

INTERIM REPORT

1 JANUARY - 31 MARCH 2022



CONTINUED HIGH ORGANIC GROWTH COMPLETED WITH ACQUISITION

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- Annual recurring revenue (ARR) amounted to SEK 115.8 (47.8) million, corresponding to an increase of 142 percent, of which 69 percent relates to organic growth and 73 percent acquired growth.
- Net sales amounted to SEK 24,599 (10,095) thousand, corresponding to an increase of 122 percent, of which 86 percent relates to organic growth and 36 percent acquired growth.
- EBITA amounted to SEK -22,429 (-7,575) 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 -25,182 (-7,603) thousand.
- Profit after tax for the period amounted to SEK -24,610 (-7,603) thousand.
- Earnings per share amounted to SEK -1.39* (-157.34), before and after dilution.
- Cash flow from operating activities amounted to SEK -24,958 (-9,458) thousand.
- Net cash (-) / debt (+) at the end of the period amounted to SEK -155,378 (-55,678) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 155,378 (57,126) thousand.

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

SIGNIFICANT EVENTS DURING THE FIRST QUARTER 2022

- In February, an offer was launched for young people between the ages of 10 and 16 under the Albert Teen brand. The platform will contain extensive and curriculum-adapted content for subjects such as mathematics, physics and biology, and will also be rolled out in other markets as localization is completed.
- In February, Albert English was launched in all markets except the UK. The launch comes because of the great demand among customers and is aimed at children with English as a second language.
- In February, Sumdog Ltd was acquired for a total purchase price of TGBP 8,650, of which TGBP 2,000 refers to an additional purchase price linked to the company's development of ARR during 2022 - 2023. The acquisition expands the Group's offering to B2B segments. The acquisition is expected to contribute to annual net sales of SEK 31 million.

AFTER THE END OF THE PERIOD

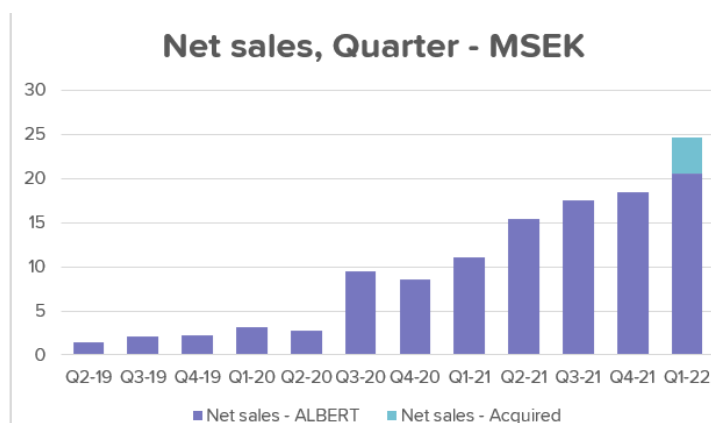
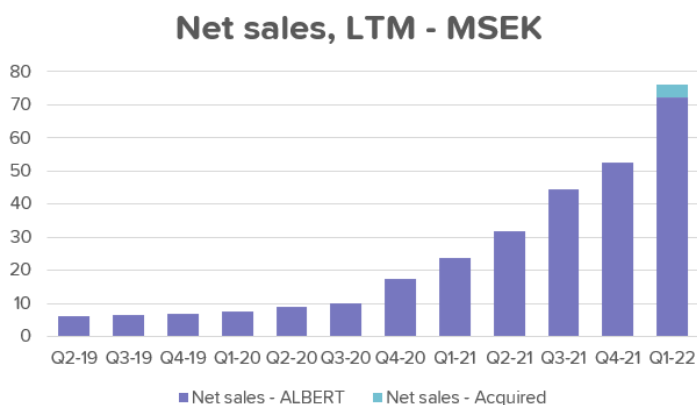
- In April, the technical and operational integration of Jaramba, which was acquired in December 2021, was completed. Jaramba's platform, focusing on reading, arithmetic and learning games for children aged 1-5, is thus available to all Albert customers, which has increased the product offering.
- In 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.

