert is required to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on 23 November 2023 kl. 07.30.

Review

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

Consolidated income statement

TSEK	Note	oct - dec 2023	okt - dec 2022	jan - dec 2023	jan - dec 2022
Net sales		48,278	34,178	195,077	123,055
Capitalized work for own account	3	2,780	5,300	14,034	16,534
Other income		11,192	-	10,809	1,947
		62,250	39,478	219,919	141,536
Operating expenses					
Raw materials and consumables		-672	-	-4,085	-
Other external expenses		-28,629	-44,356	-122,063	-163,426
Personnel expenses		-26,037	-14,778	-100,021	-48,440
Depreciation, amortization, and impairment of tangible and intangible assets	3	-29,996	-9,499	-80,499	-31,120
Other operating expenses		-	-510	-	-1 051
Operating profit/loss		-23,083	-29,615	-86,750	-102,503
Result from financial items					
Other interest income and similar income		698	70	2,211	70
Interest costs and similar profit and loss items		-226	-5	-619	-11
Result after financial items		-22,611	-29,549	-85,157	-102,445
Tax on profit/loss for the period		-987	1,697	5,260	4,780
Profit/loss for the period		-23,598	-27,853	-79,897	-97,664
Earnings per share					
– before and after dilution (SEK)*		-0,94	-1.57	-3,18	-5.51
Number of shares outstanding at the end of the reporting period					
		25,128,917	17,721,655	25,128,917	17,721,655
Average number of shares outstanding					
		24,235,604	17,700,655	24,235,604	17,690,155

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

Consolidated balance sheet

SEK Thousands	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development costs and similar work	3	74,256	47,672
Goodwill	6	97,402	21,012
Concessions, patents, license, brands as well as similar rights	3,6	35,256	46,384
		206,913	115,068
<i>Tangible fixed assets</i>			
Equipment, tools and installations		468	221
		468	221
<i>Financial assets</i>			
Other non-current receivables		421	257
		421	257
Total fixed assets		207,802	115,546
Current assets			
Inventory		3,556	-
Accounts receivable		15,441	7,193
Other receivables		3,022	72,706
Prepaid costs and accrued income		4,673	4,416
		26,693	84,315
Cash and cash equivalents			
Cash and cash equivalents		80,482	104,144
		80,482	104,144
Total current assets		107,175	188,459
TOTAL ASSETS		314,977	304,005

SEK Thousands	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	1,256	886
Other capital contributed		520,838	472,129
Retained earnings including profit/loss for the period		-311,676	-233,637
Shareholders' equity, attributable to the Parent Company's shareholders		210,418	239,378
Total equity		210,418	239,378
Provisions			
Deferred tax liabilities		17,944	15,675
Other provisions		311	12,450
		18,255	28,125
Long-term liabilities			
Liabilities to credit institutions		9,271	-
		9,271	-
Current liabilities			
Accounts payable		4,815	6,819
Overdraft facility		2,522	-
Current tax liabilities		1,727	323
Other liabilities		8,687	3,884
Accrued expenses and deferred income		59,283	25,447
		77,033	36,503
TOTAL EQUITY AND LIABILITIES		314,977	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	879	410,340	-144,069	267,150
Result for the period			-97,664	-97,664
<i>Changes in equity</i>				
Qualified employee stock options			285	285
Translation difference	-	-	-923	-923
	-	-	-638	-638
<i>Transactions with owners</i>				
Rights issue	5	-5	-	-
Exercise of options	2	428	-	430
Ongoing share issues	-	70,100		70,100
	7	70,523	-	70,530
<i>Transfer between items in equity</i>				
Fund for development costs		-8,734	8,734	-
	-	-8,734	8,734	-
Closing equity 2022-12-31	886	472,129	-233,637	239,378

