Annual Report 15/16

AcadeMedia

Contents

Choice of words and definitions

There are some occasions where Stock Exchange requirements for clarity and accuracy in the use of certain terms collide with the way we usually discuss the education industry. A listed company's annual report almost always includes a section called "market overview." Discussing preschool, school and adult education as a market appears inapropriate for most people who work in education; the words "industry" and "sector" would be preferable. A market usually has customers, which is also a difficult concept to use. We use it ourselves when we conduct "customer surveys" among parents, students and adult learners who have chosen our operations. However, we have chosen to explain the concept in our annual quality report, as follows: The word "customer" is difficult to use in school contexts and may need explanation. By "customers," we mean both students and parents for whom the Swedish state and municipalities – or rather, the entire community – have given us a mandate and where we are working to implement this in the best possible way. An annual report is primarily intended for readers with a particular focus on financial matters. We have therefore chosen that in this particular context we will relatively strictly adhere to concepts that cannot be misunderstood by them, but that are sometimes awkward for the education sector.

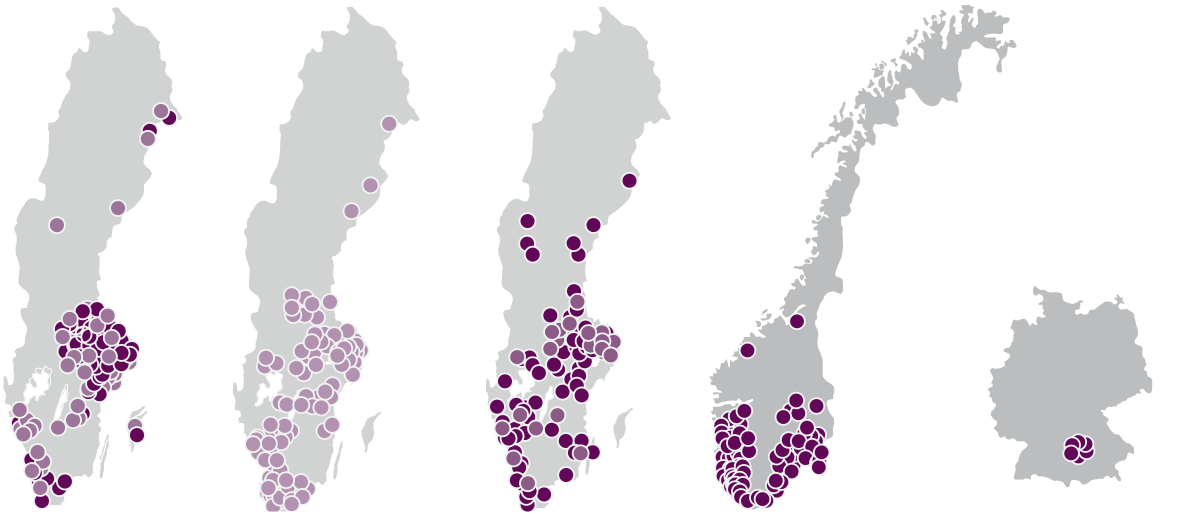
AcadeMedia in brief

Pre- and compulsory school
- Preschools in Sweden
- Cumpolsory schools in Sweden

Upper secondary school
- Upper secondary schools

Adult education
- Language and integration and labor market services [1]
- Higher vocational education and municipal adult education [2]

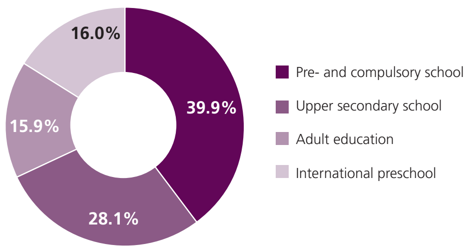
Preschool international
- Preschools in Norway
- Preschools in Germany



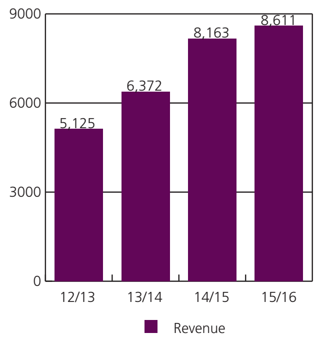
1) Includes all Eductus schools and SFI from Hermods (excluding other Hermods schools and municipal collaborations).

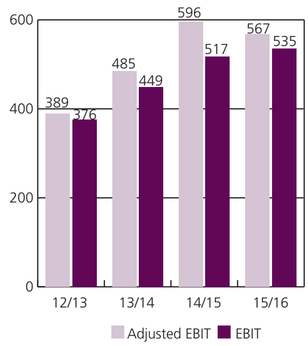
2) Includes Plushögskolan, NTI skolor, Didaktus Vuxenutbildning and KUI.

Share of sales by segment 2015/16



Financial trend 2012/13–2015/16 SEK m





AcadeMedia is the leading and largest independent education provider in northern Europe, and the second largest education provider in Sweden (only the City of Stockholm is larger). We operate along the entire education value chain: preschool, compulsory school, upper secondary school and adult education.

In 2015/16 approximately 63,000 children and students attended AcadeMedia's preschools, compulsory schools and upper secondary schools. An additional approximately 80,000 individuals participated in AcadeMedia's adult education courses. In total, in 2015/16 AcadeMedia had approximately 420 preschools, compulsory schools and upper secondary schools in Sweden and Norway, as well as approximately 150 adult education units in Sweden. In February 2016, AcadeMedia also took its first step in the Company's expansion outside Scandinavia through the acquisition of Joki, operating seven preschools in the Munich area in Germany.

Four business segments

AcadeMedia is organized into four business segments: Pre- and compulsory school, Upper secondary school, Adult education, and Preschool international. The Group has approximately 13,000 employees, corresponding to 10,000 FTEs. About 60% of them work in Pre- and compulsory school, 25% in Upper secondary school and 15% in Adult education. In the Company's financial statements, the geographic areas Preschool Norway and Preschool Germany are reported jointly as the "Preschool international" segment.

The year in brief

- Net sales increased by 5.5 percent and amounted to SEK 8,611 million (8,163).
- Operating profit (EBIT) increased by 3.5 percent and amounted to SEK 535 million (517). Adjusted for items affecting comparability, operating profit was SEK 567 million (596).
- Cash flow from operating activities amounted to SEK 542 million (684).
- The average number of children and students in preschool, compulsory school and upper secondary school during the year was 63,151 (60,897), which was an increase of 3.7 percent.
- The board of directors proposes that no dividend be paid for the 2015/16 financial year.
- The German preschool company Joki was acquired on February 1. It had annual sales of EUR 8 million in 2015 and about 450 children in seven units.
- During the financial year an additional 13 units were acquired and 14 new units opened in Sweden and Norway.
- AcadeMedia was listed on the Nasdaq Stockholm on June 15. Both institutional investors and individuals demonstrated strong interest in the IPO.
- Quality is high on AcadeMedia's agenda. In compulsory school, the grades for spring 2016 show that 85.9 percent of all students achieve their goals, an increase of 1.9 percentage points compared with the previous year. The national average was 74.2 percent.
- Upper secondary school also shows progress for the financial year, as 89.7 percent of students graduated, which was an improvement of 2.3 percentage points compared with the previous year. The national average for spring semester 2015 was 89.2*.

The Group in figures

FACTS	2015/16	2014/15	CHANGE
Net sales, SEK m	8,611	8,163	5.5%
EBITDA, SEK m	722	720	0.1%
EBITDA margin, %	8.4%	8.8%	-0.4 p.p.
Operating profit/loss (EBIT), SEK m	535	517	3.5%
EBIT margin, %	6.2%	6.3%	-0.1 p.p.
Adjusted operating profit/loss (EBIT), SEK m	567	596	-4.7%
Adjusted EBIT margin, %	6.6%	7.3%	-0.7 p.p.
Net financial items, SEK m	-127	-269	52.8%
Profit/loss before tax, SEK m	408	248	63.9%
Profit/loss for the period, SEK m	319	222	43.7%
Number of children and students	63,151	60,897	3.7%
Number of full-time employees	9,714	9,159	6.0%

*) The national average for upper secondary school grades has not yet been published for 2016.

AcadeMedia
We lead the development of the education of the future

AcadeMedia is the leading education provider in northern Europe, with a unique model for growth and development. We operate along the entire education ladder, from preschool to adult education. Our goals and strategies are based on the firm conviction that education is the foundation for the development of society.

"Education is the most powerful weapon which you can use to change the world"

Nelson Mandela

Over the past year AcadeMedia has returned to Nasdaq Stockholm, completed its first acquisition outside the Nordic region, and opened 14 new units in Sweden and Norway. While our business achievements are significant, our greatest success is that our students are increasingly reaching their educational goals.

"The primary objective of our employees is always to create the best possible conditions through which our students can achieve their educational objectives."

AcadeMedia's plan for growth is to expand through the establishment of new facilities as well as through acquisitions. Our multi-brand strategy makes it possible to maintain entrepreneurship and engagement, while taking advantage of the strength, endurance and reliability of a large company. The company serves as a base for over 500 units in three countries. The majority of our 13,000 employees work locally to their respective schools, which gives root to our commitment to individual students. Whether our employees work in a small-town preschool or an urban Sfi-program, their main goal is always to create the best possible conditions through which our students can achieve their educational objectives.

AcadeMedia's quality assurance system, the AcadeMedia model, is utilised across all of our operations. Our constant focus on quality promotes growth, as well as a culture that fosters educational success for all of our participants.

We are now taking the next step – Roadmap 2020

Over the past year we have worked to develop a new strategy for the future. We have involved people from across our organisation in this process, and with their input, experience and critical thinking we have created a strategic plan that we call Roadmap 2020.

Growth for the sake of growth has no intrinsic value for us; rather, our size and our capacity give us the ability to take the lead in development and innovation within the industry. The responsibility inherent in this position inspires both pride and humility.

"The responsibility inherent in this position inspires both pride and humility."

Roadmap 2020 sets out just this: progressing from good to great, from largest to most influential. Each day we will strive to use education to make society a little better. We will do this through our programmes, which aim to make a difference. We will create and offer an environment that is attractive to employees and to students. Our goal is that by 2020 we will be able to clearly demonstrate a measurable impact on society. To achieve this, we need to grow our organisation so that more people have the opportunity to attend our educational programs. According to our financial targets, revenue growth, excluding major acquisitions, should be 5-7 percent per year. This growth rate will create the conditions required for us to achieve the longer-term goals stated in our Roadmap 2020.

Growing education sector

The strategic planning carried out during the year coincided with the arrival of many refugees to Europe. It is a challenge to understand and to adapt to the new reality we all now face. As we developed our Roadmap 2020, we also worked intensively to help newly arrived immigrants enter the education system. We also accepted adult trainees in many of our operations, at headquarters and in units across Scandinavia.

The number of students who will enter the school system will substantially increase over the next five years with well over 100,000 new students expected to enter the system. The increase is due both to increasing age groups and Sweden's high immigration rate. Many new schools need to be built, especially in the major metropolitan areas, and the need for

additional education providers is substantial. We must all do our part to help.

Another important factor is urbanization. We also anticipate a substantial migration to cities and urban regions. This migration is to locations where AcadeMedia has the bulk of its operations. Student age groups in upper secondary schools are currently at their lowest level and will grow by almost 20 percent over the next five years. There will also continue to be an interest in adult education provision. This increased demand is caused by the high level of immigration to Sweden as well as the need for vocational training and retraining for new occupations.

"The Nordic preschool model, which combines child care and learning, is a desirable model for many countries."

The need for education is growing outside of Scandinavia, especially in those countries wanting child care for younger children. The Nordic preschool model, which combines child care and learning, is a desirable model for many countries. This year we have taken a step outside the Nordic region and acquired a German preschool company with seven bilingual preschools located in Munich.

This year, AcadeMedia has consolidated its position as the leading and most influential education company in northern Europe. I would like to extend my gratitude to our 13,000 employees – this success is the result of our collaborative efforts. We are now undergoing an exciting transformation as we move to become a leading international education company. The foundation that we have built together has given us a stable and secure platform for further growth.

Marcus Strömberg
President and CEO, AcadeMedia AB (publ)

A good education for more people through a long-term approach and growth

AcadeMedia was founded in 1996. However, some of the education companies that are currently part of the Group were founded much earlier. Hermods, founded back in 1898 under the name Malmö Språk- och Handelsinstitut, is the oldest.

NTI (Nordens Teknikerinstitut AB) was founded 70 years later, in 1968. Pysslingen, which was founded in 1984, became the first company in Sweden to run independent preschools – despite the introduction of a ban on reimbursements to independent child day care centers that same year (known as the Lex Pysslingen).

1898
→ Hermods is founded

1968
→ Nordens Teknikerinstitut (NTI) is founded

1984
→ Pysslingen is founded

1991
→ Vittra is founded

1996
→ AcadeMedia is founded

2001
→ AcadeMedia is listed on the Stockholm Stock exchange

2004
→ Strategic decision to enter the adult education by acquiring, among others, Eductus

1898 – 1968 – 1984 – 1991 – 1996 – 2001 – 2004

When the independent school reform was introduced in 1992, a large number of entrepreneurs started up their own schools and many of the education companies that are today part of AcadeMedia – such as Vittra, which was founded in 1993, and IT-Gymnasiet, which was founded in 1998 – are a result of this deregulation.

AcadeMedia's operations were initially focused on internet and multimedia production, and mainly comprised the brands Gravity e-learning, New Media Learning (which included Masters of Media, MacMeckarna and AcadeMedia World) and Rekall. In 2001 AcadeMedia was listed on what was then the Stockholm Stock Exchange and three years later began its investment in adult education through the acquisition of companies such as Eductus, which remains one of AcadeMedia's education providers within adult education.

In 2007 NTI was acquired and became AcadeMedia's first actual independent school operation. The same year the Group also acquired Ljud & Bildskolan (today renamed LBS Kreativa Gymnasiet) and Drottning Blankas Gymnasieskola. The Group's strategy of focusing on becoming a leading provider of publicly funded education within the entire chain of education, was also established that year.

In 2008 AcadeMedia acquired Anew Learning from Bure. Anew Learning included Vittra, IT-gymnasiet, Framtidsgymnasiet, Didaktus, Sjölins Gymnasium and Rytmus. Following this acquisition AcadeMedia had more than 20,000 students and participants, and over 70 schools, and Sweden's largest education company was created.

In 2010 EQT acquired the majority of shares in AcadeMedia and a new strategic plan was adopted. In the second half of the year, AcadeMedia's shares were delisted from Nasdaq Stockholm.

In 2011 Pysslingen, ProCivitas, Plusgymnasiet and Plushögskolan were acquired.

In 2012, the Group's quality program was enhanced with the addition of the shared quality model, the AcadeMedia Model. In the spring of the same year, a decision was made to restructure around ten upper secondary schools after which students were no longer admitted to the first year. The restructuring costs of SEK 67 million were recognized in the 2011/12 financial year.

In 2013 AcadeMedia took over a number of compulsory schools from the JB Group, which was experiencing financial difficulties. These schools are now part of Pysslingen Skolor. This year Designgymnasiet and KompetensUtvecklingsInstitutet also became part of AcadeMedia, having also previously been part of the JB group.

In 2014 Stockholms Internationella Restaurangskola and Klara Gymnasium were acquired, supplementing the Upper secondary school segment.

Later the Group also acquired Hermods, which mainly offers adult education, thereby doubling AcadeMedia's adult education offering to its current size.

In 2014 AcadeMedia also expanded beyond Sweden, by acquiring the Norwegian preschool chain Espira, which had about 75 preschools at the time.

A decision was taken in spring 2015 to restructure twelve units. The resulting costs of SEK 65 million were recognized in the 2014/15 financial year.

In February 2016 the German preschool group Joki became part of AcadeMedia. The acquisition included seven preschools in Munich and was AcadeMedia's first outside Scandinavia.

During the financial year an additional 13 units were acquired and 14 new units opened in Sweden and Norway.

2007 – 2008 – 2010 – 2011 – 2014 – 2016

2007
→ Acquisition of NTI

2008
→ Acquisition of Anew Learning, owner of Vittra, Framtids-gymnasiet, IT-gymnasiet, Rytmus and Didaktus makes AcadeMedia the largest education provider in Sweden

2010
→ EQT acquires majority in AcadeMedia and delists the company from the Stockholm Stock Exchange

2011
→ Continued successul execution of designated M&A strategy with several,acquisitions, incl. Pysslingen and ProCivitas

2014
→ Acquisition of Hermods, one of Swedens oldest education providers, making AcadeMedia the largest provider of adult education in Sweden

→ Internationalization of AcadeMedia through the acquisition of Espira, the second largest pre-school operator in Norway

2016
→ Expansion into Germany through the acquistion of Joki, pre-school operator with seven units in Munich area

→ AcadeMedia is listed on the Stockholm Stock exchange

100% will reach the goal

Historically, AcadeMedia has demonstrated that it is highly capable of achieving the goals it sets. Our business concept and vision help us to stay on course, and are largely unchanged since 2010. The long-term approach in the formulations is important because it creates stability despite our rapid growth and development.

Our business concept

The AcadeMedia business concept is to develop attractive, quality leading educational institutions throughout the education chain – from preschool to adult education.

This means that everyone who chooses our programs will be optimally positioned to achieve not only the formal educational objectives of the program as written in the policy documents, but also their own personal goals.

Our vision

AcadeMedia's vision is to be "an international role model when it comes to quality, results and innovation."