KEY FIGURES IN FOCUS

SEK Thousand	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales	24,599	11,095	62,564
Changes in %	122		162
EBITA	-22,429	-7,575	-57,113
Changes in %	-196		-118
EBITA margin (%)	-	-	-
Profit before tax for the period	-25,182	-7,603	-57,264
Percentage change compared to comparison period	-231		-117
Profit after tax for the period	-24,610	-7,603	-57,264
Earnings per share (SEK)*	-1.39	-157.34	-3.26
Cash flow from operating activities	-24,958	-9,458	-51,513
Cash flow for the period	-95,213	-11,406	182,968

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

Operational key figures	31 Mar	31 Dec	
	2022	2021	2021
B2C			
Paying subscribers (thousands)	77.3	43.2	77.8
ARPPU (SEK)	94.6	92.3	96.0
ARR (MSEK)	87.7	47.8	89.6
B2B			
Paying subscribers (thousands)	692.7	-	-
ARPPU (SEK)	3.38	-	-
ARR (MSEK)	28.1	-	-



FOUNDER'S COMMENT

We have entered 2022 with a focus on continuing to expand Albert's offering and market presence.

Net sales amounted to SEK 24.6 million, corresponding to an increase of 122 percent compared with the first quarter last year. As of 18 April, the end of the quarter's Easter campaign, ARR amounted to SEK 130.7 million. ARR refers to the campaign that runs between January and Easter every year where new customers can test Albert for free. During the current quarter only a limited number of new paying subscribers were added, as they can't be seen in the figures before they start being charged (which takes place after the end of the campaign). EBITA in the first quarter amounted to SEK - 22.4 million and reflects the mentioned campaign that took place throughout the period. We continue to prioritize growth, and during the quarter we both broadened the product range and completed a new acquisition.

In October last year, Albert was launched in the British market, which we consider to be one of the most important EdTech markets in Europe. The initial offer was aimed at the younger age category, but in February this year it was supplemented with a product aimed at young people between 10-16 years. Albert Teen contains curriculum-adapted subjects such as mathematics, physics, and biology, and is based on the IP rights related to Stairway Learning which was acquired in November 2021. It is a development that really shows the strength of acquiring good content that quickly can be integrated and launched to Albert customers. Albert Teen is a big step towards our ambition to have an equal offer in all markets, and we are now working to localize the content to other national curricula to be able to launch Teen in more markets in the future.

In addition to Albert Teen, we have also launched Albert English in all markets where English is a second language. We have noticed a strong demand for English as a subject on Albert's platform and have received a very good response from both parents and children immediately after launch. Albert English is available in Albert Junior, which thus contains the three most important core subjects for younger children in a single app; Mathematics, ABC, and English.

Perhaps the most important event of the quarter was the acquisition of Sumdog, a leading B2B player in EdTech with operations primarily in the United Kingdom. We have thus in one fell swoop expanded from only B2C to B2B. Sumdog's digital platform is currently used by around 15 per cent of all schools in the UK with curriculum-adapted content aimed at children aged 5–14 in subjects such as mathematics, spelling, and grammar. We see great opportunities to explore synergies between B2C and B2B, where we now have access to the three most important EdTech target audiences students, parents, and teachers. We believe that the expansion to B2B enables a business area with different characteristics compared to our B2C business area. This is because B2B excels in long annual contracts together with a low churn, which enables a stable business with clear synergies with our core business.

In parallel with all the above, our team throughout the quarter has also worked hard to integrate Jaramba, which was acquired just at the end of 2021 and whose content is primarily aimed at the age category 1–5 years. In mid-April, the project was completed and Jaramba's platform then became available to Albert's customers.

With that said - if we look back over the past four months - we have taken very big steps towards our long-term goal of becoming a leading player in the European EdTech market. We now have content that targets 1–16 years and have broadened our offering to B2B. At the same time, we feel that we are still only at the beginning of our journey. We continue to see good acquisition opportunities, while the conditions for organic growth are favourable. Expanding to new markets continues to be a priority, and we have several ongoing experiments that could result in broad launches of Albert's offering going forward.

