

The logo for Albert, featuring the word "albert" in a bold, lowercase, sans-serif font. The letters are dark blue. The background is split into two colors: pink on the left and yellow on the right. A small "TM" trademark symbol is located at the top right of the logo.

# YEAR END REPORT

## JANUARY – DECEMBER 2022



## **GROWING NET SALES 84% AND ARR 73%. ACTIVE ACQUISITION QUARTER BUILDS STABLE FINANCIAL FOUNDATION FOR 2023**

### **YEAR-END REPORT JANUARY – DECEMBER 2022**

#### **OCTOBER – DECEMBER 2022**

- Annual recurring revenue (ARR) amounted to SEK 154.7 (89.6) million, corresponding to an increase of 73 percent, of which 30 percent relates to organic growth and 43 percent acquired growth.
- Net sales amounted to SEK 34,178 (18,536) thousand, corresponding to an increase of 84 percent, of which 27 percent relates to organic growth and 57 percent acquired growth.
- EBITA amounted to SEK -22,819 (-16,557) thousand. Nonrecurring items affected EBITA with SEK 903 thousand which related to transaction costs in connection with the acquisitions which were communicated during December.
- Profit before tax for the period amounted to SEK -29,549 (-16,608) thousand.
- Profit after tax for the period amounted to SEK -27,853 (-16,608) thousand.
- Earnings per share amounted to SEK -1.57 (-0.94), before and after dilution.
- Cash flow from operating activities amounted to SEK -11,589 (-17,964) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 104,144 (251,499) thousand.

#### **JANUARY – DECEMBER 2022**

- Annual recurring revenue (ARR) amounted to SEK 154.7 (89.6) million, corresponding to an increase of 73 percent, of which 30 percent relates to organic growth and 43 percent acquired growth.
- Net sales amounted to SEK 123,055 (62,564) thousand, corresponding to an increase of 97 percent, of which 40 percent relates to organic growth and 57 percent acquired growth.
- EBITA amounted to SEK -78,888 (-57,113) thousand. Nonrecurring items affected EBITA with SEK 2,635 thousand which related to transaction costs in connection with the acquisition of Sumdog Ltd and the acquisition which were communicated during December 2022.
- Profit before tax for the period amounted to SEK -102,445 (-57,264) thousand.
- Profit after tax for the period amounted to SEK -97,664 (-57,264) thousand.
- Earnings per share amounted to SEK -5.51 (-3.26), before and after dilution.
- Cash flow from operating activities amounted to SEK -65,479 (-51,513) thousand.
- Cash and cash equivalents at the end of the period amount to SEK 104,144 (251,499) thousand.

#### **SIGNIFICANT EVENTS DURING THE FOURTH QUARTER 2022**

- 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
- During December, a directed share issue of 4,099,410 shares were communicated and the company will be provided with MSEK 70 before transaction costs

#### **AFTER THE END OF THE PERIOD**

- During January, Albert has completed a directed share issue of 4,099,410 shares and is hereby provided with MSEK 70 before transaction costs
- During January, all acquisitions communicated during December 2022 were carried out.
- The Board of Directors proposes that no dividend be paid for the financial year 2022

## Key figures in focus

	Oct – Dec		Jan – Dec	
SEK Thousand	2022	2021	2022	2021
Net sales	34,178	18,536	123,055	62,564
Percentage change compared to comparison period	84		97	162
EBITA	-22,819	-16,557	-78,888	-57,113
Percentage change compared to comparison period	-38		-38	-118
EBITA margin (%)	-	-	-	-
Profit before tax for the period	-29,549	-16,608	-102,445	-57,264
Percentage change compared to comparison period	-78		-79	-117
Profit after tax for the period	-27,853	-16,608	-97,664	-57,264
Earnings per share (SEK)*	-1.57	-0.94	-5.51	-3.26
Cash flow from operating activities	-11,589	-17,964	-65,479	-51,513
Cash flow for the period	-16,459	221,280	-148,211	182,968

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

	31 Dec	
Operational key figures	2022	2021
<b>B2C</b>		
Paying subscribers (thousands)	97.5	77.8
ARPPU (SEK)	109.1	96.0
ARR (MSEK)	127.6	89.6
<b>B2B**</b>		
Paying subscribers (thousands)	620.8	-
ARPPU (SEK)	3.6	-
ARR (MSEK)	27.1	-

\*\* Additional segment with the acquisition of Sumdog Ltd in February 2022.