In order to be an international role model, AcadeMedia must always carefully monitor and control its operations, thereby enabling it to compare results, both between Group units and with other education providers. Consequently, AcadeMedia has a quality management system that promotes innovation and development. For this reason, the AcadeMedia Model, AcadeMedia's group-wide model for quality and governance (see quality section page 12), focuses on elements that allow a structured exchange of experiences, both internally within the Group and with external providers.

Our goals

AcadeMedia's overarching goal is to provide the highest quality education in the areas where the Group operates.

By 2020 we will be the leading and most important education provider in Europe. This represents a clear movement toward our vision, which is to be an international role model.

To achieve this goal, we will be the leader in:

- Quality
- Attractiveness, both for employees and participants
- Efficiency
- Innovation

Financial targets

AcadeMedia intends to grow organically by utilizing spare capacity in existing units, and by opening new units. AcadeMedia also intends to continue to grow by taking over education units from other providers and by acquiring other operations as the market continues to consolidate. AcadeMedia's growth target for net sales is to grow by 5-7 percent annually, excluding major acquisitions. AcadeMedia's profitability target for operating profit (EBIT) excluding non-recurring items shall amount to 7–8 percent of net sales over time.

With respect to indebtedness, AcadeMedia's target is to have an interest-bearing net debt in relation to operating profit before depreciation and amortization (EBITDA) and excluding non-recurring items with a maximum factor of three. During brief periods, however, deviation from this target may occur, such as in connection with major acquisitions.

Dividend policy

AcadeMedia's main responsibility is to provide a good education for the reimbursement received. This must be done as efficiently as possible. AcadeMedia's unrestricted cash flow will primarily be reinvested in the operation in order to maintain high quality and to finance future growth. The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets relating to quality and financial position.

Financial targets

		Objective	Outcome 2015/16
Growth	5-7%	• AcadeMedia's growth target for net sales is to grow by five to seven percent annually, excluding major acquisitions.	5,5%
Profitability	7-8%	• AcadeMedia's profitability target for operating profit (EBIT) excluding non-recurring items shall amount to 7–8 percent of net sales over time.	6,6%
Capital structure	<3,0x	• AcadeMedia's target is to have an interest-bearing net debt in relation to operating profit before depreciation and amortization (EBITDA) and excluding non-recurring items with a maximum factor of three. During brief periods, however, deviation from this target may occur, such as in connection with major acquisitions.	3,1x
Use of free cash flow	–	• Free cash flow should primarily be reinvested. • The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets relating to quality and financial position.	No dividend

Quality is the only thing that pays off in the long run

Only by offering high-quality programs can AcadeMedia be successful. All units within AcadeMedia are united in the shared conviction that quality ultimately pays off. Offering all preschool children, students and adult learners an education that is of such high quality that they achieve their goals and their full potential is the Group's main strategy.

Each provider and unit within AcadeMedia has a proactive policy as prescribed by the Swedish Education Act and other policy documents. To make the most of the opportunities within the Group, AcadeMedia has also assumed an increasingly active role in quality and development work on an overarching level – partly to become a more effective sounding board for the various units that make up AcadeMedia, and partly to be able to guarantee that all children, students and adult learners receive a high-quality education. Consequently quality initiatives have been carried out at AcadeMedia on three levels: the group level (AcadeMedia), provider level (e.g. Pysslingen Skolor) and the unit level (e.g. Alfaskolan).

AcadeMedia publishes annual quality reports at these three levels, describing the progress within the different educational formats. The Group's most recent comprehensive quality report shows that AcadeMedia overall has achieved satisfying results within all quality aspects.

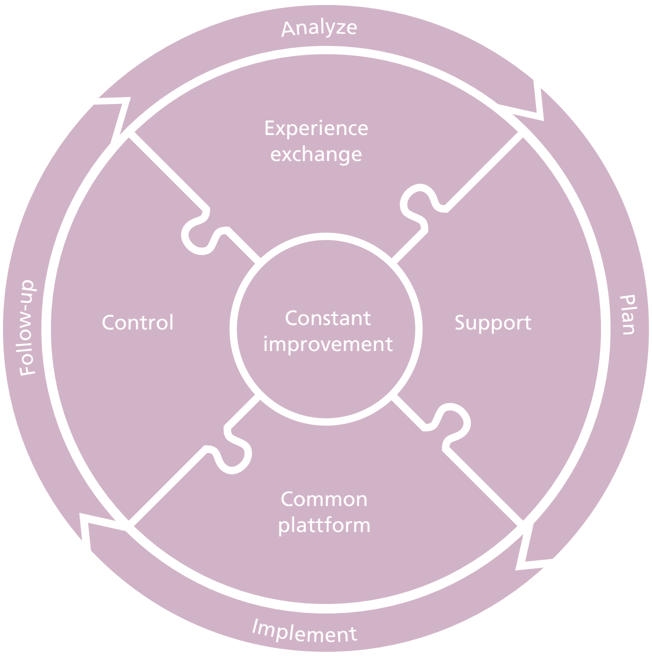
AcadeMedia Model

AcadeMedia has a well-developed model for quality and development – the AcadeMedia Model – that allows in-depth follow-up and comparisons of results from the units within AcadeMedia as well as in relation to other education providers. The common quality platform also makes it possible to identify the most effective and efficient method of operation, laying the foundation for successful development.

Along with AcadeMedia's size and strength, the AcadeMedia Model provides security both for the operations that are part of the Group and for the

AcadeMedias definition of quality

"To the greatest extent possible reach the national goals for the education/operations (functional quality), by methods that earn our customers' confidence (perceived quality) and to prepare our children/students/participants to advance in the education system or their careers and within the community (efficient quality)."



students, parents and adult learners who have chosen one of AcadeMedia's education programs. The model is also the Group's quality management system, tasked with creating a common approach and a shared focus on goals, ensuring consistent quality monitoring and transparency, driving systematic quality and development initiatives and providing security and room for the units to act on their own initiative.

The base of the AcadeMedia Model consists of a common definition of quality, common objectives and performance indicators, as well as common monitoring and evaluation. In addition, an advanced control system ensures that the quality of all AcadeMedia education programs is good, the units receive support and assistance in their development and the various providers in the Group benefit from a structured exchange of experiences.

AcadeMedia's quality model is also adapted to local conditions and applied in the Norwegian and German units. Like their counterparts in Sweden, the units in both countries conduct customer and employee surveys to identify areas for improvement. They also have self-assessment systems.

The units in these countries share good ideas and practices related to their improvement initiatives. For example, the German unit implemented parts of Norwegian Espira's work with standards related to various common key processes.

Within Preschools, for some time the Swedish units have applied a proprietary assessment tool called the Learning Index to ensure that the preschools are complying with the curriculum. In 2015 the Learning Index was implemented in Norway, initially through a pilot program in which a limited number of units participated. This initiative will continue and expand in 2016/17. In 2016/17 efforts will continue to ensure the exchange of best practices between and within countries.

Focus on our main mission

"The AcadeMedia Model provides security both for the operations that are part of the Group and for the students, parents and adult learners who have chosen one of AcadeMedia's education programs."

Focus on quality performance

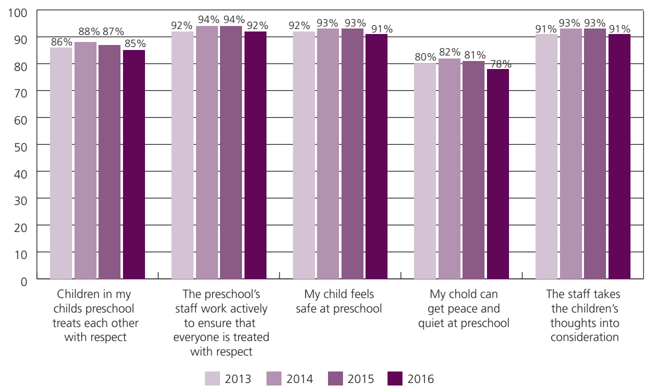
One reason that we constantly ask ourselves how well we are doing our job is that it gives us a solid foundation for development and improvement. We want to go from being good to being the best and we will not be satisfied until everyone reaches their goals.

Within AcadeMedia we are open about our performance, what we do well and what we are not really satisfied with – a transparency that we believe will help us in our quality and development initiatives. Below is a summary of selected data related to quality performance at each type of school. To learn more about how we work with quality and our performance, check out our quality report, which is available at www.academedia.se.

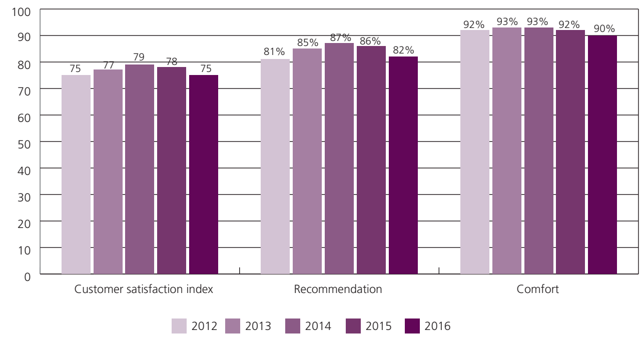
Quality performance: preschool

AcadeMedia conducts an annual survey among parents of preschool children. The most recent survey was carried out in early 2016. The bar charts below shows that parental

Learning environment – parents of preschool children



Perceived quality – parents of preschool children



satisfaction continues to be high at AcadeMedia's preschools, though it is somewhat lower than the previous year.

The highest outcome was in response to the question of whether staff at the preschools take responsibility to ensure that everyone is treated with respect. In this case, 92 percent of parents marked the highest response (7-10) in the survey. Almost as many, 91 percent, feel that their own children feel secure at the preschool and 90 percent say that their children enjoy being at preschool. The result was lower for the question on whether children can experience peace and quiet at the preschool (78 percent).

Both public and independent preschools are regularly inspected by the respective municipality. In 2015 a total of 37 of AcadeMedia's preschools were inspected. Eleven of the inspected units received no remarks whatsoever and none of the preschools received comprehensive and/or serious criticism. An additional 9 preschools received decisions following inspections conducted during the first half of 2016. Shortcomings were pointed out at a few of them and are now being rectified. Comments and shortcomings identified in connection with inspections are always promptly remedied, after which cases are usually closed without further complaints.

Quality performance: compulsory school

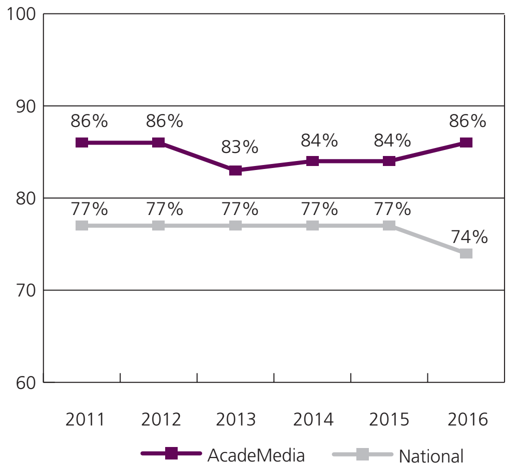
AcadeMedia's compulsory schools have grade scores that substantially exceed the national average regarding the percentage of students in grade 9 who meet proficiency requirements in all subjects, the percentage eligible for upper secondary school and average assessment level.

According to AcadeMedia's compilation of grades for the 2015/16 academic year, the percentage of graduating students who earned the grade E in all subjects increased from 84 to 86 percent (the national average was 74 percent). The average assessment level for AcadeMedia's compulsory schools calculated based on 17 subjects increased by one unit to 241.7, the national average was 224.1.

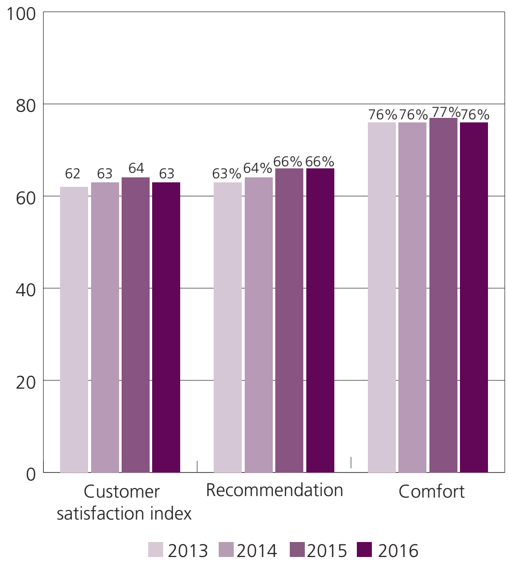
Regarding the perceived quality expressed in the Customer Satisfaction Index (CSI), the recommendation rate and comfort rate in 2016 remained essentially at the same levels as the previous year among both students and parents.

The Swedish Schools Inspectorate is responsible for supervision of compulsory schools. None of AcadeMedia's compulsory schools were subjected to regular monitoring in 2015 or the first half of 2016.

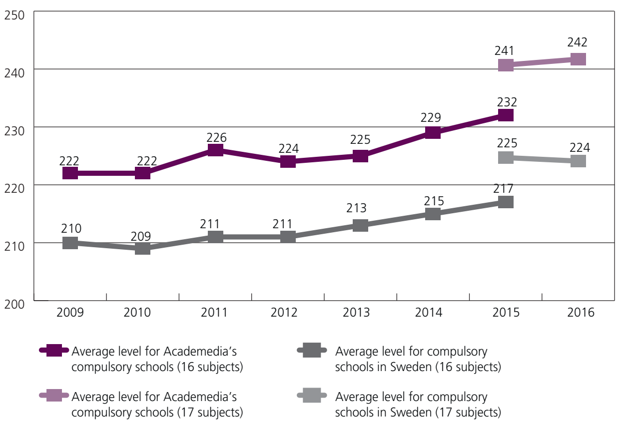
Percentage of students in grade 9 who earned a grade of at least E in all subjects



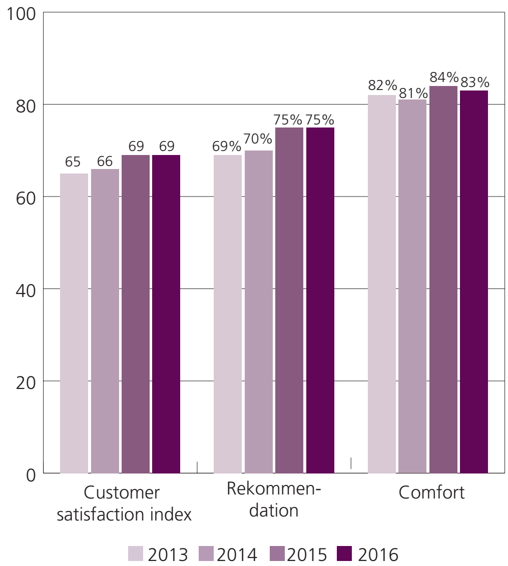
Perceived quality – compulsory school students



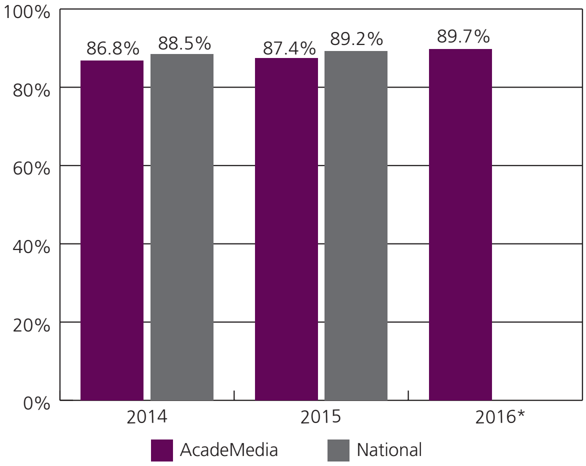
Average assessment level in grade 9



Perceived quality – parents of compulsory school students

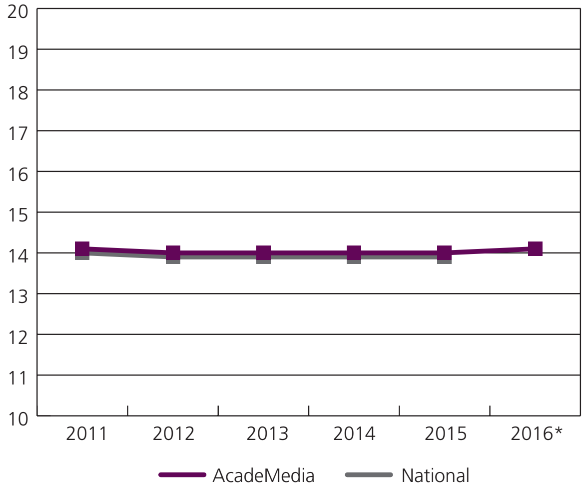


Upper secondary school student graduation rate



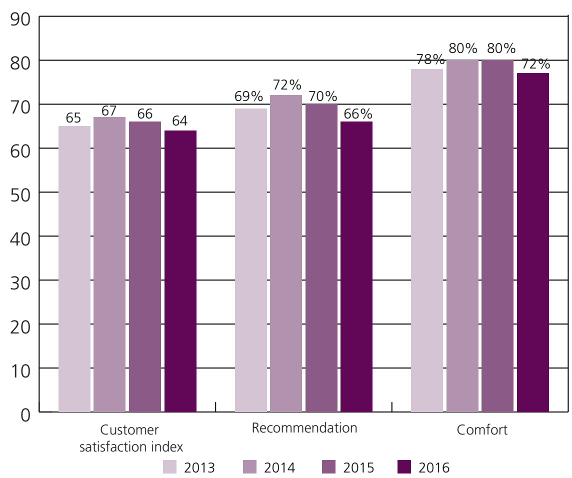
* 2016 results are preliminary and are based on the principal's own compilations. The definitive outcomes will be presented in the National Agency for Education's SIRIS database in December 2016, at which time the national average for 2016 will also be published.