Founders, Arta Mandegari & Salman Eskandari



FINANCIAL OVERVIEW

FIRST QUARTER

NET SALES & RESULT

Net sales during the quarter amounted to SEK 24,599 (11,095) thousand, which is an increase of 122 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 Sweden in relation to total sales, which now amount to 53 (71) percent in the first quarter of 2022. 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 quarter. ARPPU has increased the 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 91.9 (92.9) percent. The company's direct sales costs refer to platform fees, royalties, licenses and fees for payment management.

EBITA for the quarter decreased to SEK -22,429 (-7,575) thousand and is due to the growth investment made by the company and which meant that marketing costs increased during the year compared to the first quarter of 2021. During the period, amortization of acquired intangible assets amounted to SEK 2,678 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 -24,610 (-7,603) thousand. Earnings per share before and after dilution amounted to SEK -1.39 (-157.34).

CASH FLOW & WORKING CAPITAL

Cash flow from operating activities amounted to SEK -26,393 (-9,458) thousand. Cash flow decreased during the period due to poorer operating profit. This is because Albert focuses on continued organic growth in line with the financial targets.

Working capital as of March 31 amounted to SEK -19,298 (1,599) 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.

OTHER INFORMATION

SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2022

In February, an offer was launched for young people between the ages of 10 and 16 under the Albert Teen brand. The platform will contain extensive and curriculum-adapted content for subjects such as mathematics, physics and biology, and will also be rolled out in other markets as localization is completed.

In February, Albert English was launched in all markets except the UK. The launch comes because of the great demand among customers and is aimed at children with English as a second language.

In February, Sumdog Ltd was acquired for a total purchase price of TGBP 8,650, of which TGBP 2,000 refers to an additional purchase price linked to the company's development of ARR during 2022 - 2023. The acquisition expands the Group's offering to B2B segments. For other information regarding the transaction, see note 6.

INVESTMENTS

During the period, Albert invested SEK 3,627 (1,675) 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 (1,448) thousand. The equity / assets ratio amounts to 77 (91) percent as of March 31, 2021, and the net debt amounted to SEK -251,499 (-66,874) 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

Purchasing of marketing costs 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 (publ)'s normal operations and took place on market terms. Total purchases during the period amounted to SEK 1,278 thousand.

NOMINATION COMMITTEE

The Nomination Committee for the Annual General Meeting 2022 consists of:

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held for eEducation Albert AB (publ) in Gothenburg on May 3, 2022 10:00 in Hörsalsalen in Kilsгатan 4 in Gothenburg. For more information, see investors.hejalbert.se.

Upcoming reporting dates

Annual general meeting 2022	3 May 2022
Interim report, January – June	18 July 2022
Interim report, January – September	1 November 2022
Year end report 2022	24 February 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, 2 May 2022

Jacob Møller
Chairman

Richard Sandenskog
Board Member

Eva Nilsagård
Board Member

Helene Broms
Board Member

Paul Meyer
Board Member

Arta Mandegari
CEO

For further information, please contact:
Martin Dahlgren, Head of Finance
+46 73-909 26 31, martin@hejalbert.se

This information is such information that eEducation Albert is required to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on May 2, 2022, at 07.30.

Review

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

Consolidated income statement

<i>SEK Thousands</i>	Note	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	9	24,599	11,095	62,564
Capitalized work for own account	3	3,627	1,675	7,749
Other income		1,631	-	-
		29,858	12,770	70,313
<i>Operating expenses</i>				
Other external expenses		-42,991	-16,677	-103,650
Personnel expenses		-7,799	-2,650	-18,828
Depreciation, amortization and impairment of tangible and intangible assets	3	-4,174	-982	-4,844
Other operating expenses		-	-36	-104
Operating profit/loss		-25,106	-7,575	-57,113
<i>Result from financial items</i>				
Interest costs and similar profit and loss items		-76	-28	-151
Result after financial items		-25,182	-7,603	-57,264
Tax on profit/loss for the period		573	-	-
Profit/loss for the period		-24,610	-7,603	-57,264
Earnings per share				
–before and after dilution (SEK)*		-1.39	-157.34	-3.26
Number of shares outstanding at the end of the reporting period				
		17,679,655	48,323	17,579,655
Average number of shares outstanding				
		17,629,655	43,634	13,480,851