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			-79,897	-79,897
<i>Changes in equity</i>				
Qualified employee stock options			772	772
Translation difference	-	-	1,086	1,086
	-	-	1,858	1,858
<i>Transaction with owners</i>				
Registered new share issue	205	-205		-
Issue costs		-3,500		-3,500
Non-cash issue	165	52,414		52,579
	370	48,709	-	49,079
<i>Transfer between items in equity</i>				
	-	-	-	-
Closing equity 2023-12-31	1,256	520,838	-311,676	210,418

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

Consolidated statement of cash flow

SEK Thousands	oct - dec 2023	oct - dec 2022	jan – dec 2023	jan – dec 2022
Operating activities				
Result after financial items	-22,611	-29,549	-85,157	-102,445
Adjustments for non-cash flow items	15,358	11,090	68,144	31,577
Income tax	693	30	2,128	65
Cash flow from operating activities before changes to working capital	-6,560	-18,429	-14,924	-70,803
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) of operating receivables	19,515	5,332	6,380	1,262
Increase (+)/Decrease (-) of operating liabilities	-18,248	1,508	-9,540	5,196
Cash flow from operating activities	-5,294	-11,589	-18,085	-65,479
Investing activities				
Acquisition of intangible assets	-4,498	-5,300	-15,752	-16,534
Acquisition of subsidiaries / operations, net cash impact	-	-	-45,431	-66,628
Cash flow from investing activities	-4,498	-5,300	-61,183	-83,162
Financing activities				
Redeemed warrants	-	430	-	430
New share issue	-	-	70,100	-
Issue costs	-	-	-3,500	-
Net change in overdraft	124		124	
Amortization of non-current loans	-1,512	-	-9,674	-
Cash flow from financial activities	-1,388	430	57,050	430
Cash flow for the year	-11,181	-16,459	-22,217	-148,211
Cash and cash equivalents at beginning of the year	94,465	120,129	104,144	251,499
Exchange rate difference in cash and cash equivalents	-2,802	474	-1,445	856
Cash and cash equivalents at end of the year	80,482	104,144	80,482	104,144

Parent Company income statement

SEK Thousands	Note	oct - dec 2023	oct - dec 2022	jan - dec 2023	jan - dec 2022
Net sales		18,151	23,177	79,302	86,886
Capitalized work for own account	3	2,500	5,300	12,700	16,534
Other income		771	-	3,303	1,790
		21,422	28,477	95,305	105,210
Operating expenses					
Other external expenses		-14,912	-38,092	-73,077	-147,601
Personnel expenses		-10,783	-8,542	-37,220	-28,140
Depreciation, amortization and impairment of tangible and intangible assets	3	-3,114	-2,538	-11,279	-7,865
Other operating expenses		-1,849	-285	-4,959	-1,336
Operating profit/loss		-9,236	-20,879	-31,230	-79,731
Result from financial items					
Other interest income and similar income		370	70	1,565	70
Interest costs and similar profit and loss items		-53	-2	-190	-7
Results from impairment of shares in subsidiaries		-46,815		-46,815	
Result after financial items		-55,733	-20,912	-76,670	-79,669
Closing enteries		2,941	1,086	2,941	1,086
Tax on profit/loss for the period		-	-	-	-
Profit/loss for the period		-52,792	-19,826	-73,729	-78,583

Parent Company balance sheet

SEK Thousands	Note	31 dec 2023	31 dec 2022
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development costs and similar work	3	18,571	16,999
Concessions, patents, license, brands as well as similar rights	3	387	516
		18,958	17,515
<i>Tangible fixed assets</i>			
Equipment, tools, and installations		0	22
		0	22
<i>Financial assets</i>			
Shares in group companies	6	188,282	110,714
Other non-current receivables		257	257
		188,539	110,971
Total fixed assets		207,497	128,508
Current assets			
Accounts receivable		5,929	5,563
Receivables to group companies		14,889	1,586
Other receivables		0	70,556
Prepaid costs and accrued income		874	1,158
		21,692	78,863
Cash and cash equivalents			
Cash and cash equivalents		29,888	81,964
		29,888	81,964
Total current assets		51,579	160,827
TOTAL ASSETS		259,076	289,335