Grade point average
(students with leaving certificates)



* 2016 results are preliminary and are based on the principal's own compilations. The definitive outcomes will be presented in the National Agency for Education's SIRIS database in December 2016, at which time the national average for 2016 will also be published.

Perceived quality – upper secondary school students



Quality performance: upper secondary school

AcadeMedia's preliminary compilation of grades for the 2015/16 academic year shows an increase in the percentage of upper secondary school students who graduated from 87.4 to 89.7 percent. Last year's national average was 89.2 percent.

The average grade points (based on students with a school leaving certificate) in AcadeMedia's upper secondary schools in the 2014/15 academic year was 13.9 – to be compared with the national average of 14.0. According to the preliminary compilation of grades, step of grade points during the academic year 2015/16 to 14.1. Final outcomes and comparisons with national averages will not be reported until the turn of the year, when national statistics for grades are presented in the Swedish National Agency for Education's SIRIS database

Perceived quality among upper secondary school students is in line with the compulsory schools in terms of the Customer Satisfaction Index (CSI), the recommendation rate and the comfort rate.

Just as for the compulsory schools, the Schools Inspectorate is the supervisory authority for the upper secondary schools. No regular inspections of upper secondary schools within AcadeMedia were carried out in 2015. During the first half of 2016, however, the Schools Inspectorate took 51 decisions upon completion of secondary school inspections within AcadeMedia. While 33 of these decisions were completely without criticism, one contained a remark and 17 contained injunctions. Two decisions with injunctions also carried the threat of a penalty. The supervisory authority closed one of these cases after the provider reported the measures that were taken, and the Inspectorate will follow up on the other case during the fall semester of 2016. The rest of the upper secondary schools within AcadeMedia will also undergo their regular inspections at that time.

"Everyone should have access to a quality education."

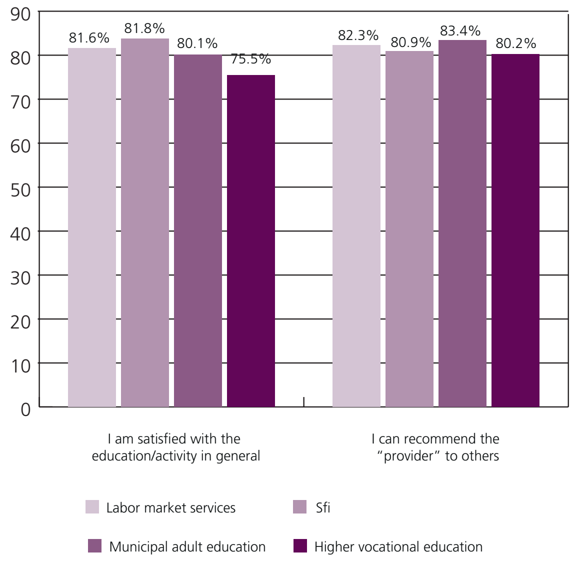
Quality performance: Adult education

Adult education includes units that specialize in various forms of education and labor market assignments. These include language and integration, municipal adult education, labor market services and higher vocational education. Since the operations vary so greatly they also differ in terms of who is the client, who attends the programs and the nature of the governing rules and principles.

The three most common clients are the Swedish National Employment Agency, the Swedish National Agency for Higher Vocational Education and various municipalities. This diversity makes quality follow-up more complex in adult education than in other types of schooling and education.

In recent years AcadeMedia has intensified its efforts to develop a common monitoring program in order to aggregate and compare the results of adult education to a greater extent. Certain follow-up procedures remain to be formulated and this initiative will continue in 2016 and beyond. The most recent example is a new survey conducted with about 50,000 participants to identify the steps they took after graduation. The results will be presented in autumn 2016 and the initiative is part of AcadeMedia's efforts to improve integration, prepare more people for employment and achieve the overarching objectives.

Perceived quality – adult education



Perceived quality

For the first time, AcadeMedia's adult education units followed up on participant satisfaction with the program/ operation over the past year. The results show that they are generally satisfied with their studies/activities and would also recommend AcadeMedia's education providers to others. The overarching objective remains that 100 percent should be satisfied with the program offered.

Other results in brief

Language and integration

In 2015 AcadeMedia issued more than 6,000 certificates in Swedish for Immigrants (SFI) and the students had an average of about 231 hours to complete the course (the national average in 2014 was 213 hours according to the most recently reported figures). No serious criticism has been aimed at AcadeMedia's SFI courses in recent years in conjunction with the completed inspections.

Municipal adult education

All of AcadeMedia's upper secondary level adult education programs are contracted by more than 170 municipalities around the country. The grade scores (percentage of students who achieve minimum passing marks) in 2015 are in line with the national averages – somewhat above the average regarding basic adult education and slightly below average for upper secondary school.

The programs are inspected indirectly every time the Swedish Schools Inspectorate conducts an inspection of one of the municipalities. In 2015, no serious criticism was leveled at AcadeMedia's education providers in basic and upper secondary adult education. In March 2016, the Swedish Schools Inspectorate criticized Helsingborg Municipality due to shortcomings found in education provider Hermods AB regarding assessment of the practical elements of the education program. Measures have been taken and the Schools Inspectorate closed the case.

Labor market services

AcadeMedia gets continual feedback from the Swedish National Employment Agency concerning the various projects run within its remit. No serious remarks were issued last year.

Higher vocational education

In 2015, 85 percent of students in AcadeMedia's higher vocational education programs had a job six months after graduation. This figure represents an improvement over the previous year when it was just over 80 percent.

In 2015 the National Agency for Higher Vocational Education conducted a total of 15 inspections of AcadeMedia's higher vocational education programs. Ten of these inspections resulted in remarks requiring corrective measures and improvements. The regulatory agency severely criticized Plushögskolan for failing to provide an adequate amount of instructor-led teaching. All of these cases are now closed.

An idea-driven commitment that builds sustainable communities

AcadeMedia's operations and the decisions taken by AcadeMedia's management affect many people. Young people are influenced by the quality of their education, while education could help provide a second chance for adults who for some reason may need to change direction. What AcadeMedia does, and how we do it, is therefore highly significant.

Education is both a long-term and idea-driven field in which what is done and decided today will build our society for a long time to come.

We have chosen to highlight a few areas that we see as particularly important for building a long-term sustainable operation.

"Education is a long-term idea-driven field in which what is done and decided today will build our society for a long time to come."

Student health

Students at compulsory school (including the preschool class) and upper secondary school have a statutory right to student health services covering medical, psychological, psychosocial and special educational needs. The school must ensure that the students have a good environment that fosters their personal development and in which they can develop their knowledge.

Student health-related initiatives can be found on three levels within AcadeMedia.

School level

Each school has a local student health service to help create environments that promote health, learning and development among students. The student health service supports students' development toward their educational goals and removes obstacles to learning and development.

Principal level

The principal level supports the work carried out locally and follows up the school's student health work in the central quality departments that exist under each principal.

Segment and Group level

At the segment and Group level, AcadeMedia supports the providers' work to satisfy the students' right to student health services at their schools. Knowledge concerning student health is compiled across the Group in partnership with the various providers within AcadeMedia. One important task is to create equitable and qualitative student health for all of the units within AcadeMedia.

The concept of student health does not formally exist in either the preschool or adult education. However, all AcadeMedia preschools also work to promote the children's health, learning and development.

Ethics

AcadeMedia is a company that benefits society. Many social challenges remain in Sweden in areas such as migration and integration, global competition, digitalization, unemployment and equal opportunities for all – AcadeMedia is working with all of these challenges. AcadeMedia's Group approach is based on expertise, innovation and responsibility. This responsibility is based on the fundamental view that AcadeMedia keeps its promises, shoulders its social responsibility, respects people's differences and tolerates scrutiny.

AcadeMedia has established a code of conduct to clarify its responsibility for the impact that the Group's decisions and activities have on its surroundings and the wider environment. The code of conduct is a joint framework for matters relating to human rights, labor rights, the environment and anti-corruption and is based on the Global Compact, which was established by the UN in 1999. The code applies to all of AcadeMedia's employees and subsidiaries, both in Sweden and abroad, as well as in regard to the Company's suppliers and their subcontractors.

Under this code of conduct, in all of its activities AcadeMedia is to actively give consideration to human rights and avoid involvement in activities that contravene these in any way. All managers and heads within the Group are expected to take responsibility for ensuring that their personnel are granted access to, understand and act upon both the content and purpose of this code of conduct. Behavior or acts that are not in compliance with the code, or that may be interpreted as a breach, must be reported to the employee's immediate superior or according to the prevailing whistle-blowing policy.

AcadeMedia's code of conduct and whistle blowing policy can be found in full on the AcadeMedia website, www.academedia.se.

Environment

AcadeMedia's main environmental impact involves how we manage all of our facilities, purchases, school meals and travel. In Sweden we rent a total of about 620,000 square meters of space, so our behavior in relation to landlords is of great importance to our environment.

Premises

AcadeMedia works continually to ensure that subcontractors choose the right materials and that heating and lighting use as little energy as possible in both existing and new premises.

Purchasing and travel

The Group imposes high requirements on its suppliers in framework agreements, including as regards compliance and signing up to collective agreements. AcadeMedia also requires eco-labeled products to be purchased as far as is possible. Around 50 percent of the cleaning in the Group's Swedish schools is done using products carrying the Swan eco-label, and the aim is to get this up to 90 percent in the next few years. The Group's travel policy endeavors to reduce air travel and the number of flights has declined considerably since the travel policy was changed.

School food

AcadeMedia has clear guidelines for the food served in the Group. These guidelines regulate matters such as how the Group will minimize its environmental impact. For example, AcadeMedia has about 100 kitchens, all of which are required to buy only Swedish poultry and pork. Fresh fish must be MSC-labeled. By way of direct contracts with producers, AcadeMedia endeavours to trace the origin of raw materials and no red-listed or genetically modified ingredients may be used in school meals. Fifteen of AcadeMedia's school kitchens became KRAV-certified in 2015 and AcadeMedia is working to get further kitchens KRAV-certified – including those of the Group's suppliers.

People make all the difference

Every day AcadeMedia's approximately 13,000 employees interact with our approximately 143,000 preschool children, students and adult learners. The ability to attract, develop and retain competent and skilled employees and managers is crucial for AcadeMedia's ability to achieve its goals.

If employees are to be able to help children, students and participants succeed, they must find their work stimulating and enjoy their workplace. AcadeMedia therefore actively works on a number of strategic personnel matters, such as being and profiling itself as an attractive employer, using structured recruitment processes, emphasizing internal mobility, working on the external and internal supply of talent and succession planning, and offering leadership development and training. AcadeMedia Academy, AcadeMedia's hub for internal training and development, is the engine driving management development and training.

Each year AcadeMedia compiles employment key performance indicators at the Group level in order be able to track the changes that take place from year to year and to be able to improve and develop the operations.

Annual surveys

To follow up on how employees perceive their work situation, AcadeMedia conducts annual staff surveys, most recently at the beginning of 2016 (only within the Swedish units). The results of the surveys indicate a positive trend for a number of years, with stable high values for all areas measured: Employee Satisfaction Index (ESI), commitment, attractiveness and leadership index. The results of the 2016 surveys are in line with the previous year's results

COUNTRY	NUMBER OF EMPLOYEES*	NUMBER OF FTES*	PERCENTAGE WOMEN,%**
Sweden	10,503	8,318	72%
Norway	2,353	1,909	89%
Germany	165	140	95%
Group total	**13,021**	**10,366**	**75%**

* At financial year-end June 30, 2016
** Percentage of women based on number of employees

13,000 employees in three countries

Our operations are labor-intensive; the Group had an average of 9,714 full-time employees (FTEs) during the 2015/16 financial year, of which more than 70 percent were women. Many of our employees work part-time, for which reason the number of employed individuals is significantly higher.

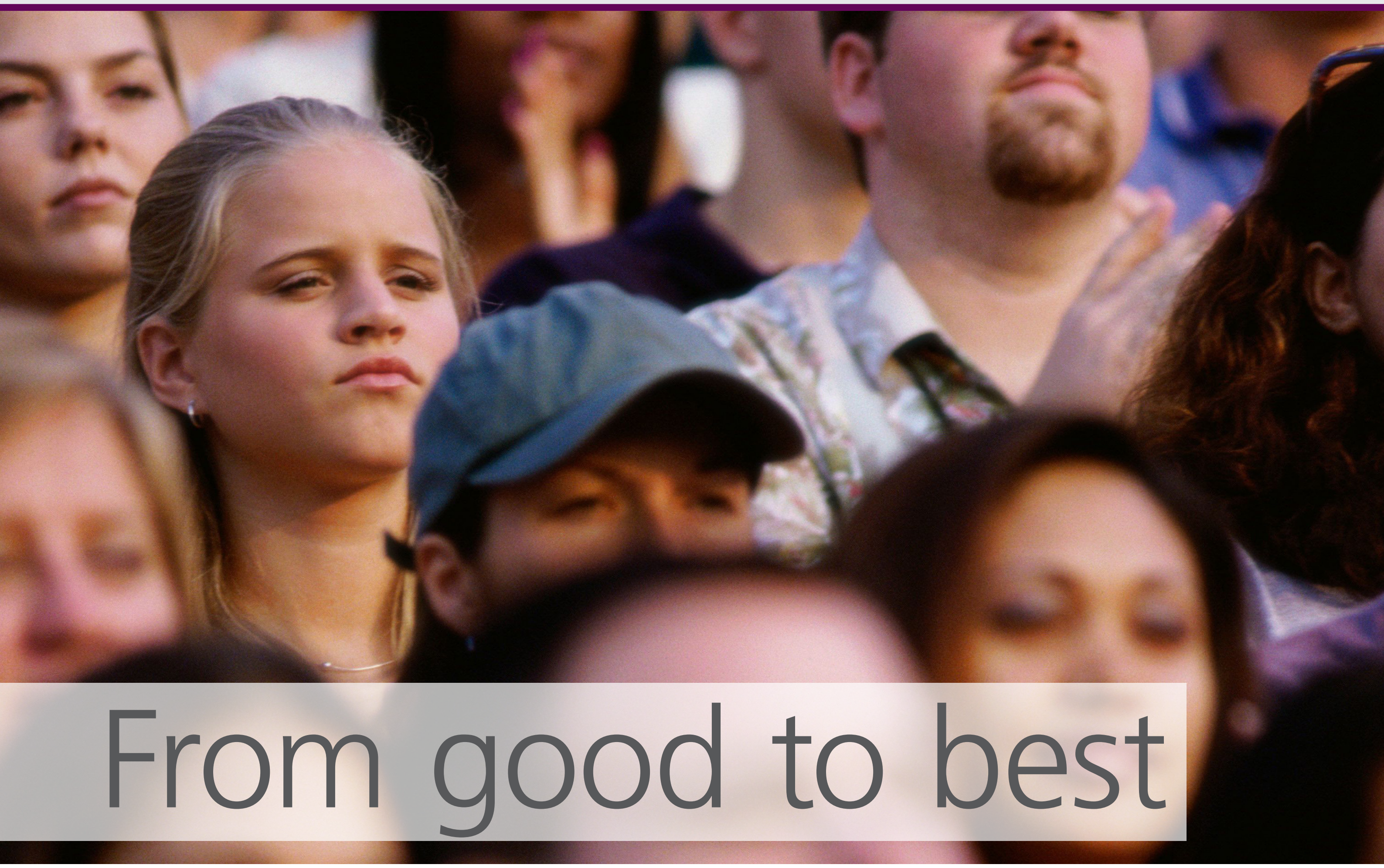
Educators accounted for 78 percent of the total number of FTEs. AcadeMedia has appointed 401 lead teachers.

Total absence due to illness within AcadeMedia was 6.2 percent in the 2015/16 financial year, which breaks down into 3.0 percentage points short-term absence (1 to 14 days) and 3.2 percentage points long-term absence (more than 14 days). These figures only apply to the Swedish operation; sickness absence for Preschool Norway was 7.2 percent for the 2015 calendar year. Work to reduce absence due to illness in the Group's units is ongoing within the business areas, with support from the respective segment organization and the Group's HR department.

Teachers with credentials in the Swedish operation

Regarding teachers, AcadeMedia's obvious aim is to have as high a percentage of certified teachers as possible. According to data reported to the Swedish National Agency for Education's SIRIS database in autumn 2015, within the Upper secondary school segment AcadeMedia has a lower percentage of teachers with teaching credentials (74.9 percent) than the national average (79.1 percent). In the compulsory school segment, the percentage of teachers with teaching credentials is again lower (59.3 percent) than the national average (72.7 percent). The business areas are actively working to increase the percentage of certified teachers, for example by encouraging employees to take courses to earn their credentials. Where possible, certified teachers are recruited to replace uncertified teachers who leave their jobs.

"The ability to attract, develop and retain competent and skilled employees and managers is crucial for AcadeMedia's ability to achieve its goals."



From good to best

AcadeMedia intends to be a leading provider regarding systematic quality and development work for the education sector in general.