## Founder's comment

We are now leaving the last quarter of the year behind us, a quarter marked by an effective year-out campaign in our consumer offer (B2C) as well as several major sales preparation activities in our school offer (B2B) in the UK school market. Furthermore, we have taken big steps in our acquisition agenda with the goal of becoming Europe's leading educational platform for children and young people, this after three acquisitions were communicated in the current quarter.

During the quarter, the group has further strengthened its role as a consolidating player on the European educational technology market after three acquisitions that are both strategic and transformative in nature. Strategic in terms of gaining a foothold and a good market position in France that we can build on and transformative in terms of diversifying and securing stable income by growing our school offering significantly. In the current capital market and the prevailing macroeconomic climate, we minimize the financial risk in our business by not being equally exposed to the consumer market and diversifying our revenue streams towards more markets as well as B2B.

Looking forward, the school market contributes almost half of our annual recurring revenue (ARR), revenue that is stable and characterized by low churn and long-term loyal customers. Important to highlight is the contribution in reducing the need for capital in the operational activities as well as the acceleration of the journey towards profitability and positive cash flow.

In the short term, we will now focus on realizing the cost synergies while directing much of our focus on exploring and realizing the revenue synergies in the group. The development of a common product offer for both consumers and schools through a harmonized product portfolio in combination with the efficiency of sales teams between the companies has a high priority in the integration work. This work will be an important building block in forming a stable foundation from which the group will be able to grow further in the future.

From a full-year perspective, we are proud that, despite a turbulent macroeconomic year, we continued to execute and deliver on our strategy and against our communicated financial goals. Since the listing just over a year ago, we have tripled the company's turnover and ARR, gained a foothold in new European core markets such as Great Britain and France, launched new products both organically and via acquisition. In addition to this, we and the staff are even more proud of the opportunity to help even more children and young people raise their knowledge levels. Now there are 1.2 million children and young people who continuously use our products for high-quality and fun learning.

With a strong year behind us, a good market position, diversified revenue streams and lower financial risk in the group, we look to the future with confidence. It is important for us not to put the company in a position where the need for capital becomes intrusive in a financial market where it is difficult to access. We will therefore, with the current market situation as a basis, prioritize the journey to profitability and optimize towards our existing cash register to get us there. With a pro forma post-acquisition position of approx. 230 MSEK in ARR and approx. 200 MSEK in net sales, where approx. 50% of the revenue comes from B2B, we feel secure in the journey towards profitability going forward.

We would like to end these words and this year's chapter with a big thank you to all our staff and all our shareholders. Our employees' tireless work and commitment to democratize knowledge and learning for children and young people in combination with our shareholders' strong trust, will and support make our journey towards becoming Europe's leading EdTech actor possible. Thank you for your contribution and we look forward to reaching new heights together.

**The founders,**

**Arta Mandegari & Salman Eskandari**



# Financial overview

## FOURTH QUARTER

### NET SALES & RESULT

Net sales during the quarter amounted to SEK 34,178 (18,536) thousand, which is an increase of 84 percent compared to the comparison period 2021. The acquisition of Sumdog Ltd during February 2022 and continued expansion in current markets has contributed to a decrease in dependence on the Swedish market in relation to total net sales, which now amount to 45 (60) percent in the fourth quarter of 2022.

The increase in net sales is driven by growth in the number of paying subscribers, average revenue per paying user (ARPPU) and acquisitions of operations during the year. ARPPU has increased on total compared to the comparison period when new subscription plan was launched with a higher monthly fee. The users that were added in connection with the acquisition of Ampd AB and Sumdog Ltd B2C subscribers had a significantly lower ARPPU than Albert's subscribers, with which ARPPU was initially negatively affected. In the long run, the ambition is to integrate these subscribers into Albert's remaining ecosystem, with which ARPPU should return to previous levels. Sumdog's ARPPU for B2B subscribers increased during the quarter due to upselling to existing customers.