SEK Thousands	Note	31 dec 2023	31 dec 2022
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>			
Share capital	4	1,256	886
Ongoing rights issue		-	205
Fund for development costs		18,571	16,999
		19,827	18,090
<i>Non-restricted equity</i>			
Share premium reserve		520,838	471,924
Retained earnings		-231,381	-151,995
Profit/loss for the period		-73,729	-78,583
		215,728	241,346
Total equity		235,555	259,436
Provision			
Other provisions		311	12,450
		311	12,450
Current liabilities			
Accounts payable		2,652	6,316
Liabilities to group companies		8,421	-
Current tax liabilities		377	330
Other liabilities		4,337	3,173
Accrued expenses and deferred income		7,423	7,631
		23,521	17,450
TOTAL EQUITY AND LIABILITIES		259,076	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. The adjusted gross margin is calculated as a percentage of net sales less direct selling costs. The company's direct sales costs refer to commodity costs, platform fees, royalties, licenses, and fees for payment processing. For 2022, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, and Sumdog Ltd are included in the consolidated financial statements. For 2023, eEducation Albert AB (publ), eEducation Albert Invest AB, Ampd AB, Sumdog Ltd, ARPU Management AB, Strawbees AB, and Kids SAS MBA are included in the consolidated financial statements.

Note 2 Estimates and assessments

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

During the twelve months ended December 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 June 30, 2023, Albert had total tax loss carryforwards of 244 MSEK.

Note 3 Intangible and tangible fixed assets

Acquisitions and divestments

During the quarter, Albert and Strawbees capitalised work for his own account regarding capitalised expenses for development work. These development works relate to the development of the company's products such as Strawbees Classroom, Albert, Albert Junior, Albert Teen and Jaramba. In total, these investments in the fourth quarter of 2023 amounted to 2,780 (5,300) TSEK and for the full year 14,034 (16,534) TSEK.

In addition to self-developed intangible assets, acquisitions have taken place of ARPU Management AB, Strawbees AB and Kids SAS MBA, which resulted in intangible assets in the form of software and goodwill.

Impairment and reversal of impairment

During the current quarter, impairment tests were carried out, which resulted in impairments for Sumdog Ltd and Strawbees AB. Share values in the parent company have been written down by a total of 38,814 TSEK.

The impairment tests resulted in a goodwill impairment in the group of - 8,325 TSEK. The profit effect on the group is a total of 8,325 TSEK.

The write-downs are mainly related to the current market situation with increased interest and risk. The impairment tests have taken place in accordance with the applicable accounting standards.

See further information under Note 6.

In connection with determining the acquisition calculation, customer values in ARPU Management AB and Strawbees AB are reclassified from excess values in customer relations to goodwill to a value of SEK 24,487 TSEK.

Note 4 Equity

As of December 31, 2023, the registered share capital comprised 25,128,917 ordinary shares (17,721,655) with a quota value of SEK 0.05 (0.05).

Note 5 Share-based payments

As of the end of December 31, 2023, the company has three qualified employee stock option program consisting of a maximum of 1,971,054 option rights entitling to a maximum of 2,052,477 shares, whereby the share capital can increase by a maximum of 102,624 SEK. The Company has entered into agreements with the respective participants for all options, whereby in the event of a call for exercise of the participant, the Board of Directors of the Company shall convene a general meeting where decisions on the issue of the corresponding number of shares shall be considered.

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

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

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 year 2026. The redemption price for each share covered by the qualified employee options amounts to 13.74 SEK.

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

Note 6 Acquisition of business

eEducation Albert acquired all the shares of ARPU Management AB on January 17, 2023. The purchase price amounted to 75.6 MSEK, of which 10 MSEK was paid through a directed new share issue to the sellers at a subscription price of 17.22 SEK per share, and the remaining amount was paid in cash and financed with available liquid funds. Additional purchase considerations may apply. The acquisition is considered a business combination in accordance with K3 Chapter 19. The excess value related to the acquisition amounted to 71.2 MSEK as of January 17, 2023, of which 30 MSEK pertained to customer relationships, 47.4 MSEK pertained to goodwill, and -6.2 MSEK pertained to deferred tax related to the excess value. During the current reporting period, the company, in connection with the determination of the acquisition analyses, has identified a reclassification of surplus value, related to customer relations, to goodwill. Intangible surplus values at a book value of 24 MSEK and deferred tax -5 MSEK have increased goodwill by 19 MSEK.