Roadmap 2020

This plan outlines AcadeMedia's goals and how the Company is working to become a leader in quality, attractiveness (employees and customers), efficiency and innovation. The goal is to go from being good to being the best.

AcadeMedia is in a strong position to continue to grow sustainably and profitably. AcadeMedia wants to be an attractive choice for students, parents and adult learners, and therefore the basis of the Group's strategy is to continue to be the leading provider from a quality perspective within all segments in which the Group operates. The Group also plans to continue its expansion within existing and new geographical markets, both organically and through acquisitions.

Market-leading quality level and educational diversity

The Group's objective is to deliver high-quality education with diverse educational models and study focuses. We see a strong trend indicating that a focus on quality is becoming increasingly important for both public and independent providers in the education sector. In addition, offering high-quality education is becoming an increasingly important competitive advantage, with growing awareness among students and adult learners, as well as parents. AcadeMedia intends to be a leading provider regarding systematic quality and development work for the education sector in general.

As part of this, AcadeMedia aims to have the best school principals, preschool heads and unit heads in the sector.

As northern Europe's leading and single largest independent education provider, with around 550 education units throughout the education chain, it is inevitable that problems will occasionally arise at the unit level. To ensure that problems are rapidly resolved, regardless of whether the problem is due to the unit's or the Group's own mistakes or to factors beyond its control, the size of the Group enables it to have an emergency team able to cover a number of different functions. This team varies somewhat depending on the functions needed to assist in each situation, but generally consists of head teachers with extensive experience, educational developers, quality specialists, specialists in dealing with people, communications specialists and, where relevant, security personnel. The work is generally carried out both in the unit in question and centrally. This team provides a high degree of security for the Group's individual units and AcadeMedia intends to continue with this model of working in order to be able to minimize the consequences of any problems that arise by acting quickly.

Improved capacity utilization

AcadeMedia believes that there is further potential to achieve a higher level of long-term sustainable profitability through efficiency improvements in the operations, particularly through improved capacity utilization in the Group's existing units. The potential is greatest in the upper secondary schools, where capacity utilization stood at an average of 83 percent in 2015/16 after several years of a decreasing student base as a result of demographic trends. There is also a potential in the compulsory schools where the capacity utilization was around 87 percent during the year.

The economic effect of filling up classes is significant, since the cost increase for each additional student or participant in an existing class is only marginal. Other efficiency improvements are expected to come largely from the Group realizing economies of scale, such as in terms of increased bargaining power in purchasing for the Group and in lease negotiations.

Organic growth by establishing new units

AcadeMedia sees great opportunities for continued organic growth through the establishment of new units, particularly in the preschool segment. The Group believes that positive demographic trends and increasing urbanization in the coming years will create good opportunities for establishing new units in large and medium-sized growth municipalities in Sweden, Norway and Germany.

AcadeMedia plans to focus on geographic areas with a high population growth rate and where new homes are being built. As a rule, new preschool units in areas of this type quickly reach satisfactory levels of capacity utilization that are retained over time.

"High-quality education is an increasingly important competitive advantage."

Continued growth in adult education

AcadeMedia is the leading provider of adult education in Sweden and has a wide range of educational programs and strong brands. Adult education is a priority area for politicians and the Group is of the opinion that large investments will be made, in both the long and the short term, to improve opportunities for unemployed people and newly arrived immigrants to be integrated into society. The Group is also of the opinion that major investments in education programs will be required in order to maintain satisfactory skill levels within certain job categories, such as healthcare and the manufacturing industry.

AcadeMedia has historically demonstrated a good ability to win new contracts through tender processes; in the 2015/16 financial year the Group won more than half of the tender processes in which it participated.

Continued consolidation of the fragmented market in existing geographic markets

As the market-leading and largest individual independent provider in northern Europe, AcadeMedia is the natural player to continue to drive the consolidation of the fragmented education market in Sweden and Norway. AcadeMedia can also help drive consolidation in Germany. The Group has historically been successful in integrating and refining both small supplementary acquisitions and major strategic acquisitions. AcadeMedia continually reviews and evaluates potential acquisitions based on a comprehensive acquisition strategy that aims to grow and strengthen the Group's position in areas with a growing and sustainable student base, to make acquisitions where the Group's knowledge, quality focus and size can contribute to raising the quality and efficiency of the acquired operations and to make strategic acquisitions of strong brands.

Quality and financial performance are closely linked

Evaluation measures and actions for individual units

International expansion focusing on the preschool operations

AcadeMedia's aim is to expand its business over the coming years into markets outside Sweden. The first step in this international expansion was taken in 2014 through the acquisition of the preschool provider Espira in Norway. At the time of the acquisition Espira was one of the largest independent preschool providers in Norway and had a number of similarities with the Group's other preschool operations regarding teaching methods and quality model. The acquisition of Espira and its subsequent integration prove the Group's ability to acquire and develop operations outside Sweden.

Nordic preschools are often held up as an example internationally, mainly because of the educational model, which places the child clearly at the center and focuses on learning from an early age. The preschool system includes children from the ages of one to five and also integrates all these ages into a cohesive group, which is unusual internationally. This enables both parents to continue their education and have active careers. As Europe becomes increasingly gender equal, particularly in the job market, there will be greater demand for functioning child care that allows both parents to work.

AcadeMedia is seeing this development in a number of European countries and continually evaluates opportunities to export the Nordic preschool model, of which AcadeMedia is the leading provider. AcadeMedia has carried out a detailed analysis of the German preschool market over a long period and believes there are good opportunities for successful expansion, since this market is in many respects similar to the Norwegian and Swedish preschool markets. In February 2016 AcadeMedia expanded its operations into the German market through the acquisition of Joki with seven preschools and a total of around 450 students in the Munich area. AcadeMedia intends to continue its expansion in Germany – both organically and through acquisitions, with Joki as the foundation.

AcadeMedia is prioritizing growth in Norway and Germany, but also sees opportunities to expand into other nearby markets. Focus on preschools.

Population growth and urbanization

In countries where AcadeMedia operates – Sweden, Norway and Germany – the number of children and young people is growing. The result is a growing need for preschools and schools. The number of adults is also growing due to both domestic population growth and a high immigration rate.

In Sweden, the number of children and young people of school age (1-18 years) is expected to increase by about 2.1 percent per year between 2015 and 2020. This represents an increase of about 220,000 preschool children and students.

In Norway the number of preschool-age children is expected to increase by 1.0 percent per year between 2015 and 2020, representing about 11,900 children. In both Sweden and Norway the increase is expected to be greater in densely populated areas than in the countries as a whole because of the urbanization trend. AcadeMedia has the majority of its units in urban areas in all countries where we operate.

The same growth trend can be seen in Germany. The increase in the number of children between one and six years is expected to be 0.6 percent annually between 2015 and 2020. As a result of this expected positive trend within all age categories, the prospects for long-term growth and profitability within the market for publicly financed education are good, especially in urban areas.

"AcadeMedia assesses that investments in schools and education will continue to increase in line with a growing student and participant base and increasing labor costs, political initiatives and immigration in all regions where the Group has operations."

Increasing investments in schools and education

Investments in schools and education have increased steadily in recent years. In Sweden, the national average school funding per student at preschool, compulsory and upper secondary school level increased by 3.0 percent per year on average between 2007 and 2014. The increase within AcadeMedia's schools was between 2.4 and 3.2 percent in 2015, depending on type of school.

The increase is largely due to increasing labor costs, driven by a general shortage of teachers and by various political initiatives to increase the status of teaching as a profession. Within the area of adult education, the investments and allocations have increased over a lengthy period as a result of an increased political focus on the integration of immigrants and refugees and also on targeted efforts to increase employment and provide opportunities for adults to reskill. For example, investments in labor market education grew from SEK 2.1 billion in 2009 to SEK 3.9 billion in 2014. In Norway, investments in preschool education also increased by an average of 9.0 percent per year from 2007 to 2014. In Germany, legislation governing guaranteed places at preschool for all children over the age of one year contributed positively to investments in recent years, primarily in the independent for-profit preschool sector.

AcadeMedia assesses that investments in schools and education will continue to increase in line with a growing student and participant base and increasing labor costs, political initiatives and immigration in all regions where the Group has operations.

Increased penetration of independent providers

Although the share of independent providers differs within preschools, compulsory schools, upper secondary schools and adult education, there is a consistent trend for independent providers to make up an increasingly large and important part of the education market. Two of the underlying drivers behind this are the citizens' desire to have a free choice of schools and educational focus, and the competitiveness of the independent providers.

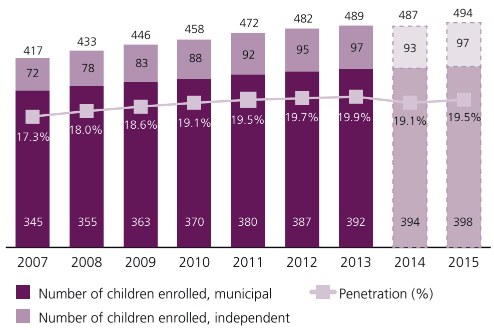
Between 2007 and 2015 the proportion of children in independent preschools in Sweden increased from around 17 percent to around 20 percent, and for Swedish compulsory schools from around 9 percent to around 14 percent. During the same period the number of students in independent upper secondary schools in Sweden increased from around 17 percent to around 26 percent. A similar analysis of preschools in Norway shows that the proportion of independent providers increased from 46 percent to 49 percent over the same period. In Germany, the market for independent preschool providers is still in its infancy, with about 51,000 children in independent for-profit preschools, but is showing significant growth in regions such as Bavaria and Baden-Wurttemberg.

Large consolidation opportunities

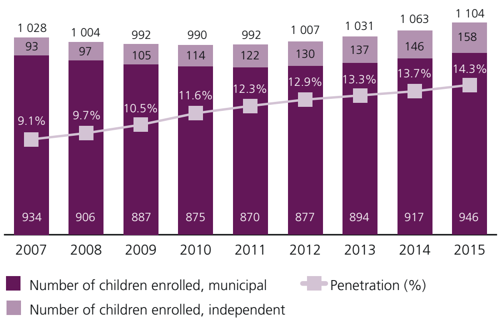
Over the past ten years the market for independent publicly financed education in Sweden and Norway has seen consolidation at an increasing pace, partly driven by AcadeMedia through a number of further acquisitions. Despite this, the market remains highly fragmented and is characterized by just a few large players offering a broad range of education, with a large number of smaller providers which are largely active in just one segment.

AcadeMedia assesses that this market consolidation will continue as a result of stricter quality requirements from all stakeholders in the sector, which is expected to favor larger and well-established providers with operations that are sustainable long-term, systems for transparent quality follow-up and reporting, and effective organizations that can benefit from scalability and economies of scale. AcadeMedia has also identified significant potential to consolidate the preschool market in Germany. The market for independent providers is currently in its infancy and consists of several small providers. These players constitute attractive add-on acquisitions for AcadeMedia in its efforts to be a leading independent preschool provider in the market.

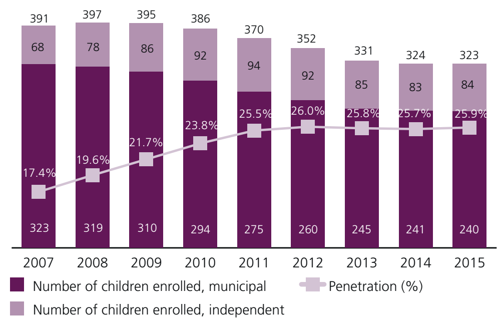
Number and percentage of children enrolled in independent[1] preschools (thousands, %)



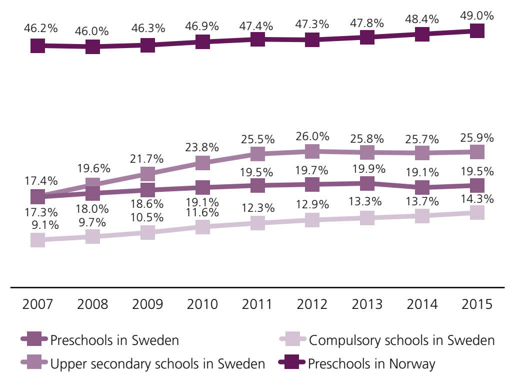
Number and percentage of students enrolled in independent compulsory schools (thousands, %)



Number and percentage of students enrolled in independent upper secondary[2] schools (thousands, %)



Penetration of independent providers in Sweden and Norway in each segment between 2007 and 2015 (based on number of[3] children/students)[4]



1) National Agency for Education. Statistics Sweden's data collection method regarding the number of children in preschool changed between 2007 and 2015. Beginning in 2014 data are collected at the individual level rather than the group level. The new data collection method improves the quality of the data collected, but the change resulted in the loss of data from around 100 school principles who did not report the number of children in preschool. The majority of these school providers are believed to be independent providers. As a result, the data on the number of children in preschool in 2014 and 2015 is not directly comparable with previous years, and the growth rate from 2007 to 2015 is believed to be higher based on the underlying demographic growth in the number of children between one and five years.
2) National Agency for Education.
3) National Agency for Education.
4) Statistics Sweden

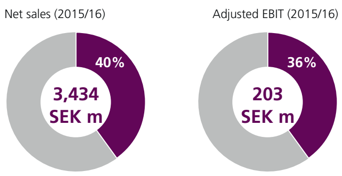
We can be found throughout the education staircase

AcadeMedia is organized into four segments: In Sweden the segments are organized by school level. The segments are called Pre- and compulsory school, Upper secondary school and Adult education. Our two operations outside Sweden (Espira in Norway and Joki in Germany) comprise the Preschool international segment.

Pre- and compulsory School

AcadeMedia's Pre- and compulsory school segment is Sweden's largest independent school operation in the Pre- and compulsory school segment. The segment includes three brands: Pysslingen Förskolor, Pysslingen Skolor and Vittra. The operations can be found from Skåne in the south to Norrbotten in the north and most units in this segment are located in major cities. At the end of the fourth quarter of 2015/16, there were 149 preschools and 77 compulsory schools in the segment. About one quarter of AcadeMedia's preschools are integrated in various compulsory schools, while the rest are independent units. During the fourth quarter of 2015/16 approximately 31,000 children and students attended AcadeMedia's preschools and compulsory schools.

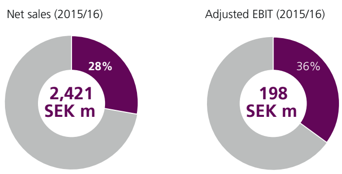
The segments share of the group



Upper secondary school

AcadeMedia is the largest independent provider of upper secondary school education in Sweden. Most of AcadeMedia's upper secondary schools are located in large cities and densely populated regions. AcadeMedia's Upper secondary school operations can be divided into three main streams: introductory programs, programs leading to university, and vocationally oriented programs, with the vast majority of students enrolled in programs leading to university. At the end of the fourth quarter of 2015/16 there were 105 upper secondary schools in AcadeMedia, with a total of about 25,000 students. The upper secondary schools belong to 16 different providers with different brands and specializations.

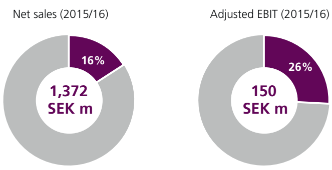
The segments share of the group



Adult education

AcadeMedia has a unique position in the market for adult education and labor market services in Sweden in that it has a number of strong operations with a broad geographic presence and a wide range of education services covering everything from basic language and integration programs to specialized post-upper secondary vocational programs. The common thread in the segment is a focus on jobs: all operations are aimed at getting the individual into employment or further studies. AcadeMedia is the largest operator in Adult education and labor market services in Sweden, with about 150 units throughout Sweden and a total of about 80,000 participants.

The segments share of the group



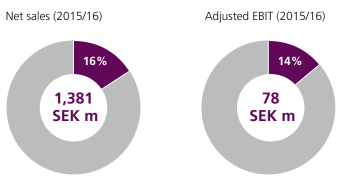
Preschool international

AcadeMedia's Preschool international segment operates preschools in Norway under the Espira brand and in Germany under the Joki brand.

Espira was founded in 1992 and is Norway's second largest preschool provider in terms of sales. AcadeMedia acquired Espira in 2014. The operation has 87 preschools in southern and central Norway, with a total of about 8,300 children in the fourth quarter of 2015/16

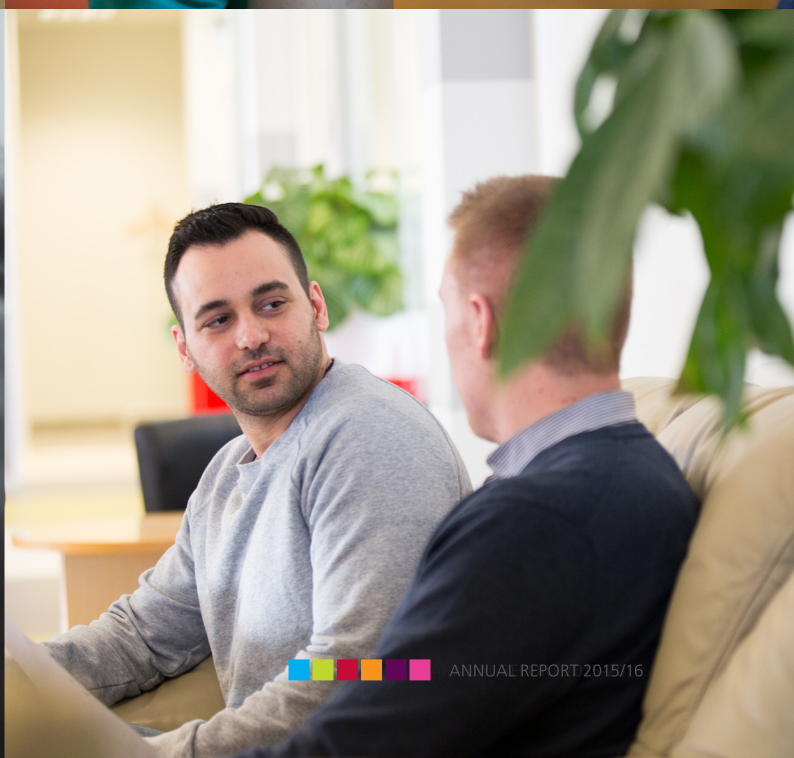
AcadeMedia operates preschools in Germany under the Joki brand, which was formed in 2007. AcadeMedia acquired Joki in February 2016 and has seven bilingual preschools in Munich, with a total of 450 children. All of the children at Joki preschools participate in the bilingual program and parents can choose between the language combinations German/English and German/Spanish.