The adjusted gross margin amounted to 87.5 (90.0) percent. The adjusted gross margin is calculated as a share of net sales less direct sales costs. The company's direct sales costs refer to platform fees, royalties, licenses, and fees for payment management. The adjusted gross margin decreased during the period when the platform fee from Apple was adjusted up to 30%.

EBITA for the quarter amounted to SEK -22,819 (-16,557) thousand and is due to the growth investment that the company made, which resulted in marketing costs increasing during the year compared to the fourth quarter of 2021. The acquired B2B operation has a significantly better EBITA margin than the remaining operations and has therefore had a positive effect on EBITA. During the period, amortization of acquired intangible assets amounted to SEK 6,795 (-) thousand. During the period, the company's costs are also charged again SEK 903 thousand attributable to advice in connection with acquisitions which was announced during December 2022.

Result for the period amounted to SEK -27,853 (-16,608) thousand. Earnings per share before and after dilution amounted to SEK -1.57 (-0.94).

### CASH FLOW & WORKING CAPITAL

Cash flow from operating activities amounted to SEK -11,589 (-17,954) thousand. Cash flow improved during the period due to payment of the increased accounts receivables in the third quarter.

Working capital as of December 31 amounted to SEK -18,081 (-1,425) thousand. Accrued costs and prepaid income have increased significantly, which is driven by Sumdog's sale of annual subscriptions to schools with advance payment.

## JANUARY – DECEMBER

### NET SALES & RESULT

Net sales during the period January – September amounted to SEK 123,055 (62,564) thousand, which is an increase of 97 percent compared to the comparison period 2021. The acquisition of Sumdog Ltd during February 2022 and continued expansion in current markets has contributed to a decrease in dependence on the Swedish market in relation to total net sales, which now amount to 46 (61) percent. With the acquisition, the offer was expanded with B2B, which is also reported as a separate operating segment.

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

The adjusted gross margin amounted to 90.8 (91.0) percent. The adjusted gross margin is calculated as a share of net sales less direct sales costs. The company's direct sales costs refer to platform fees, royalties, licenses, and fees for payment management. The adjusted gross margin decreased during the period when the platform fee from Apple was adjusted up to 30%.

EBITA for the period decreased to SEK -78,888 (-57,113) thousand and is due to the growth investment that the company has made, and which has resulted in marketing costs increasing during the year compared to the comparison period 2021. During the period, amortization of acquired intangible assets amounted to SEK 23,058 (-) thousand. During the period, the company was also charged with costs of SEK 2,635 thousand attributable to advice in connection with the transaction of Sumdog Ltd as well as the acquisitions which was announced during December 2022.

Profit for the period amounted to SEK -97,664 (-57,264) thousand. Earnings per share before and after dilution amounted to SEK -5.51 (-3.26).

### CASH FLOW & WORKING CAPITAL

Cash flow from operating activities amounted to SEK -65,479 (-51,513) thousand. Cash flow has deteriorated during period due to increased marketing costs for increased customer acquisition where payment of subscriptions is obtained forward.

Working capital as of December 31 amounted to SEK -18,081 (-1,425) thousand. Accrued costs and prepaid income have increased significantly, which is driven by Sumdog's sale of annual subscriptions to schools with advance payment.

## Other information

### SIGNIFICANT EVENTS DURING THE FOURTH QUARTER OF 2022

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.

During December, a directed share issue of 4,099,410 shares were announced and the company will be provided with MSEK 70 before transaction costs

### INVESTMENTS

During the period, Albert invested SEK 5,300 (3,015) 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 (0) thousand. The equity / assets ratio amounts to 79 (95) percent as of December 31, 2022, and the net debt amounted to SEK -104,144 (-251,499) thousand.

### SIGNIFICANT RISKS AND UNCERTAINTIES

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

### TRANSACTIONS WITH RELATED PARTIES

Purchases of marketing took place during the financial year from Schibsted, including Group companies that are deemed to be related parties, 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 282 (1,401) thousand and SEK 3,504 (9,358) thousand for 2022 so far.