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

Consolidated balance sheet

<i>SEK Thousands</i>	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	46,678	5,659	8,734
Goodwill	6	42,705	-	28
Concessions, patents, license, brands as well as similar rights	3, 6	54,705	125	12,426
		144,087	5,784	21,188
<i>Tangible fixed assets</i>				
Equipment, tools and installations		316	227	144
		316	227	144
<i>Financial assets</i>				
Other non-current receivables		257	-	257
		257	-	257
Total fixed assets		144,661	6,011	21,589
Current assets				
Accounts receivable		8,392	4,294	5,411
Other receivables		2,591	668	945
Prepaid costs and accrued income		3 146	348	357
		14,130	5,310	6,713
Cash and cash equivalents				
Cash and cash equivalents		155,378	57,126	251,499
		155,378	57,126	251,499
Total current assets		169,508	62,436	258,212
TOTAL ASSETS		314,168	68,447	279,801

<i>TSEK</i>	Not	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	884	242	879
Other capital contributed		401,601	154,098	410,340
Retained earnings including profit/loss for the period		-160,348	-91,879	-144 069
Shareholders' equity, attributable to the Parent Company's shareholders		242 137	62 460	267 150
Total Equity		-	-	-
		242 137	62 460	267 150
Provisions				
Deferred tax liabilities		18,511	-	2,427
Other provisions		24,167	-	-
		42,678	-	2,427
Non-current liabilities				
Other liabilities		-	544	-
		-	544	-
Current liabilities				
Accounts payable		6,565	2,329	2,238
Current tax liabilities		222	112	288
Other liabilities		2,703	1,620	1,798
Accrued expenses and deferred income		19,863	1,382	5,900
		29,353	5,443	10,224
TOTAL EQUITY AND LIABILITIES		314,168	68,447	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			-7,603	-7,603
<i>Transactions with owners</i>				
Rights issue	47	-47		-
	47	-47	-	-
<i>Transfer between items in equity</i>				
Fund for development costs		1,675	-1,685	-10
	-	1,675	-1,685	-10
Closing equity 2021-03-31	242	154,097	-91,879	62,460

<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
Effect of retroactive application				-
Adjusted equity 2022-01-01	879	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 2022-03-31	884	401,601	-160,348	242,137

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>	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating activities</i>			
Result after financial items	-25,182	-7,603	-57,264
Adjustments for non-cash flow items	2,699	1,152	4,839
Tax paid	-66	-28	201
Cash flow from operating activities before changes to working capital	-22,549	-6,479	-52,225
<i>Cash flow from changes in working capital</i>			
Increase (-)/Decrease (+) of operating receivables	-1,251	-2,543	3,747
Increase (+)/Decrease (-) of operating liabilities	-1,158	-436	4,459
Cash flow from operating activities	-24,958	-9,458	-51,513
<i>Investing activities</i>			
Acquisition of tangible fixed assets	-	-	-
Acquisition of intangible assets	-3,627	-1,675	-8,394
Acquisition of subsidiaries / operations, net cash impact	-66,628	-	-4,808
Cash flow from investing activities	-70,255	-1 591	-13,202
<i>Financing activities</i>			
Redeemed warrants	-	-	731
New share issue	-	-	264,473
Issue costs	-	-	-15,863
Amortization of non-current loans	-	-273	-1,658
Cash flow from financial activities	-	-273	247,683
Cash flow for the year	-95,213	-11 406	182,968
Cash and cash equivalents at beginning of the year	251,499	68 532	68,532
	-908	-	-
Cash and cash equivalents at end of the year	155,378	57 126	251,499