The segments share of the group




"We have a unique position in the market – we can be found throughout the education staircase"


30,000 children and students from Malmö to Kalix



Pre- and compulsory school biggest in Sweden

AcadeMedia's Pre- and compulsory school segment is Sweden's largest independent school operation in the Pre- and compulsory school segment. The segment covers two business areas, Pysslingen preschools and AcadeMedia Compulsory schools, which are represented by two brands: Pysslingen Skolor and Vittra, with units from Norrbotten in the north to Skåne in the south. Most units are located in the country's metropolitan areas.

Like the Group as a whole, AcadeMedia's preschool and compulsory School segment will be an international role model when it comes to quality, results and innovation.

Pre- and compulsory school segment

Geographic coverage, brands and key ratios

Key ratios 2015/16

Number of children/students	30,081
Number of units	226

MARKET SHARE OF INDEPENDENT MARKET (2015)[1)]

Preschools **11.1%**

Compulsory schools **12.5%**

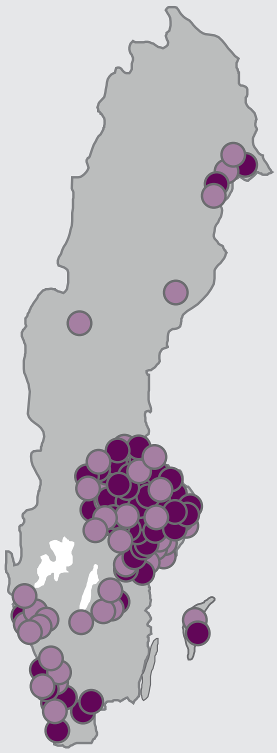
MARKET SHARE OF TOTAL MARKET (2015)[1)]

Preschools **2.2%**

Compulsory schools **1.8%**

Preschool

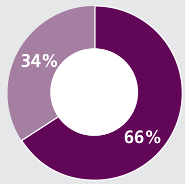
Compulsory school



AcadeMedia operates in 45 of Sweden's 290 municipalities with a focus on the metropolitan areas

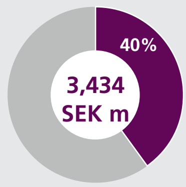
Distribution between preschools and cumpolsory schools

Number of units (2015/16)

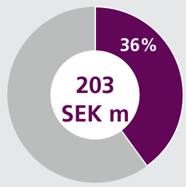


The segments share of the group

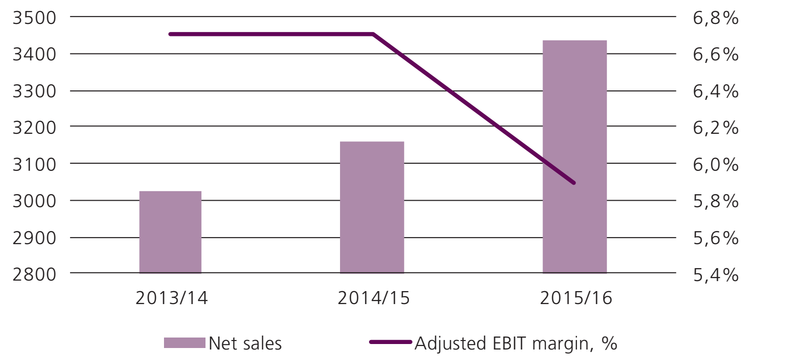
Net sales (2015/16)



Adjusted EBIT (2015/16)



Net sales and Adjusted EBIT margin, %



PRESCHOOL AND COMPULSORY SCHOOL (SWEDEN)	2015/16	2014/15	CHANGE
Net sales, SEK m	3,434	3,159	8.7%
EBITDA, SEK m	255	244	4.5%
EBITDA margin, %	7.4%	7.7%	–0.3 p.p.
Depreciation/amortization SEK m	–49	–51	–3.9%
Operating profit/loss (EBIT), SEK m	206	193	6.7%
EBIT margin, %	6.0%	6.1%	–0.1 p.p.
Items affecting comparability, SEK m	3	–19	–
Adjusted operating profit/loss (EBIT), SEK m	203	212	–4.2%
Adjusted EBIT margin, %	5.9%	6.7%	–0.8 p.p.
Number of children & students	30,081	28,709	4.8%
Number of units	226	211	7.1%

1) Calculated based on the number of children/students in AcadeMedia's programs for nine months in 2015/16, divided by the number of children/students in preschools and compulsory schools in the country (independent vs total).

Preschool
Preschool covers children between the ages of one and five, while compulsory school covers students aged 6 to 15, which equals the preschool class plus grades 1 to 9. Compulsory school also includes before-school and after-school care provided in school premises before and after scheduled school hours. Before-school and after-school care covers children in the preschool class as well as students in grades 1 through 3. Before-school and after-school clubs, which provide before-school and after-school programs for students in grades 4 to 6, are offered to a limited extent

At the end of the fourth quarter of 2015/16, there were 149 preschools in the segment, including Pysslingen Förskolor (110 units), Pysslingen Skolor (22 units) and Vittra (17 units). About one quarter of AcadeMedia's preschools are integrated in various compulsory schools, while the rest are independent units. The size of the preschools varies; the smallest has about 30 children and the largest about 170. During the fourth quarter of 2015/16 approximately 11,000 children attended AcadeMedia's preschools.

Compulsory school
At the end of the fourth quarter of 2015/16, there were 77 compulsory schools in the segment, including Pysslingen Skolor (51 units) and Vittra (26 units). The compulsory schools also vary in size. The smallest compulsory school has around 150 students, while the largest has a capacity of around 700 students. During the fourth quarter of 2015/16 approximately 20,000 students attended AcadeMedia's compulsory schools.

Outcome for the year
Net sales for the segment in the 2015/16 financial year totaled SEK 3,434 million and operating profit excluding items affecting comparability was SEK 203 million. During the same period the segment had an average of about 4,223 FTEs.

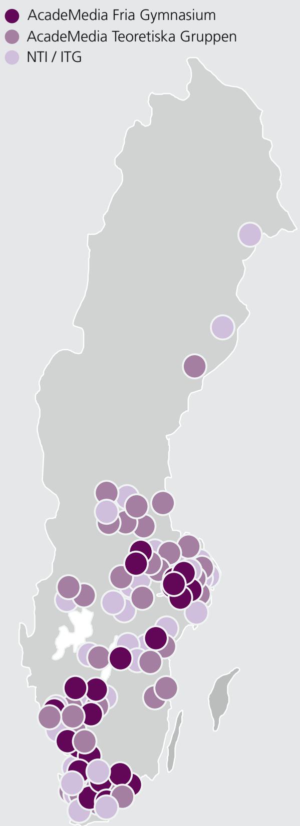
Vision and strategies, Pre- and compulsory school segment
AcadeMedia's vision is for the Group's preschools and compulsory schools to be an international role model when it comes to quality, results and innovation.

Attractive education, Pre- and compulsory school
AcadeMedia works actively to create consistently high quality at all of its Pre- and compulsory school units. Systematic quality work is key. The staff is a key factor and the Company offers continuous professional development through the AcadeMedia Academy, which also offers leadership and talent programs. A joint effort to maintain the supply of talent has been initiated. In addition, various tools are developed and offered to support preschool heads and school principals in their efforts to improve teaching and raise the quality of each unit. One example is the initiative to produce a common teaching assessment system. In addition, knowledge and experience are shared on an ongoing basis between the various brands and with the preschool Norway segment. The Group also works systematically to develop the offering and concept of each brand.

Upper secondary school – everyone can find their way here

Upper secondary school segment

Geographic coverage, brands and key ratios



AcadeMedia operates in 40 of Sweden's 290 municipalities with a focus on the metropolitan areas

Key ratios 2015/16

Number of children/students	25,014
Number of facilities	105

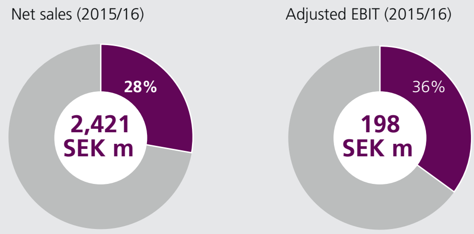
MARKET SHARE OF INDEPENDENT MARKET (2015)[1]

29.9%

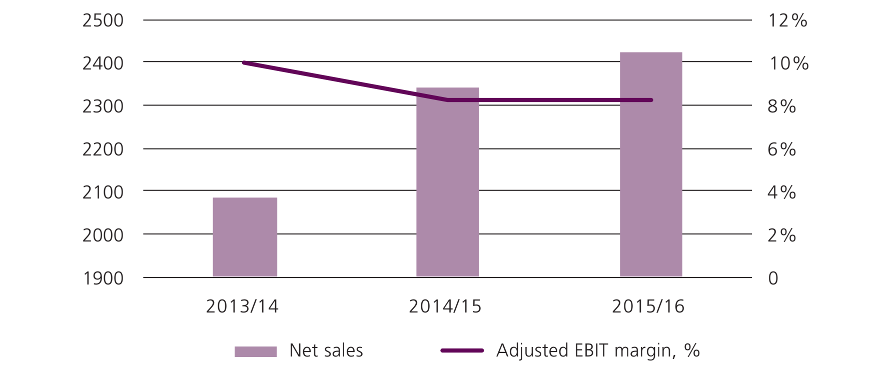
MARKET SHARE OF TOTAL MARKET (2015)[1]

7.8%

The segments share of the group



Net sales and Adjusted EBIT margin, %



UPPER SECONDARY SCHOOL (SWEDEN)	2015/16	2014/15	CHANGE
Net sales, SEK m	2,421	2,341	3.4%
EBITDA, SEK m	298	237	25.7%
EBITDA margin, %	12.3%	10.1%	2.2 p.p.
Depreciation/amortization SEK m	-100	-103	2.9%
Operating profit/loss (EBIT), SEK m	198	134	47.8%
EBIT margin, %	8.2%	5.7%	2.5 p.p.
Items affecting comparability, SEK m	0	-57	–
Adjusted operating profit/loss (EBIT), SEK m	198	191	3.7%
Adjusted EBIT margin, %	8.2%	8.2%	0 p.p.
Number of students	25,014	24,739	1.1%
Number of units	105	105	0.0%

The figures in the above table refer to Upper secondary school (Sweden)

1) Calculated based on the number of children/students in AcadeMedia's programs for nine months in 2105/16, divided by the number of children/students in preschools and compulsory schools in the country (independent vs total).

AcadeMedia is the largest independent provider of Upper secondary school education in Sweden. Most of the upper secondary schools are located in large cities and densely populated regions. AcadeMedia's Upper secondary school operations can be divided into three main streams: introductory programs, programs leading to university, and vocationally oriented programs, with the vast majority of students enrolled in programs leading to university.

During the fourth quarter of 2015/16 AcadeMedia's Upper secondary school segment included 105 upper secondary schools. An average of about 25,000 students attended these schools. The upper secondary schools belong to 16 different providers (businesses) with different brands and specializations. During the 2015/16 financial year the business area had sales of SEK 2,421 million and operating profit excluding items affecting comparability was SEK 198 million.

Vision and strategies

AcadeMedia possesses some of Sweden's strongest brands and Upper secondary school operations with clear pedagogical concepts and niches. AcadeMedia's vision is for the Group's upper secondary schools to offer the most attractive education, both for students choosing programs to prepare for university and for those choosing vocational programs. AcadeMedia is to be at the cutting edge of quality and efficiency and intends to be a leader in innovation and development.

Attractive education

The education offering is attractive and of high quality because the students are happy at their upper secondary schools, the schools have good teachers, the courses are relevant and student health matters are handled effectively. We added the qualitative basis because it is a prerequisite for a balanced approach to accommodating the growing cohorts we will see in the coming years.

IT is a natural element in the world in which our students live. We believe that the IT platforms we are implementing will help us to provide better and more effective learning – even when the number of students increases.

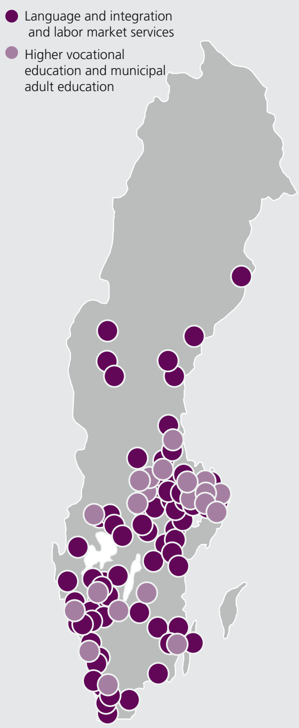
Through an ongoing collaboration with the Pre- and compulsory school segment and the Adult education segment, we have been able to find new and unique solutions that help us to develop the business.

Adult education – a new beginning

Adult education segment

Geographic coverage, brands and key ratios

eductus · The Game Assembly (thegameassembly.com EN DEL AV HERMODS) · Hermods · nti SKOLAN · KompetensUtvecklingsInstitutet www.kui.se · Sälj&Marknadshögskolan (STOCKHOLM GÖTEBORG MALMÖ) · ECUTBILDNING · affärshögskolan (EN DEL AV PLUSHÖGSKOLAN) · plushögskolan · teknikhögskolan (EN DEL AV PLUSHÖGSKOLAN) · vårdyrkeshögskolan (EN DEL AV PLUSHÖGSKOLAN)



Distance education gives AcadeMedia 100% geographic coverage

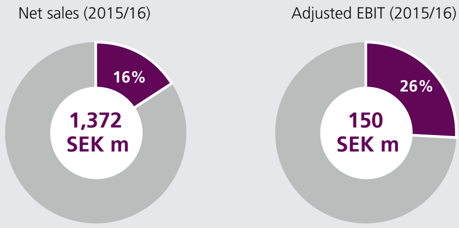
Key ratios 2015/16

Number of participants	~ 80,000
Number of contracts/assignments	660

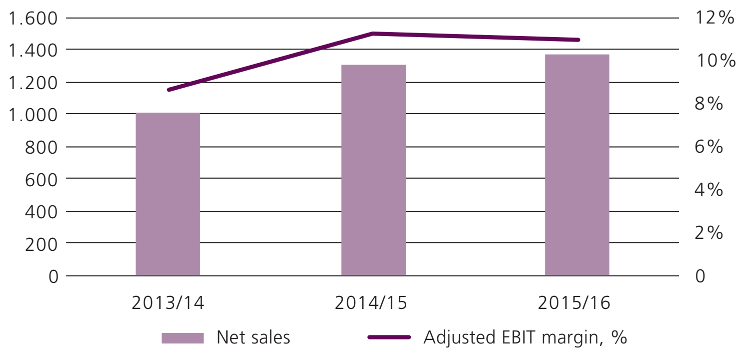
GEOGRAPHIC COVERAGE

Business area	Number of cities
Language and Integration	50
Labor market services	75
Higher vocational education	16
Municipal adult education	87

The segments share of the group



Net sales and Adjusted EBIT margin, %



FACTS ADULT EDUCATION	2015/16	2014/15	CHANGE
Net sales, SEK m	1,372	1,309	4.8%
EBITDA, SEK m	154	143	7.7%
EBITDA margin, %	11.2%	10.9%	0.3 p.p.
Depreciation/amortization SEK m	-7	-12	41,7%
Operating profit/loss (EBIT), SEK m	147	131	12,2%
EBIT margin, %	10,7%	10.0%	0.7 p.p.
Items affecting comparability, SEK m	-3	-15	–
Adjusted operating profit/loss (EBIT), SEK m	150	146	2.7%
Adjusted EBIT margin, %	10.9%	11.2%	-0.3 p.p.

The figures in the above table refer to Adult education (Sweden)

AcadeMedia has a unique position in the market for adult education and labor market services in Sweden in that it has a number of strong operations with a broad geographic presence and a wide range of education services covering everything from basic language and integration programs to specialized post-upper secondary vocational programs. The common thread in AcadeMedia's Adult education segment is a focus on jobs: all operations are aimed at getting the individual into employment or further studies.

This is manifested by a holistic offering – from the integration of newly arrived immigrants through courses in Swedish for immigrants and an introduction to Swedish society, to vocational education and employment as well as matching in the labor market. AcadeMedia's holistic adult education offering is summarized in the Staircase, a model that moves individuals on to higher levels of qualification and work. At each step on the staircase, AcadeMedia contributes its specific expertise and makes it easier for the individual to move in the shortest possible time from a position of exclusion into employment.