<i>SEK Thousands</i>	2023
Cash and cash equivalents	65,600
Additional purchase price	10,070
Total purchase price	75,670
Identifiable assets and liabilities	
Software	1,106
Trade mark	0
Self-developed intangible assets	0
Customer relations	0
Tangible assets	331
Other current receivables	9,013
Cash and cash equivalents	26,494
Operating liabilities	-32,031
Deferred tax attributable to surplus values	-427
Total assets and liabilities acquired	4,486
<i>SEK Thousands</i>	
Total purchase price	75,670
Fair value of acquired assets	4,486
Goodwill	80,156
<i>SEK Thousand</i>	
Cash and cash equivalents	-65,600
Cash acquired	26,494
Outflow of cash to acquire subsidiary	-39,106

On January 20, 2023, eEducation Albert acquired all the shares of Kids MBA SAS. The purchase price amounted to 7.7 MSEK, of which 7.7 MSEK 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 15 MSEK 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 0.6 MEUR (0.5), and the operating result before depreciation and amortization (EBITDA) for the same period was -1 MEUR (-0.5). The acquisition is expected to contribute to a positive EBITDA from 2024 onwards.

The excess value attributable to the acquisition amounted to 24.6 MSEK as of January 20, 2023, of which 31 MSEK related to software and -6.4 MSEK 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>	2023
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

Education Albert acquired all shares in Strawbees AB on January 31, 2023. The purchase price amounted to 42.9 MSEK, of which 34.8 MSEK 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 purchase price of 45 MSEK 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 45 MSEK if the growth reaches a total of 90 percent. A maximum of 45 MSEK 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.

During the quarter, impairment tests were carried out, resulting in Strawbees AB write-downs. Share values in the parent company have been written down by 21.5 MSEK. The impairment test resulted in a goodwill write-down of -8.3MSEK in the group, which impacts the group's earnings.

During the current reporting period, the company, in connection with the determination of the acquisition analyses, has identified a reclassification of surplus value related to customer relations to goodwill. Intangible surplus values at a book value of 10.6 MSEK and deferred tax of -2.2 MSEK have increased goodwill by 8.4 MSEK.

<i>SEK Thousands</i>	
Cash and cash equivalents	7,794
Hold-back payment	310
Directed new share issue (15.54 SEK/ share)	34,814
Total purchase price	42,918
Identifiable assets and liabilities	
Software	8,709
Trade mark	0
Self-developed intangible assets	0
Customer relations	0
Tangible assets	139
Other current receivables	36
Inventory	3,494
Cash and cash equivalents	1,469
Deferred tax attributable to surplus values	-13,312
Total assets and liabilities acquired	535
Total purchase price	42,918
Fair value of acquired assets	535
Goodwill	43,453

<i>SEK Thousands</i>	
Cash and cash equivalents	-7,794
Cash acquired	1,249
Outflow of cash to acquire subsidiary	-6,545

Goodwill is primarily attributable to the acquired business's accumulated expertise and the synergies that arise in the form of expanded product offerings in both B2C and B2B operations. The useful life of customer relationships is estimated to be 5 years, and goodwill is also estimated to be 5 years.

On 24 February 2022, eEducation Albert acquired all shares in Sumdog Ltd. The total purchase price amounted to 8.85 MGBP, of which 6.85 MGBP was paid in cash and financed with available liquid funds and the remaining 2 MGBP refers to the additional purchase price linked to growth in ARR between 2022-2023.