Parent Company income statement

<i>SEK Thousands</i>	Note	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	9	20,628	11,095	62,564
Capitalized work for own account	3	3,627	1,675	7,749
Other income		1,618	6	-
		25,873	12,775	70,313
<i>Operating expenses</i>				
Other external expenses		-40,643	-16 677	-103,639
Personnel expenses		-5,584	-2,650	-18,828
Depreciation, amortization and impairment of tangible and intangible assets	3	-1,462	-982	-4,844
Other operating expenses		-	-	-104
		-21,815	-7,533	-57,103
<i>Result from financial items</i>				
Income from shares in group companies		-	25	25
Interest costs and similar profit and loss items		-135	-95	-177
		-21,950	-7,603	-57,254
Result after financial items				
Tax on profit/loss for the period		-	-	-
		-21,950	-7,603	-57,254
Profit/loss for the period				
Earnings per share				
-before and after dilution (SEK)*		-1,24	-157,33	-3.26
Number of shares outstanding at the end of the reporting period				
		17,679,655	48,323	17,579,655
Average number of shares outstanding				
		17,629,655	43,634	14,880,953

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

Parent Company balance sheet

<i>SEK Thousands</i>	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development costs and similar work	3	10,332	5,659	8,112
Concessions, patents, license, brands as well as similar rights	3	613	125	645
		10,945	5,784	8,757
<i>Tangible fixed assets</i>				
Equipment, tools, and installations		89	227	111
		89	227	111
<i>Financial assets</i>				
Shares in group companies		123,476	88	10,088
Other non-current receivables		257	-	257
		123,734	88	10,345
Total fixed assets		134,767	6,099	19,214
Current assets				
Accounts receivable		5,637	4,294	5,120
Receivables to group companies		500	-	-
Other receivables		2,035	668	927
Prepaid costs and accrued income		680	348	335
		8,852	5,310	6,382
Cash and cash equivalents				
Cash and cash equivalents		137,451	57,111	251,273
		137,451	57,111	251,273
Total current assets		146,303	62,422	257,655
TOTAL ASSETS		281,070	68,521	276,869

<i>TSEK</i>	Not	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES				
<i>EQUITY</i>				
<i>Restricted equity</i>				
Share capital	4	884	242	879
Ongoing rights issue		-	-	5
Fund for development costs		10,332	5,343	8,112
		11 216	5 585	8,996
<i>Non-restricted equity</i>				
Share premium reserve		401,601	147,537	401,601
Retained earnings		-86,139	-83,004	86,139
Profit/loss for the period		-21,950	-7,603	-57,254
		234,038	56,930	258,208
Total equity		245,254	62,514	267,204
Provision				
Other provisions		24,167	-	-
		24,167	-	-
<i>Non-current liabilities</i>				
Other liabilities		-	544	-
Liabilities to group companies		-	20	-
		-	564	-
<i>Current liabilities</i>				
Accounts payable		4,134	2,329	2,149
Current tax liabilities		227	113	285
Other liabilities		1,954	1,620	1,761
Accrued expenses and deferred income		5,334	1,382	5,469
		11,649	5,443	9,665
TOTAL EQUITY AND LIABILITIES		281,070	68,521	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 three months ended March 31, 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 March 31, 2022, Albert had a total loss deduction of SEK 171 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 3,627 (1,675) thousand.

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 March 31, 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 March 31, 2021, the company has a qualified employee stock option program consisting of a maximum of 1,311 option rights entitling to a maximum of 327,750 shares, whereby the share capital can increase by a maximum of SEK 16,387.5. 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 maximum dilution of the qualified employee stock option program amounts to 1.86 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>TSEK</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>TSEK</i>	
Cash and cash equivalents	-87 248
Cash acquired	20 620
Outflow of cash to acquire subsidiary	-66 628

Note 7 Pledged collateral

During the quarter, the company repaid all loans to credit institutions with which no collateral is available as of March 31, 2022. These collateral as of March 31, 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

<i>SEK Thousands</i>	Jan-Mar		Jan-Dec
	2022	2021	2021
Geographic market			
Sweden – B2C	12,933	7,929	38,110
Other – B2C	8,769	3,166	24,454
UK – B2B*	2,462		
Other – B2B*	435		
Total	24,599	11,095	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
Operational 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 40 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