Clear profiles

The Adult education segment includes the Language & Integration, Municipal Adult education and Higher Vocational Education business areas. These areas include a number of different brands with a clear profile and unique expertise.

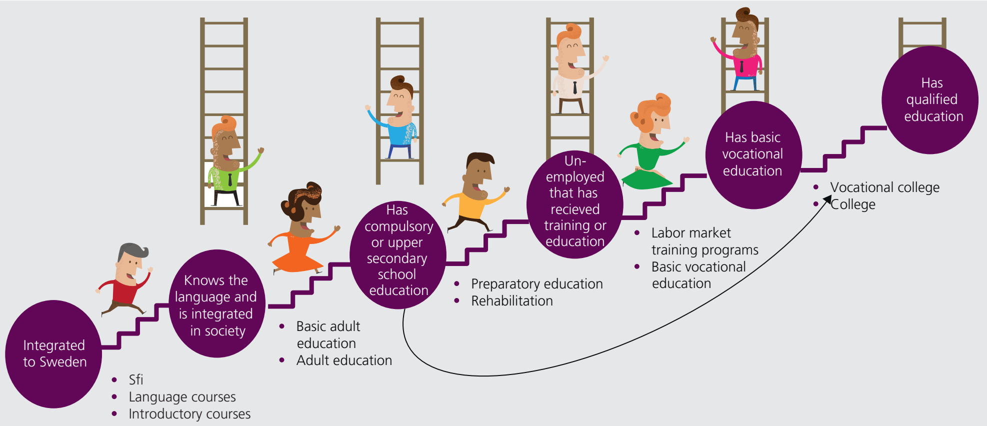
Each business area also contains different specializations and assignments. For example, Language & Integration includes Swedish for Immigrants (SFI), vocational Swedish and basic modules. SFI courses are offered in about 50 locations all over Sweden, from Malmö in the south to Boden in the north. Participants come from all over the world; some are illiterate when they arrive, while others are highly educated university graduates.

The Municipal Adult education program aims to provide adults with skills at a level equivalent to an upper secondary school education. The programs range from single courses to course packages and complete training courses. There are both theoretical programs and vocational programs. Students who attend municipal adult education programs are usually people who need to supplement their grades from compulsory school or upper secondary school.

Labor market services cover many types of contracted services and other education programs. They are mainly commissioned by the Swedish National Employment Agency and operations are spread across some 100 locations all over the country with 20,000 participants. The overall aim is to strengthen the participants' position in the labor market and increase their chances of employment.

Higher vocational education is a government-regulated and controlled form of post-upper secondary education. The aim is to offer a short, effective program directly linked to the needs of the labor market. The education programs are taught in 16 cities around the country, from Malmö in the south to Östersund in the north.

The staircase
– comprehensive view for customers and participants



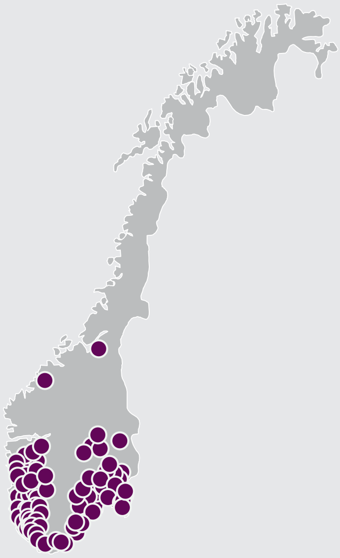
Preschool international

Preschool international

Geographic coverage, brands and key ratios

Preschool Norway

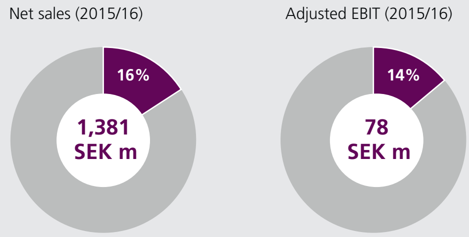
● Preschools in Norway



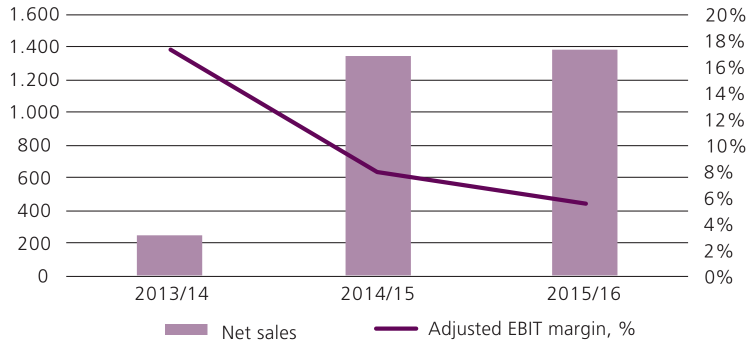
Preschool Germany

● Preschools in Germany

The segments share of the group



Net sales and Adjusted EBIT margin, %



FACTS	2015/16	2014/15	CHANGE
Net sales, SEK m	1,381	1,351	2.2%
EBITDA, SEK m	110	156	-29.5%
EBITDA margin, %	8.0%	11.5%	-3.5 p.p.
Depreciation/amortization SEK m	-26	-33	21.2%
Operating profit/loss (EBIT), SEK m	84	123	-31.7%
EBIT margin, %	6.1%	9.1%	-3.0 p.p.
Items affecting comparability, SEK m	6	16	-62.5%
Adjusted operating profit/loss (EBIT), SEK m	78	107	–
Adjusted EBIT margin, %	5.6%	7.9%	-2.3 p.p.
Number of children and students	8,056	7,449	8.1%
Number of units	94	78	20,5.5%

AcadeMedia's preschool international segment operates preschools in Norway under the Espira brand and in Germany under the Joki brand.

Espira was founded in 1992 and is Norway's second largest preschool provider in terms of sales. AcadeMedia acquired Espira in 2014. The operation has 87 preschools in southern and central Norway, with a total of about 8,300 children.

AcadeMedia operates preschools in Germany under the Joki brand, which was formed in 2007. AcadeMedia acquired Joki in February 2016 and has seven bilingual preschools in Munich, with a total of 450 children. All of the children at Joki preschools participate in the bilingual program and parents can choose between the language combinations German/English and German/Spanish.

Preschool in Norway wants to spearhead development

espira
KUNNSKAPSBARNEHAGEN

FACTS 2015/16

Number of children and students
8,321

Number of units
87

Espira is AcadeMedia's Norwegian preschool operation. In 2014 AcadeMedia acquired Espira, which was founded in 1992 and is Norway's second largest preschool provider in terms of sales. At the end of the third quarter of 2015/16 Espira had 87 preschools in southern and central Norway with a total of about 8,300 children.

Espira has a vision to lead the development of the preschools of the future in Norway and a clear focus on making the children's everyday lives rewarding, instructive and stimulating. The operations are characterized by continuous development, assured structural quality and differentiation. A unique educational concept and a focus on its employees having leading expertise enhances the vision of being Northern Europe's foremost preschool provider with the market's strongest brand.

The latter is supported by the results of a brand survey commissioned by AcadeMedia and carried out in 2015 by the Norwegian market research company Opinion, according to which 40 percent of those questioned are familiar with Espira. This is a higher result than for any other provider included in the survey.

Espira works on quality in various ways and has worked intensively for a number of years to support quality work at the various preschool units. By offering administrative support, the Group has succeeded in freeing up time for quality work in each unit. Administrative assistance covers areas such as assistance with finance, recruitment, personnel matters, communication and media, and purchasing.

In addition, Espira supports the quality work at the preschools through the three main parts of its educational concept, LekEspira: educational toolboxes, the Espira Academy and the Espira indoor and outdoor environment.

Educational toolboxes

Educational toolboxes are Espira's own tools for working actively based on the Norwegian preschool curriculum. Espira sees the key to quality in the preschools as being competent employees who have tools for implementing the content of the curriculum in daily operations. In the OECD's review of Norway's curriculum, the country was advised to develop directives and guidelines for the preschools, to help preschool staff put the overall directives of the curriculum into practice. Espira has therefore developed its own set of tools within the LekEspira concept. These include subject cards, support materials, standards and the Spire portal, a digital documentation and communication tool.

Bilingual preschool in Germany

Preschool Germany

● Preschools in Germany

FACTS 2015/16

Number of children and students
450

Number of units
7

AcadeMedia's German preschools are currently operated under the Joki brand which was formed in 2007. Joki was acquired by AcadeMedia in February 2016 and has (as of July 14, 2016) seven bilingual preschools in Munich with a total of 450 children.

All children at Joki preschools participate in the bilingual program and parents can choose between the language combinations German/English and German/Spanish. Joki helps children to develop into happy, self-assured and independent individuals. Joki's mission is to give parents the opportunity to combine work with good parenting. With loving child care combined with generous hours of operation and a high level of service, Joki makes life easier for working parents.

Joki's educational concept is based on the Bavarian curriculum, Bayerischen Bildungs- und Erziehungsplan (BEP).

AcadeMedia intends to further develop Joki's educational concept and business model at new and existing units, as well as to establish Espira's educational concept and business model in the German preschool market. AcadeMedia aims to expand the business in Germany over the next few years by opening additional Joki preschools in selected locations and, in order to address a market segment with a lower price point than Joki's, by launching Espira in the German preschool market. The focus will primarily be on the federal states of Bavaria and Baden-Württemberg, both of which have a great need for new preschool locations and where the climate for new commercial ventures is good.

AcadeMedia will also continuously evaluate acquisition opportunities in additional German federal states. To take advantage of the growth opportunities in the German preschool market, AcadeMedia strengthened the Joki organization following the acquisition. Resources have been added, particularly in the areas of business development and finance.

Administration Report

The board of directors and the chief executive officer of AcadeMedia AB (publ), with corporate registration number 556846-0231 and head-quartered in Stockholm, Sweden, hereby submit the annual report and consolidated financial statements for the financial year July 1, 2015–June 30, 2016.

Description of operations

AcadeMedia is the largest independent education provider in northern Europe. In 2015-2016 approximately 63,000 children and students attended AcadeMedia's preschools, compulsory schools and upper secondary schools. Another 80,000 people participated in one of AcadeMedia's education programs for adults. In all, in 2015-2016 AcadeMedia had approximately 575 preschools, compulsory schools, upper secondary schools and adult education units, located throughout Sweden, as well as in Norway and a few in Germany.

AcadeMedia operates along the entire education ladder, from preschool to adult education. The operations are divided into four segments: Pre- and compulsory school, Upper secondary school, Adult education, and Preschool international.

AcadeMedia's Pre- and compulsory school segment has preschools and compulsory schools in a large number of municipalities throughout Sweden under the brands Pysslingen Förskolor, Pysslingen Skolor and Vittra. The schools are run entirely based on the school voucher system. The segment had 226 units at the end of the financial year, with an average of 30,081 children and students.

AcadeMedia's Upper secondary school segment operates under 16 different brands and provides education throughout Sweden, offering both academically oriented and vocationally-oriented programs. The segment's brands include Klara Gymnasium, NTI-gymnasiet, LBS Kreativa Gymnasiet, ProCivitas and Rytmus. The schools are run entirely based on the school voucher system. The segment had 105 units at the end of the financial year, with an average of 25,014 students.

AcadeMedia is Sweden's largest provider of adult education. AcadeMedia has been working with adult education since 1898 (via Hermods) and has solid expertise in working with, integrating and educating adults. Every year around 80,000 students and participants attend one of our programs. AcadeMedia works in close cooperation with the National Employment Agency, other authorities and municipalities in approximately 150 locations around the country. The segment includes the brands Hermods, NTI-skolan, Plushögskolan, Eductus and KompetensUtvecklingsInstitutet.

AcadeMedia's International preschool segment operates preschools in Norway under the Espira brand and in Germany under the Joki brand. The segment was established through the acquisition of Espira in spring 2014 and was expanded in February 2016 by the acquisition of Joki in Germany. Espira is Norway's second largest preschool provider, with 87 preschools located mainly in western and southern Norway, as well as in the Oslo area. Joki has seven bilingual preschools in the Munich area.

Significant events during the financial year

New units and discontinued operations

During the financial year, 14 units were established (nine units in the Pre- and compulsory school (Sweden) segment, one Upper secondary school in Sweden and four preschools in the preschool international (Norway) segment). Two preschool units and one compulsory school in Sweden were closed during the year.

Acquisitions and divestments

In February, AcadeMedia acquired the German preschool company Joki with seven preschools in the Munich area. The acquisition represents a strategically important inroad into Germany. In total twenty units were acquired during the year (nine in the Pre- and compulsory school Sweden segment and eleven in the preschool International segment, including four in Norway). One Upper secondary school was sold during the third quarter. The acquired units together added a total of SEK 81 million in sales and SEK 8 million in operating profit to consolidated profit for the financial year.

The sale of three properties in Norway was completed on September 24, 2015. This transaction, together with the sale of ten properties in June 2015 resulted in higher rental costs in the Preschool Norway segment during the financial year and totaled SEK -11 million.

Higher social security contributions

On August 1, 2015 employer contributions for young people in Sweden were increased as a first step. On June 1, 2016 employer contributions were increased in a second step to the same level as for adults. Since there was no corresponding increase in school vouchers, the cost increase had a negative impact on expenses and operating profit of SEK -25 million during the financial year. The majority of young employees are in the Pre- and compulsory school segment in Sweden, resulting in a negative impact of SEK 19 million attributable to this fee increase.

IPO

On June 15, 2016 AcadeMedia's shares were listed on Nasdaq Stockholm. Issue expenses totaled SEK 37 million, of which SEK 21 million (16 million net of tax) was charged to equity and SEK 16 million to profit and loss among the items affecting comparability.

Quality performance

One of AcadeMedia's most important quality objectives, and an important social objective, is for all students to achieve the goals of the educational program. In compulsory school, the grades for spring 2016 show that 85.9 percent of all students achieve their goals, an increase of 1.9 percentage points compared with the previous year. The national average was 74.2 percent. Upper secondary school also shows progress for the financial year, as 89.7 percent of students graduated according to AcadeMedia's preliminary grade compilation which was an improvement of 2.3 percentage points compared with the previous year. AcadeMedia's results are somewhat better than the national average for the spring semester 2015, which was 89.2.

Revenue and earnings

	FULL YEAR		
	2015/16	2014/15	Change
Net sales, SEK m	8,611	8,163	5.5%
EBITDA, SEK m	722	720	0.1%
EBITDA margin	8.4%	8.8%	-0.4 p.p.
Operating profit/loss (EBIT), SEK m	535	517	3.5%
EBIT margin	6.2%	6.3%	-0.1 p.p.
Adjusted operating profit/ loss (EBIT*), SEK m	567	596	-4.7%
Adjusted EBIT margin	6.6%	7.3%	-0.7 p.p.
Net financial items, SEK m	-127	-269	52.8%
Profit/loss before tax, SEK m	408	248	64.5%
Profit/loss for the period, SEK m	319	222	43.7%
Number of children and students	63,151	60,897	3.7%
Number of full-time employees	9,714	9,159	6.1%

*) For definitions see page 102

Volume development and net sales

Net sales for the financial year amounted to SEK 8,611 million (8,163), which is an increase of 5.5 percent year on year. The increase is driven primarily by the fact that student numbers in all the school segments together increased by 3.7 percent to 63,151 (60,897). The largest increase in sales was in the Pre- and compulsory school segment, which increased its volumes through new establishments and several bolt-on acquisitions. Organic growth excluding acquisitions was 4.5 percent.[1]

Operating profit/loss (EBIT) and adjusted operating profit/loss

Operating profit (EBIT) for the financial year July 2015 – June 2016 increased by 3.5 percent and amounted to SEK 535 million (517), representing an operating margin of 6.2 percent (6.3). Operating profit (EBIT) for this year and the previous year was affected by a restructuring charge and other items affecting comparability (see table).

Adjusted operating profit (EBIT) amounted to, SEK 567 million, (596), which represents an adjusted EBIT margin of 6.6 percent (7.3).

Pre- and compulsory school show good growth but start-up and relocation costs of SEK -26 million were charged to earnings. The new units are expected to make a positive contribution already next year. Increased expenses for higher social security contributions for young employees had a negative impact on profit of about SEK -25 million compared with the previous year, with the majority, SEK -19 million, attributable to the Pre- and compulsory school segment. Earnings declined for the Preschool international segment from the previous year due to several effects: increased rental expense of SEK -11 million following the sale of properties, and a less favorable exchange rate of SEK -7 million.

Items affecting comparability

Operating profit (EBIT) for the full year included items affecting comparability of SEK -32 million (-79) according to the adjacent table. SEK -15 million (-23) relates to integration expenses within the Adult education segment and the fourth-quarter staff reorganization. SEK -16 million (-) relates to IPO expenses, SEK -10 million (-7) is acquisition-related and SEK 6 million (16) relates to capital gains on property sold in Norway during the first quarter. Restructuring costs for units being wound up in the Pre- and compulsory school segment are expected to be less than planned, for which reason SEK 3 million (-65) of last year's restructuring reserve will be reversed to profit. See definitions for more information.

ITEMS AFFECTING COMPARABILITY	FULL YEAR	
SEK m	2015/16	2014/15
Gains from the sale of properties, Norway	6	16
Restructuring expenses	3	-65
Operating expenses affecting compa-rability	-15	-23
Transaction expenses	-10	-7
Expenses for stock exchange listing	-16	-
Total	**-32**	**-79**

Net financial items

Net financial items for the full year amounted to SEK -127 million (-269). Interest expense for the year was SEK -134 million (-293). Interest expense declined because of lower interest margins on the new loan agreement which also resulted in a write-off of capitalized borrowing costs, an item that will not recur this year. Amortization payments and low interest rates further contributed to an improvement in net financial items.