### 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 will be held for Eeducation Albert AB (publ) in Gothenburg on May 18, 2023. Shareholders will be called by announcement in Post- and Domestic Newspapers and Dagens Industri, or, in the event of a set publication of the latter newspaper, Svenska Dagbladet. This no earlier than six weeks and no later than four weeks before the meeting.

### DIVIDEND

The Board of Directors proposes that no dividend be submitted for the financial year 2022.

## Finansiell kalender

Interim report, January – March  
Interim report, January – June  
Interim report, January – September

30 May 2023  
23 August 2023  
3 November 2023

### Certification

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

### Underskrifter av rapporten

Gothenburg, 24 February 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 24 februari 2023 kl. 07.30.

### Granskning

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

## Consolidated income statement

TSEK	Not	Oct – Dec 2022	Oct – Dec 2021	Jan – Dec 2022	Jan – Dec 2021
Net sales	8	34,178	18,536	123,055	62,564
Capitalized work for own account	3	5,300	3,015	16,534	7,749
Other income		-	-	1,947	-
		<b>39,478</b>	<b>21,551</b>	<b>141,536</b>	<b>70,313</b>
<b>Operating expenses</b>					
Other external expenses		-44,356	-30,600	-163,426	-103,650
Personnel expenses		-14,778	-5,955	-48,440	-18,828
Depreciation, amortization, and impairment of tangible and intangible assets	3	-9,499	-1,488	-31,120	-4,844
Other operating expenses		-510	-64	-1 051	-104
<b>Operating profit/loss</b>		<b>-29,615</b>	<b>-16,557</b>	<b>-102,503</b>	<b>-57,113</b>
<b>Result from financial items</b>					
Other interest income and similar income		70		70	
Interest costs and similar profit and loss items		-5	-51	-11	-151
<b>Result after financial items</b>		<b>-29,549</b>	<b>-16,608</b>	<b>-102,445</b>	<b>-57,264</b>
Tax on profit/loss for the period		1,697	-	4,780	-
<b>Profit/loss for the period</b>		<b>-27,853</b>	<b>-16,608</b>	<b>-97,664</b>	<b>-57,264</b>
<b>Earnings per share</b>					
– before and after dilution (SEK)*		-1,57	-0,94	-5,51	-3,26
<b>Number of shares outstanding at the end of the reporting period</b>					
		<b>17,721,655</b>	<b>17,579,655</b>	<b>17,721,655</b>	<b>17,579,655</b>
<b>Average number of shares outstanding</b>					
		<b>17,700,655</b>	<b>14,880,953</b>	<b>17,690,155</b>	<b>13,480,851</b>

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



## Consolidated balance sheet

SEK Thousands	Not	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i><b>Intangible assets</b></i>			
Capitalized development costs and similar work	3	47,672	8,734
Goodwill	3,6	21,012	28
Concessions, patents, license, brands as well as similar rights	3,6	46,384	12,426
		115,068	21,188
<i><b>Tangible fixed assets</b></i>			
Equipment, tools and installations		221	144
		221	144
<i><b>Financial assets</b></i>			
Other non-current receivables		257	257
		257	257
<b>Total fixed assets</b>		<b>130,701</b>	<b>21,589</b>
<b>Current assets</b>			
Accounts receivable		7,193	5,411
Other receivables		72,706	945
Prepaid costs and accrued income		4,416	357
		84,315	6,713
<b>Cash and cash equivalents</b>			
Cash and cash equivalents		104,144	251,499
		104,144	251,499
<b>Total current assets</b>		<b>188,459</b>	<b>258,212</b>
<b>TOTAL ASSETS</b>		<b>304,005</b>	<b>279,801</b>

<i>SEK Thousands</i>	Not	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	4	886	879
Other capital contributed		472,129	410,340
Retained earnings including profit/loss for the period		-233,637	-144,069
<b>Shareholders' equity, attributable to the Parent Company's shareholders</b>		<b>239,378</b>	<b>267,150</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>239,378</b>	<b>267,150</b>
<b>Provisions</b>			
Deferred tax liabilities	6	15,675	2,427
Other provisions	6	12,450	-
		28,125	2,427
<b>Current liabilities</b>			
Accounts payable		6,819	2,238
Current tax liabilities		323	288
Other liabilities		3,884	1,798
Accrued expenses and deferred income		25,477	5,900
		36,503	10,224
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>304,005</b>	<b>279,801</b>