The acquisition was valued in SEK at a total of 100.1 MSEK including the expected outcome of the additional purchase price. For the maximum additional purchase price, the ARR for Sumdog must amount to 4.5 MGBP. The acquisition is seen as a business combination in accordance with K3 capital 19.

After evaluation in connection with the annual accounts, the company has concluded that the additional purchase price has expired and will not expire. Provision has been returned in connection with conclusion. The previously reserved additional purchase price has been written off from the balance sheet at the annual accounts.

During the current reporting period in connection with the write-down examination of Sumdog Ltd, a value of group shares in the parent company has been arrived at at 70.3 MSEK. This means an adjustment to the group shares in the parent company of -17.3 MSEK.

Note 7 Pledged collateral

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

Note 8 Events following the balance sheet date

Significant events after period end

- The company changes certified adviser and market to Carnegie Investment Bank due to Carnegie's acquisition of Erik Penser Bank
- Albert introduces a Profitability Programme, setting a target for achieving positive EBITDA by 2025.
- An organisational restructure is announced by Albert to enhance efficiency and expedite the integration of acquired companies. The new structure will be implemented on April 1, 2024.
- Deputy CEO Anne-Louise Wirén announces her departure from her position at Albert. She will continue in her role during the spring, ensuring a seamless transition to the new organisational structure.
- Albert announces that founders Salman and Arta will leave their operational roles in the company during the first quarter.

Note 9 Segment reporting

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

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

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SEK Thousands	2023	2022	2023	2022
Business unt				
B2C	21,899	25,953	96,395	95,343
B2B	26,380	8,225	98,681	27,712
Sum	48,278	34,178	195,077	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
Adjusted 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
Adjusted EBITA margin	Adjusted EBITA as part of net sales	Clarifies the company's profitability generated by operating activities. Facilitates comparison of profitability between different companies and industries
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 revenues in MSEK. This entails expected annual revenues based on the loyalty of the existing customer base. ARR from B2C monthly subscriptions is calculated as ARPPU multiplied by the number of paying subscribers for the current month multiplied by 12. ARR from B2C annual subscriptions is calculated by periodising the annual revenue over the next 12 months, where ARPPU (converted to 'per month') is multiplied by the number of paying subscribers from different purchase cohorts for the current month multiplied by 12. ARR from B2B is calculated as expected revenue based on historical revenue in the last 12 months adjusted for any changes in loyalty (repurchases) looking at the upcoming 12 months.	Clarify the company's recurring income on an annual basis in MSEK.
ARPU	Average Revenue Per User. The price a pays per month excluding VAT.	Clarifying the revenues the company gets for each subscriber every month.

eEducation Albert in brief

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

The consumer products are provided through apps for a fixed annual or monthly fee, which are made available on the Apple App Store and Google Play. The school products are sold through direct sales for a fixed annual fee or a one-off payment. The company is mainly active in the Nordic countries, Great Britain and France, but is also active in several markets in Europe, the USA and Asia. Based on the Company's own investigations is the Company a leading player in the B2C segment in the Nordics regarding digital education services with in-depth learning content. Since the Company was founded, Albert has helped hundreds of thousands of families and millions of children worldwide with learning.

The company has approximately 140 employees who together form an innovative group of people with diversified backgrounds whose common goal is to help more children develop their skills in a way that suits them. The company has its headquarters in Gothenburg, Sweden, and local organizations in the UK and France.

The logo for Albert, featuring the word "albert" in a lowercase, bold, sans-serif font. The letter 'a' is stylized with a vertical line through it.

About Albert

It all started when childhood friends Arta Mandegari and Salman Eskandari studied at Chalmers in Gothenburg. They volunteered evenings and weekends, offering free maths lessons to children from Gothenburg's suburbs. After graduation, they chose different career paths in management and finance.

In 2015, they decided to pick up where they left off at Chalmers. They resigned from their jobs and put everything into creating what would become Albert.

Albert started with a clear goal – to democratize knowledge through technology. This also drives us today. At present, over 500,000 families have chosen Albert as their digital maths teacher, a trust of which we are very proud.