Profitability, financial position and cash flow

Cash flow

Cash flow from operating activities before changes in working capital during the financial year amounted to SEK 612 million (623). The change in working capital during the full year was

1 Calculated as sales growth in SEK attributable to operations at the beginning of the year, i.e. sales from acquired businesses (SEK 81 million) have been excluded.

SEK -70 million (61) and was negatively impacted by certain large payments to suppliers carried out shortly before the closing date, which the previous year were paid just after the closing date. Working capital was also negatively impacted by the drop in the SEK/NOK exchange rate of SEK 30 million since working capital in Norway is negative. The increase in adult education operations also meant more accrued income than the same time last year. Cash flow from operating activities for the financial year amounted to SEK 542 million (684).

Cash flow from investing activities during the financial year amounted to SEK -386 million (-68). The increase in investments mainly related to the acquisition of Joki, a number of smaller acquisitions of preschools in Sweden, acquisitions of preschools in Norway, which also include real estate assets as well as new construction of new preschools in Norway, where three new units are expected to start in autumn 2016. This amount also includes a positive cash flow from the sale of real estate, where three properties were sold in 2015/16, compared with ten the previous year. Cash flow from financing activities amounted to SEK -512 million (-476) due to increased amortization payments in conjunction with the new loan agreement that took effect on July 7, 2015. The new share issue of SEK 350 million in connection with the IPO was used to repay several external loans totaling SEK 334 million. Interest expenses for the repaid loans were SEK 40 million for the financial year.

Financial position

Consolidated equity amounted to SEK 2,990 million (2,304) as of June 30, 2016 and the equity/assets ratio was 42 percent (32). The increase in equity and the improvement in the equity ratio are a result of profit for the year and the new share issue of SEK 350 million conducted in connection with the IPO. Issue expenses totaled SEK 37 million, of which SEK 21 million (16 million net of tax) was charged to equity and SEK 16 million to profit and loss.

Consolidated interest-bearing net debt as of June 30, 2016 amounted to SEK 2,342 million (2,629). Net debt declined because the new share issue proceeds were used to repay external loans amounting to SEK 334 million. Excluding property loans, which finance the fixed building assets, the adjusted net debt amounted to SEK 1,866 million (2,295). The purpose of the alternative performance measure adjusted net debt is to show the portion of the loans that finance the business, while property loans are linked to a building asset that can be separated and sold.

Non-current interest-bearing liabilities to credit institutions amounted to SEK 2,084 million (2,299) and consist of loans from banks and the Norwegian State Housing Bank (Norw. Husbanken). Loans to credit institutions were reduced in the past 12 months thanks to both cash flows during the year that allowed amortization payments to be made and the sale of properties in Norway. At the same time, expansion in Norway resulted in a high rate of new building financed with construction loans for projects in progress and loans from the Norwegian State Housing Bank for completed preschools. Expansion in Norway through Norwegian State Housing Bank-financed new construction is deemed financially advantageous. Property loans have increased by SEK 141 million to SEK 476 million (335). Building assets have increased by SEK 136 million to SEK 638 million (502).

Current interest-bearing liabilities consist of revolving credit facilities, current portions of long-term loans and construction loans, amounting to SEK 568 million (715). Current interest-bearing liabilities are lower because the revolving facility was paid down, and the current portion of long-term debt decreased.

Net debt in relation to adjusted EBITDA (rolling 12 months) amounted to 3.1 (3.3 as of June 30, 2015), compared with the Group's long-term target of a maximum of 3.0. Adjusted for property-related loans, adjusted net debt/Adjusted EBITDA for the rolling 12 months amounted to 2.5 (2.9). The figure represents the portion of net debt that finances the business in relation to rolling 12-month adjusted EBITDA (see definitions on page 102).

Trend by segment

The Group has reported its operations for many years in the segments Pre- and compulsory school (Sweden), Upper secondary school (Sweden), Adult education (Sweden) and preschool International, which was added in May 2014. The table below shows the distribution of sales revenue and operating profit by segment. See also Note 9 segment reporting, with comparative figures.

Pre- and compulsory school (Sweden) segment

AcadeMedia's Pre- and compulsory school segment runs preschools and compulsory schools in a large number of municipalities throughout Sweden under the brands Pysslingen Förskolor, Pysslingen Skolor and Vittra. The schools are run entirely based on the school voucher system. The segment had 226 units at the end of the financial year.

	NUMBER OF STUDENTS (AVERAGE)		NET SALES, SEK M		ADJ. OPERATING PROFIT/LOSS (EBIT), SEK M		ADJ. EBIT MARGIN		OPERATING PROFIT/LOSS (EBIT), SEK M		EBIT MARGIN	
	2015/16	**2014/15**	**2015/16**	**2014/15**	**2015/16**	**2014/15**	**2015/16**	**2014/15**	**2015/16**	**2014/15**	**2015/16**	**2014/15**
Pre- and compulsory school (Sweden)	30,081	28,709	3,434	3,159	203	212	5.9%	6.7%	206	193	6.0%	6.1%
Upper secondary school (Sweden)	25,014	24,739	2,421	2,341	198	191	8.2%	8.2%	198	134	8.2%	5.7%
Adult education (Sweden)	–*	–*	1,372	1,309	150	146	10.9%	11.2%	147	131	10.7%	10.0%
Preschool International	8,056	7,449	1,381	1,351	78	107	5.6%	7.9%	84	123	6.1%	9.1%
Group adj., parent company	-	-	3	3	-62	-60	-	-	-100	-64	-	-
Total	**63,151**	**60,897**	**8,611**	**8,163**	**567**	**596**	**6.6%**	**7.3%**	**535**	**517**	**6.2%**	**6.3%**

*)The volume of adult education is not measured based on the number of participants since the length of the programs varies from individual occasions to several academic years

The average number of children and students increased by 4.8 percent compared with the previous year, amounting to 30,081 (28,709) for the 2015/16 financial year. The increase was driven by growth in existing units, new establishments and acquisitions. Net sales increased by 8.7 percent and amounted to SEK 3,434 million (3,159). The increase is due to an increase in the number of children and students and to higher revenue per student.

Operating profit (EBIT) for the 2015/16 financial year increased by 6.7 percent and amounted to SEK 206 million (193), representing an operating margin of 6.0 percent (6.1). The adjusted operating profit of SEK 203 million (212) was lower mainly because establishments and relocation of schools had a negative impact of SEK 26 million in 2015/16. Higher social security contributions for young people, introduced on August 1, 2015, had a negative impact on profit of SEK 19 million compared with the previous year.

One preschool and one compulsory school were closed as of July 1, 2015 and one unit was closed at the end of November 2015. The discontinued operations had a positive effect on profits of SEK 1 million compared with the previous year. During the period one compulsory school, two integrated preschools and six independent preschools were opened. Nine preschools were acquired during the period, contributing SEK 4 million to the operating profit for the period. Including the full-year impact of prior year acquisitions, the increase in profit from acquisitions was SEK 11 million.

According to the preliminary grades for 2015/16, the percentage of students in grade 9 who earned a grade of at least E (pass) in all subjects increased to 85.8 percent (84.2), and average assessment levels also improved compared with the previous year.

Upper secondary school (Sweden) segment

AcadeMedia's Upper secondary school segment provides upper secondary education throughout Sweden under 16 different brands, offering both university preparatory and vocationally oriented programs. The segment's brands include Klaragymnasierna, NTI, LBS, ProCivitas and Rytmus. The schools are run entirely based on the school voucher system. The segment had 105 units at the end of the financial year.

The number of students increased by 1.1 percent compared with the previous year, amounting to 25,014 (24,739). Net sales increased by 3.4 percent and amounted to SEK 2,421 million (2,341). The increase is due to an increased number of students and higher revenue per student, as well as retroactive reimbursement from municipalities. Growth was held back due to the closure of seven upper secondary units.

Operating profit (EBIT) for the full year increased by 47.8 percent compared with the corresponding period last year and amounted to SEK 198 million (134), representing an operating margin of 8.2 percent (5.7). Items affecting comparability amounted to 0 (-57) during the year. Adjusted operating profit improved by 3.7 percent and amounted to SEK 198 million (191).

Prior decisions to stop admissions to first grade at seven units entail gradual winding down this year and next year. Challenges related to attractiveness and student enrollment numbers were the reasons for the closures. One of these units (FTG Västerås) was divested during the third quarter. Another unit (ITG Åkersberga) closed admissions to grade 1 for autumn 2016 and began to discontinue operations. One unit (LBS) opened in Linköping in autumn 2015.

Preliminary quality results at the end of the term show that the graduation rate increased to 89.7 percent (87.4). The average grade points also increased from 13.9 to 14.1.

Adult education (Sweden) segment

AcadeMedia's adult education segment is Sweden's largest provider of adult education. AcadeMedia has been providing adult education since 1898 (via Hermods) and has solid expertise in working with, integrating and educating adults. Every year around 80,000 students and participants attend one of our programs. AcadeMedia works in close cooperation with the National Employment Agency, other authorities and municipalities in approximately 150 locations around the country. The segment includes the brands Hermods, NTI-skolan, Plushögskolan, Eductus and KompetensUtvecklingsInstitutet.

Net sales for the full year amounted to SEK 1,372 million (1,309), which corresponded to an increase of 4.8 percent. Growth was held back by the weak start to the financial year. Operating profit (EBIT) amounted to SEK 147 million (131), which represents an increase of 12.2 percent and the operating margin was 10.7 percent (10.0). The increase is primarily attributable to the action program within Eductus, as well as to increased volumes in Hermods' contractual fields, the basic modules and SFI.

Items affecting comparability amounted to -3 (-15) and relate to integration costs attributable to the merger of AcadeMedia Vuxenutbildning and Hermods. Adjusted operating profit was SEK 150 (146), an increase of 2.7 percent.

Christer Hammar joined as head of the Adult education segment in December 2015.

Adult education does not have recurring seasonal patterns in the same way as the school segments. Variation during the year is influenced instead by the contract portfolio and community initiatives. Quarterly developments in 2015/16 compared with the previous year reflect this trend.

Preschool international segment (Norway and Germany)

AcadeMedia's preschool International segment operates preschools in Norway under the Espira brand and in Germany under the Joki brand. The segment was established through the acquisition of Espira in spring 2014 and was expanded in February 2016 by the acquisition of Joki in Germany. Espira is Norway's second largest preschool provider and has 87 units, mainly in western and southern Norway and in the Oslo area. Joki runs seven bilingual preschool units in the area around Munich.

The average number of children increased by 8.1 percent for the financial year and amounted to 8,056 (7,449). The segment's net sales increased by 2.3 percent to SEK 1,381 million (1,351). Retroactive reimbursement in Norway during the period decreased to SEK 2 million (15). The less favorable SEK/NOK exchange rate had a negative impact on sales of SEK 118 million.

Operating profit (EBIT) for the financial year amounted to SEK 84 million (123), which is a decline in SEK of 31.7 percent and represents an operating margin of 6.1 percent (9.1). The declines in profit and margin compared with the previous year are mainly related to increased rental costs of SEK 11 million in connection with the sale of properties, as well as to a less favorable SEK/NOK exchange rate of SEK -7 million and lower retroactive reimbursement of SEK 2 million (15).

Items affecting comparability amounted to SEK 6 million (16), which related to capital gains on property sales and adjusted EBIT amounted to SEK 78 million (107), which is a 27.1 percent decrease.

The German preschool company Joki, with seven operating units, was acquired on February 1 and contributed SEK 33 million in sales and SEK 0 million in EBIT. During the year Espira in Norway opened four new preschools and also acquired four units.

Employees

The average number of full-time employees was 9,714 (9,159), which represents an increase of 6.1 percent. The percentage of women were 73.3 (73.0). The proportion of pedagogical staff decreased to 78.3 percent (81.0) because the statistics now include Hermods employees with a lower rate of educators. Statistics from the previous financial year related proportion excluded Hermods. Employee turnover, measured as the number of individuals leaving the company, amounted to 25.7 percent over 12 months, compared with 22.8 percent in the corresponding period the previous year for the Swedish operation. This increase is partly due to the shortage of teachers, which increased when teaching requirements were introduced on July 1, 2015. The increase is also due to cutbacks and reorganizations during the year in the Adult education segment, the winding down of some schools mainly in the Upper secondary school segment, as well as staff reorganization. Absence due to illness for AcadeMedia's personnel in Sweden (cumulative average, short-term absence < 90 days) increased somewhat to 4.6 percent (4.4).

AcadeMedia has its own staff training organization, AcadeMedia Academy, which aims to ensure that AcadeMedia continues to be a long-term, stable and attractive education provider for children, students and participants which enables them to develop their skills, abilities and the values that are the focus of the Group's operations. AcadeMedia Academy also aims to make the most of and promote diversity, culture and quality.

Guidelines for remuneration to senior executives 2015/16 and proposal for 2016/17

At the Annual General Meeting on December 18, 2015, shareholders resolved to adopt guidelines for remuneration to the chief executive officer and other senior executives essentially in accordance with the following:

AcadeMedia shall offer a total remuneration package based on market norms in order to recruit and retain talented senior executives. Remuneration within AcadeMedia shall be based on the principles of performance, competitiveness and fairness.

Senior executives refer to the chief executive officer and other members of Group management. The guidelines shall apply to employment contracts entered into, as well as to any changes made to existing conditions. Remuneration to senior executives may consist of basic salary, variable remuneration, share and share-based incentive programs, pension and other benefits. If local conditions warrant variations in remuneration principles, such variations may occur.

Fixed and variable remuneration and other benefits

Fixed remuneration shall reflect the individual's responsibilities and experience, and will be reviewed annually. Senior executives may be offered cash bonuses. Variable remuneration paid in cash may not exceed 50 percent of the annual fixed remuneration. Variable remunerations shall be connected to predetermined and measurable criteria, designed with the aim of promoting the Company's long-term value creation. Note 5 in the financial statements reports remuneration paid during the 2015/16 financial year.

Senior executives may be awarded other customary benefits, such as company car, company health care, etc. Such other benefits shall not constitute a substantial part of the total remuneration. To the extent a board member conducts work for the Company, in addition to the board work, consulting fees and other compensation for such work may be payable.

Termination and severance pay

Between the Company and the chief executive officer, the notice period shall be twelve months upon notice by the Company. Upon notice by the chief executive officer, the notice period is six months or, alternatively, twelve months if the chief executive officer intends to take new employment in a company engaged in competitive activity. For other senior executives, notice periods of four to twelve months apply. During the notice period, normal salaries shall be paid. Upon notice by the Company, the chief executive officer shall be entitled to a severance pay corresponding to twelve months' salary. Other senior executives may, upon being given notice by the Company, be entitled to severance pay of up to twelve months' salary. Severance pay is not vacation or pension-qualifying income and is normally deductible against future employment income received during the period when severance pay is paid.

The board of directors is entitled to deviate from the guidelines in individual cases if the board assesses that there are good reasons for the deviation.

Pensions

Pension shall be defined contribution based where possible. For the chief executive officer and other senior executives, the contribution may amount to a maximum of 30 percent of the fixed salary in situations where a premium-based pension is applicable. The board of directors is entitled, notwithstanding the above, to offer other solutions which are equivalent to the above in terms of cost.

Proposal to the Annual General Meeting regarding guidelines for remuneration to senior executives for 2016/17

The Annual General Meeting resolves on guidelines for remuneration to the CEO and other senior executives. The board of directors proposes that the current guidelines for remuneration to senior executives, as described above, be left unchanged for 2016/17. The term senior executive refers to the CEO and other members of Executive Management,

Long-term incentive programs

Share and share-price related incentive programs shall be decided, where appropriate, by the shareholders' meeting.

At the Extraordinary General Meeting of the Company on June 1, 2016, the shareholders resolved to introduce two long-term incentive programs in the form of a share-matching program, aimed at a maximum of 70 managers and other key employees in the Group, and a warrant program aimed at a maximum of eight senior executives who are invited to invest in this program in addition to the investment in the share-matching program.

The programs are designed to motivate and retain skilled employees, align interests regarding the goals of the employees and the Company, and increase motivation to achieve and exceed the Company's financial targets. The board of directors intends to evaluate the two incentive programs with respect to these objectives. If the programs serve their purposes, the board intends to propose that future AGMs adopt similar incentive programs on a regular basis. Since the current incentive program has just been launched, the board of directors will not propose a new program to the Annual General Meeting in autumn 2016.

A more detailed description of the incentive programs is provided in note 5.

Related-party transactions

During the year, in addition to customary remuneration to board members, the Company paid board member Helen Fasth Gillstedt SEK 25,000 (69,000) in consultancy fees through Blong AB.

Seasonal variations

The first quarter of the Group's financial year includes the schools' summer vacations. During this period, when no operations are conducted, the Group's revenues are lower than in the other quarters. Expenses are also lower since staff are on vacation, which results in lower personnel expenses. This also applies to preschools in Norway. Within the Adult education segment the level of activity is also lower during the summer months, as are revenues, and this is also the case over the Christmas and New Year period. During the same periods leave and vacation entitlement are taken, resulting in lower personnel expenses.