## Consolidated changes in equity

SEK Thousands	Share capital	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
<b>Opening equity 2021-01-01</b>	<b>195</b>	<b>152,469</b>	<b>-82,591</b>	<b>70,073</b>
Result for the period			-57,264	-57,264
<i>Transactions with owners</i>				
Regulation of options		731		731
Rights issue	47	-47		-
Exercise of options	2	-2		-
Rights issue at listing	270	264,203		264,473
Issue costs		-15,863		-15,863
Non-cash issue		5,000		5,000
	319	254,022	-	254,341
<i>Transfer between items in equity</i>				
Bonus issue	365		-365	-
Fund for development costs		3,848	-3,848	-
	365	3,848	-1,643	-
<b>Closing equity 2021-12-31</b>	<b>879</b>	<b>410,340</b>	<b>-144,069</b>	<b>267,150</b>

TSEK	Share capita	Other capital contributed	Retained earnings including profit/loss for the period	Total Equity
<b>Opening equity 2022-01-01</b>	<b>879</b>	<b>410,340</b>	<b>-144,069</b>	<b>267,150</b>
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>Transaction with owners</i>				
Rights issue	5	-5		-
Exercise of options	2	428		430
Ongoing new issue		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	-
<b>Closing equity 2022-12-31</b>	<b>886</b>	<b>472,129</b>	<b>-233,637</b>	<b>239,378</b>

The number of shares outstanding as of the balance sheet date amounts to 17,721,655.

## Consolidated statement of cash flow

SEK Thousands	Oct – Dec 2022	Oct – Dec 2021	Jan – Dec 2022	Jan – Dec 2021
<b>Operating activities</b>				
Result after financial items	-29,549	-16,608	-102,445	-57,264
Adjustments for non-cash flow items	11,090	1,488	31,577	4,839
Tax paid	30	41	65	201
<b>Cash flow from operating activities before changes to working capital</b>	<b>-18,429</b>	<b>-15,079</b>	<b>-70,803</b>	<b>-52,225</b>
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) of operating receivables	5,332	-1,087	567	-3,747
Increase (+)/Decrease (-) of operating liabilities	1,508	-1,798	5,891	4,459
<b>Cash flow from operating activities</b>	<b>-11,589</b>	<b>-17,964</b>	<b>-65,479</b>	<b>-51,513</b>
<b>Investing activities</b>				
Acquisition of tangible fixed assets	-	-	-	-
Acquisition of intangible assets	-5,300	-3,660	-16,534	-8,394
Acquisition of subsidiaries / operations, net cash impact	-	-4,808	-66,628	-4,808
<b>Cash flow from investing activities</b>	<b>-5,300</b>	<b>-8,468</b>	<b>-83,162</b>	<b>-13,202</b>
<b>Financing activities</b>				
Redeemed warrants	430	-	430	731
New share issue	-	264,473	-	264,473
Issue costs	-	15,863	-	-15,863
Amortization of non-current loans	-	-898	-	-1,658
<b>Cash flow from financial activities</b>	<b>430</b>	<b>247,712</b>	<b>430</b>	<b>247,683</b>
<b>Cash flow for the year</b>	<b>-16,459</b>	<b>221,280</b>	<b>-148,211</b>	<b>182,968</b>
Cash and cash equivalents at beginning of the year	120,129	30,219	251,499	68,532
Exchange rate difference in cash and cash equivalents	474	-	856	-
<b>Cash and cash equivalents at end of the year</b>	<b>104,144</b>	<b>251,499</b>	<b>104,144</b>	<b>251,499</b>

## Parent Company income statement

<i>SEK Thousands</i>	Not	Oct – Dec 2022	Oct – Dec 2021	Jan – Dec 2022	Jan – Dec 2021
Net sales	8	23,177	18,536	86,886	62,564
Capitalized work for own account	3	5,300	3,015	16,534	7,749
Other income		-	-	1,790	-
		28,477	21,551	105,210	70,313
<b>Operating expenses</b>					
Other external expenses		-38,092	-30,604	-147,601	-103,639
Personnel expenses		-8,542	-5,955	-28,140	-18,828
Depreciation, amortization and impairment of tangible and intangible assets	3	-2,538	-1,488	-7,865	-4,844
Other operating expenses		-285	-64	-1,336	-104
<b>Operating profit/loss</b>		<b>-20,979</b>	<b>-16,561</b>	<b>-79,731</b>	<b>-57,103</b>
<b>Result from financial items</b>					
Income from shares in group companies		-	-	-	25
Other interest income and similar income		70	-	70	-
Interest costs and similar profit and loss items		-2	-51	-7	-177
<b>Result after financial items</b>		<b>-20,912</b>	<b>-16,612</b>	<b>-79,669</b>	<b>-57,254</b>
Financial statements		1,086	-	1,086	-
Tax on profit/loss for the period		-	-	-	-
<b>Profit/loss for the period</b>		<b>-19,826</b>	<b>-16,612</b>	<b>-78,583</b>	<b>-57,254</b>

## Parent Company balance sheet

SEK Thousands	Not	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i><b>Intangible assets</b></i>			
Capitalized development costs and similar work	3	16,999	8,112
Concessions, patents, license, brands as well as similar rights	3	516	645
		17,515	8,757
<i><b>Tangible fixed assets</b></i>			
Equipment, tools, and installations		22	111
		22	111
<i><b>Financial assets</b></i>			
Shares in group companies	6	110,714	10,088
Other non-current receivables		257	257
		110,971	10,345
<b>Total fixed assets</b>		<b>128,508</b>	<b>19,214</b>
<b>Current assets</b>			
Accounts receivable		5,563	5,120
Receivables to group companies		1,586	-
Other receivables		70,556	927
Prepaid costs and accrued income		1,158	335
		78,863	6,382
<b>Cash and cash equivalents</b>			
Cash and cash equivalents		81,964	251,273
		81,964	251,273
<b>Total current assets</b>		<b>160,827</b>	<b>257,655</b>
<b>TOTAL ASSETS</b>		<b>289,335</b>	<b>276,869</b>

## Parent Company balance sheet

SEK Thousands	Not	31 Dec 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<i>Restricted equity</i>			
Share capital	4	886	879
Ongoing rights issue		205	5
Fund for development costs		16,999	8,112
		18,090	8,996
<i>Non-restricted equity</i>			
Share premium reserve		471,924	401,601
Retained earnings		-151,995	-86,139
Profit/loss for the period		-78,583	-57,254
		241,346	258,208
<b>Total equity</b>		<b>259,436</b>	<b>267,204</b>
<b>Provision</b>			
Other provisions		12,450	-
		12,450	-
<b>Current liabilities</b>			
Accounts payable		6,316	2,149
Current tax liabilities		330	285
Other liabilities		3,173	1,761
Accrued expenses and deferred income		7,631	5,469
		17,450	9,665
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>289,335</b>	<b>276,869</b>

## Notes

### Note 1 Accounting principles

This year-end 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 the full year of 2021, eEducation Albert AB (publ), eEducation Albert Invest AB and Ampd AB are included in the consolidated accounts. For the full year of 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 year-end 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, 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 December 31, 2022, Albert had a total loss deduction of SEK 208 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 fourth quarter of 2022 amounted to SEK 5,300 (3,707) thousand and to SEK 16,534 (7,749) thousand for the year so far.

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

#### Impairment and reversal of impairment

No impairments have taken place during the period.

### Note 4 Equity

As of December 31, 2022, the registered share capital comprised 17,721,655 ordinary shares (17,579,655) with a quota value of SEK 0.05 (0.05).

### Note 5 Share-based payments

As of the end of December 31, 2022, the company has a qualified employee stock option program consisting of a maximum of 205,668 option rights entitling to a maximum of 372,000 shares, whereby the share capital can increase by a maximum of SEK 18,600. 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 2.10 percent.



## Note 6 Acquisition of business

eEducation On February 24, 2022, Albert acquired all the shares in Sumdog Ltd. The total purchase price amounted to MGBP 8.85, of which GBP 6.85 million 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. Management's assessment is that GBP 1 million of the total additional purchase price will fall out whereby GBP 1 million is reported on other provisions.

The acquisition was valued in SEK at a total of SEK 100.1 million, including expected outcomes on 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 91.7 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 28.2 million pertained to goodwill.

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

<i>SEK Thousands</i>	<b>2022</b>	<i>SEK Thousands</i>	<b>2022</b>
Cash and cash equivalents	87,248	Total purchase price	100,069
Additional purchase price	12,821	Fair value of acquired assets	-71,845
<b>Total purchase price</b>	<b>100,069</b>	<b>Goodwill</b>	<b>28,224</b>
Identifiable assets and liabilities		<i>SEK Thousand</i>	
Software	35	Cash and cash equivalents	-87,248
Trade mark	25,000	Cash acquired	20,620
Self-developed intangible assets	25,000	<b>Outflow of cash to acquire subsidiary</b>	<b>-66,628</b>
Customer relations	30,000		
Tangible assets	189		
Other current receivables	8,785		
Cash and cash equivalents	20,620		
Operating liabilities	-21,304		
Deferred tax attributable to surplus values	-16,480		
<b>Total assets and liabilities acquired</b>	<b>71,845</b>		

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

## Note 7 Pledged collateral

In the previous year, the company has amortized all loans to credit institutions, with which there are no pledged securities as of December 31, 2022. Pledged collateral securities amounted to SEK 0 (0) thousand as of December 31, 2022.

## Note 8 Events following the balance sheet date

During January, Albert has completed a directed share issue of 4,099,410 shares and is hereby provided with MSEK 70 before transaction costs.

During January, all acquisitions communicated during December 2022 were carried out.

## 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>SEK Thousands</i>	<b>Oct –Dec 2022</b>	<b>Oct –Dec 2021</b>	<b>Jan–Dec 2022</b>	<b>Jan–Dec 2021</b>
<b>Geographic market</b>				
Sweden – B2C	15,549	11,085	56,678	38,110
Other – B2C	10,405	7,451	38,589	24,454
UK – B2B*	6,423	-	23,221	-
Övriga – B2B*	1,802	-	4,567	-
<b>Summa</b>	<b>34,178</b>	<b>18,536</b>	<b>123,055</b>	<b>62,564</b>

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

## Key Figures – Definitions

Financial key figures	Definition	Motivation for users
<b>Net sales, LTM</b>	Refers to net sales for the last 12 months	Clarify the company's net sales for the last 12 months
<b>Net income growth</b>	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
<b>Organic net sales growth</b>	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
<b>Adjusted gross profit</b>	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
<b>Adjusted gross margin</b>	Adjusted gross profit as part of net sales	Clarify how much of the Company's net sales remains to cover fixed and variable costs
<b>EBITA</b>	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
<b>EBITA margin</b>	EBITA as part of net sales	Clarifies the company's profitability generated by operating activities. Facilitates comparison of profitability between different companies and industries
<b>EBIT margin</b>	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
<b>Net cash (-)/ liability (+)</b>	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
<b>Working capital</b>	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
<b>Equity ratio</b>	Equity as part of total assets	Clarifies the Company's capital structure and hence the company's financial strength
<b>Earnings per share before dilution</b>	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	Tydliggör aktieägarnas resultat per aktie före utspädning
<b>Resultat per aktie efter utspädning</b>	Periodens resultat efter skatt hänförligt till moderbolagets aktieägare dividerat med det vägda genomsnittliga antalet utestående stamaktier justerat för effekterna av alla potentiella stamaktier som ger upphov till utspädningsseffekt under perioden	Clarifies shareholders' earnings per share before dilution
Financial key figures	Definition	Motivation for users
<b>Number of subscribers</b>	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
<b>ARPPU (SEK)</b>	Average monthly net sales per paying subscriber during the period	Clarifies the company's average net sales per paying subscriber during the period
<b>ARR (MSEK)</b>	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.

# albert