The salaries of the Group's employees are adjusted yearly. The largest proportion of the Group's employees are teaching staff, whose salaries are adjusted as of September 1 each year, after which date personnel expenses increase without a corresponding increase in school voucher funding. This means that margins are usually lower in the second quarter of the financial year. School voucher funding is not adjusted until the end of the calendar year in both Norway and Sweden. Consequently, revenues increase without any actual change in the cost structure during the third and fourth quarters. The fourth quarter is usually the strongest in terms of profit, partly for the above reason and partly since there are decreases in direct costs, such as for food services, and the vacation period begins, while revenues do not reduce at the same rate. Within the Pre- and compulsory school segment the positive effect in the fourth quarter is reinforced by the fact that children join on an ongoing basis during the year, particularly in May and June, which increases revenues accordingly.

Seasonal variations are somewhat different for preschools in Norway, partly because of the Norwegian rules on personnel density that require greater personnel density for younger children than for older children. At the beginning of autumn, the older children transfer to compulsory school and younger children come into the units. This leads to increased staffing in order to meet the personnel density requirements. At the end of the year, child welfare funding increases and the personnel density requirement is lower, since the younger children are now considered to be one year older. Consequently, the second quarter of the financial year is the year's weakest quarter within this segment, with zero profit or even a slightly negative result.

Parent company

The parent company AcadeMedia AB (publ) is the listed parent company with certain management functions. The CEO has been employed by the parent company since May 1, 2016 and the CFO since July 1, 2016. Sales during the financial year amounted to SEK 0 million (0), the operating result (EBIT) amounted to SEK -21 million (-1) and profit after tax amounted to SEK 16 million (21). The parent company's assets essentially consist exclusively of participations in Group companies. The business is financed primarily by equity contributed by the owners. Equity in the parent company as of June 30, 2016 was SEK 2,292 million (1,909).

Operations are conducted in individual subsidiaries that are wholly owned by the parent company. At the end of the year AcadeMedia had 133 (111) wholly owned subsidiaries, which are listed in note 22. All education is provided by subsidiaries owned under AcadeMedia AB, referred to below as the AcadeMedia Group.

Share capital and shareholders

AcadeMedia AB (publ) is a public limited company that was listed on Nasdaq Stockholm on June 15, 2016. Several transactions relating to share capital were carried out in 2016 as part of the preparations for the listing. On January 4, 2016, an Extraordinary General Meeting was held at which all of the shares were converted into ordinary shares. The shares were converted through reclassification and a bonus issue. On February 1, a non-cash issue of shares was made to the sellers of Joki as part of the consideration for the acquisition. On June 1 an Annual General Meeting was held to resolve on a bonus issue in order to achieve the appropriate number of shares prior to listing. Finally, another general meeting was held on June 15 to resolve on a new share issue for 8,750,000 shares to the stock market in connection with the listing, which raised SEK 334 million in new equity, net of issue expenses of SEK 16 million after tax.

ACADEMEDIA'S 10 LARGEST SHAREHOLDERS AS OF JUNE 30, 2016

Name	Number of shares	Percentage of capital and votes, %
MARVIN HOLDING LIMITED	60,710,163	64.52
MELLBY GÅRD AB	9,400,590	9.99
LANNEBO FONDER	1,278,120	1.36
ANDRA AP-FONDEN	1,250,000	1.33
SWEDBANK ROBUR SMÅBOLAGSFOND SVERIGE	1,250,000	1.33
VERDIPAPIRFOND ODIN SVERIGE	1,250,000	1.33
GÖTERFELT, JOHAN	993,818	1.06
FEELMORE I GÖTEBORG AB	805,357	0.86
PC 2 UTBILDNING AB	744,790	0.79
HANDELSBANKEN FONDER AB RE JPMEL	722,943	0.77

Following these transactions there were 94,100,000 ordinary shares as of June 30, 2016. The quota value is SEK 1.00 per share. Share capital as of June 30, 2016 was SEK 94,100,000, an increase of SEK 86,074,748 since June 30, 2015. The increase in share capital is a result of two bonus issues, a non-cash issue and a new share issue during the financial year. See page 66 for a more detailed specification of the parent company's changes in equity.

In connection with the listing the family-owned company Mellby Gård acquired just under 10 percent of the total shares in the Company. Mellby Gård has the option, up until four days after publication of the Company's quarterly report for the period from October to December 2016, to purchase a further approximately 10 percent of the total shares in AcadeMedia from Marvin Holding, at a price of SEK 42.00 per share.

Other institutional investors that are major shareholders are Lannebo Fonder 1.36 percent, Andra AP-fonden 1.33 percent, Odin Fonder 1.33 percent and Swedbank Robur 1.33 percent. In addition, approximately 35,000 private individuals subscribed for shares, approximately 700 of whom are AcadeMedia employees.

EQT V indirectly owns 56.5 percent of AcadeMedia via the holding company Marvin Holding Ltd., which holds 64.5 percent of the shares in AcadeMedia AB as of June 30, 2016. Marvin Holding Ltd. is owned by 87.6 percent of the fund EQT V.

Quality

Quality

AcadeMedia is the leading independent education provider in the Nordic countries and is striving to lead quality development in schools. Consequently we must always carefully monitor and control our operations, which allows us to compare our results with other education providers.

The overall objective of AcadeMedia’s quality management is to ensure that all children, students and participants are offered a high-quality education that enables them to reach the goals of the respective education program and, in addition, the opportunity to develop so that they achieve their full potential. Quality management also refers to developing the quality of all AcadeMedia operations, thereby ensuring that they are attractive and that they achieve long-term growth regarding number of participants. The outcome of the quality management program is reported in an annual quality report for the Group, which is published at the beginning of each year.

AcadeMedia’s quality assurance system, the ”AcadeMedia Model,” consists of four cornerstones:

1. Common definitions of quality consisting of three aspects:
   a. Functional quality – the extent to which students achieve the goals of the education
   b. Perceived quality – how do our students and parents perceive the education program
   c. Efficient quality – what happens to students after they have left school
2. Transparency by measuring and monitoring at three levels in the organization
   a. School/unit
   b. Principal level, i.e. the legal entity that has the licence.
   c. Group
3. Joint monitoring, evaluation and structured exchange of experiences according to the schedule shown in AcadeMedia’s jointly defined quality year.
4. Regular internal audits based on the same supervisory model applied by the Swedish Schools Inspectorate.

In July 2016 AcadeMedia established a collaboration with Schoolido, a digital learning service for students and teachers. Under the collaboration, AcadeMedia can provide teachers and students with free access to quality-assured digital educational materials for grades seven to nine. Digitization is an important area for quality improvement in the school and AcadeMedia is thereby taking an important step toward more effectively meeting goals for our compulsory school students.

AcadeMedia’s guarantees

In AcadeMedia’s capacity as owner of a number of units and brands, one aspect involves being a guarantor and source of support for the units. AcadeMedia’s general guarantee states that:

- AcadeMedia guarantees all of our educational units’ long-term security and development.
- The quality guarantee states: “Our common quality management system, the AcadeMedia Model, guarantees the quality assurance of our mission.”
- AcadeMedia’s education guarantee [2] states: “Everyone who starts an education with us is guaranteed to be able to finish their education.”

NUMBER OF SHARES	ORDINARY SHARES	CLASS B ORDINARY SHARES	CLASS D ORDINARY SHARES	CLASS E ORDINARY SHARES	CLASS A PREFERENCE SHARE	CLASS C1–C10 PREFERENCE SHARES
Opening balance, shares July 1, 2015	0	71,456	10,963	1	7,435,624	507,208
Redemption of class E ordinary shares, Jan. 4, 2016				-1		
Reclassification Jan. 4, 2016	8,025,251	-71,456	-10,963	0	-7,435,624	-507,208
Bonus issue Jan. 4, 2016	71,974,749					
Non-cash issue Feb. 1, 2016	676,092					
Bonus issue June 1, 2016	4,673,908					
New share issue June 15, 2016	8,750,000					
Closing balance, shares June 30, 2016	**94,100,000**	**0**	**0**	**0**	**0**	**0**

- The safety guarantee states: "A constant focus on student health of the highest quality guarantees that we provide the best possible conditions in which to successfully create a safe environment for all participants."
- Through its transparency guarantee, AcadeMedia publicly accounts for quality results in annual quality reports and has whistle-blower protection for employees, trade union partnership agreements and collective agreements.

Outlook and financial targets

Market outlook

The number of students who will enter the school system will substantially increase over the next five years. Well over 100,000 new students will enroll, both due to an increase in the number of students in each age group, and because of the large number of immigrants settling in Sweden. Many new schools need to be built, especially in the major metropolitan areas, and the need for additional players is great. We also see a growing trend toward urbanization, which entails a migration to regions and cities where AcadeMedia has the majority of its operations.

Student age groups in upper secondary schools are now at their lowest level and will grow by almost 20 percent over the next five years. The need for adult education will remain high, mainly because of the high level of immigration to Sweden, and the need for new skills. The need for preschools in Europe remains high since even the youngest children need and should be offered preschool education. AcadeMedia is the leader in preschools in Europe and the Nordic preschool model serves as a model for many countries. Additional description of the market on pages 24-25.

Financial targets

AcadeMedia intends to grow organically by utilizing spare capacity in existing units, and by opening new units. AcadeMedia also intends to grow by taking over education units, as well as through continued consolidation of the market through acquisitions. AcadeMedia's growth target for net sales is to grow by five to seven percent annually, excluding major acquisitions.

In addition, AcadeMedia also intends to provide the highest quality education in the areas where the Group operates. The target is for adjusted EBIT to amount to seven to eight percent of sales.

With respect to capital structure, AcadeMedia's target is to have net debt in relation to operating profit before depreciation and amortization (EBITDA) and excluding items affecting compability with a maximum factor of three. During brief periods, however, deviation from this target may occur, such as in connection with major acquisitions.

Dividend policy

AcadeMedia's main responsibility is to provide a good education for the reimbursement received. This must be done as efficiently as possible. AcadeMedia's unrestricted cash flow will primarily be reinvested in the operation in order to maintain high quality and to finance future growth. The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets relating to quality and financial position.

AcadeMedia has not paid any dividend to its owners over the past ten years.

Significant events after the end of the financial year

- The number of children and students in AcadeMedia's three school segments, Pre- and compulsory school, Upper secondary school and preschool international was 4.9% higher than at the same time last year. The average number of children and students attending any of AcadeMedia's preschools och compulsory schools during the first quarter of 2016/17 was 65,143 (62,103)
- At the beginning of the fall semester one preschool in Sweden and three preschools in Norway were opened. Several units also expanded their capacity. One small preschool was acquired in Norway. At the same time three units were closed or sold compared to the number of units that were in operation during the fourth quarter of 2015/16, and seven Upper secondary school units are being restructured and therefore have fewer students.
- Jens Eriksson, with a background from the MTG Group, joined as head of the Upper secondary school segment on August 1, 2016.

Annual General Meeting

The Annual General Meeting will be held on November 17 at 2:00 p.m. at Stockholm City Conference Centre, Folkets Hus, Barnhusgatan 12-14 in Stockholm.

Risk and Risk Management

Exposure to risk is a natural part of business for which reason AcadeMedia has a risk management plan. The focus is on identifying risks, mitigating risks and preparing action plans that will make it possible to limit any damage caused by these risks.

Several types of risk can be eliminated through internal routines, while others which are to a greater extent outside the company's control, can be minimized by various policies, action plans and training.

AcadeMedia categorizes risks as operating, external and financial. Operating risks include variations in demand and number of students, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, AcadeMedia's reputation and brand, permits, and liability and property risk.

External risks include risk relating to school voucher funding and the economy, political risk, changes in laws and regulations, and dependence on national authorities in the education sector. Political risks may include introduction of an upper secondary school guarantee, change in standard VAT in school vouchers or some form of limit on profits or dividends. A common factor for the various political proposals is that the processes are usually long and proposals must be formulated so they are legally enforceable and must also pass a parliament vote.

In addition, there are also financial risks such as credit and currency risks.

Operating Risk

Fluctuations in demand and number of students

Demand for education services follows demographic factors and the major trends in society and within the educational system. A growing population, society's desire for increased investment in education services, combined with the public's positive attitude toward freedom of choice in education and independent education providers drive demand for education services from independent providers. Consequently more and more students are applying to independent schools and AcadeMedia.

AcadeMedia competes with both public and independent education providers. A decline in the Group's reputation and attractiveness could cause lower student and participant enrollment, which would affect sales and profitability. AcadeMedia has a good reputation and works systematically with quality management in all segments and operations.

A decline in demand for the Group's education services, along with lower student enrollment, could have a negative impact on the Group's business, financial position and results.

Risk related to the supply of qualified employees and payroll costs

AcadeMedia's operations are labor-intensive and in 2015/16 personnel expenses accounted for 64 percent of the cost base. Well-educated personnel, including senior management, teachers, preschool teachers and other staff, is a critical success factor in order to be able to offer high-quality teaching, as well as to have the relevant permits in AcadeMedia's operations.

Increased qualification requirements for teachers, combined with a general teacher shortage and political pressure, has forced teachers' salaries upward. Salary increases, partly negotiated at central level, without or with limited influence from AcadeMedia, may entail increased costs. Under Swedish legislation on equal conditions for independent and municipal providers, this should not have a negative impact on AcadeMedia, since school vouchers will compensate for salary increases, but there is no guarantee that any salary increases immediately, or in general, will be compensated by a corresponding increase in school vouchers.

AcadeMedia has highly skilled employees and promotes continuous professional development. However, there is always a risk that individual employees might not perform in accordance with the Group's quality standards. AcadeMedia carefully monitors trends within operations and has the capacity to efficiently take care of employee development.

Because of the Group's decentralized business structure, AcadeMedia is dependent on business segment heads, education directors and principals of the various operations to ensure that employee performance is in line with requirements and internal guidelines.

From a business perspective, it is extremely important for AcadeMedia to have good relations with its employees. As in all businesses, however, regular conflicts and discussions in this collaboration may arise and there is a risk that disputes and disagreements may arise in the future that could result in strikes or other disruptions.

Risk related to inadequate quality

The education services that the Group provides are audited and inspected by the Schools Inspectorate, municipalities and other purchasers with which the Company enters into a contract. AcadeMedia continually monitors operations to

RISK CATEGORY	DESCRIPTION	MANAGEMENT
Operating risk	Operating risks mainly include variations in demand and number of students, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, AcadeMedia's reputation and brand, permits, and liability and property risk.	Systematic quality improvement in all segments and activities to ensure a high-quality education. This also makes AcadeMedia an attractive employer.
External Risk	External risks include risk relating to school voucher funding and the economy, political risk, changes in laws and regulations, and dependence on national authorities in the education sector.	These risks are primarily managed using well-prepared action plans.
Financial Risk	Financial risks such as credit, interest rate and currency risks.	AcadeMedia has a positive cash flow and the school system model with payment in advance means that the business has a negative working capital. AcadeMedia's good cash flow, regular liquidity forecasts and quarterly reconciliations with credit institutions effectively manage and limit the financial risk.

ensure that they live up to the Group's high quality standards. AcadeMedia also ensures that operations are conducted in accordance with contractual agreements, as well as applicable laws and regulations. Inadequate internal control activities may lead to penalties, fines or other consequences, as well as negative publicity, which would reduce the attractiveness of the Group's education services.

AcadeMedia's reputation and brand

School and education have an influence on people's lives, for which reason there is a strong commitment and interest from students, parents, authorities, the media and other stakeholders.

As a result of dissatisfaction with the operation or violations of rules, individual schools may be reported to the Schools Inspectorate, which could lead to an audit and cause penalties to be imposed on the Group and its programs.

Violations of rules or perceived grievances can also be rapidly disseminated in the media and lead to extensive negative publicity, which could also damage the reputation of individual schools and the brand. A bad reputation for a certain school makes it harder to attract new students to that particular school and thus would have a limited impact on the Group's sales and earnings. However, AcadeMedia is prepared to quickly and forcefully act and address any reputation-related risks that might arise. A major and poorly managed negative event could damage the AcadeMedia Group's reputation. The Group's extensive quality management, quality monitoring and experience exchange programs reduce the risk of reputation-related crises on a larger scale.

Negative publicity resulting from grievances aimed at other private education providers could indirectly affect AcadeMedia because of the negative impact on the reputation of independent schools in general and both the authorities and the public would be less willing to allow or use independently managed education services.

Permits

The Group is licensed to operate independent schools at the preschool, compulsory school and upper secondary school levels. The Swedish Schools Inspectorate, which is the supervisory authority for compulsory and upper secondary schools, regularly inspects the Group's various schools. Completed school inspections may lead to proposals for corrective actions. Suggestions resulting from inspections are usually addressed immediately. If the schools fail to follow the instructions given by the Schools Inspectorate, penalties may be imposed or the license to provide education services could be revoked.

The responsibility for compliance with the requirements of the Swedish Education Act and school inspections is delegated by the provider to the principal, but coordination is done at the Group or provider level in order to develop and ensure compliance.

Licenses to run preschools in Sweden or Norway are issued by the respective municipality.

In adult education, conditions and quality requirements for the education program are regulated by the agreement the Company has with the employment service or municipality, or by the permit from the Swedish National Agency for Higher Vocational Education.

Liability and property risk

Any errors and deficiencies in the operation could lead to damage claims. The Group has a centrally coordinated insurance policy and access to external insurance advisors. The Group has adequate insurance coverage and the direct risk is therefore assessed to be limited.

External Risk

Risk related to school vouchers and the economy

Most of AcadeMedia's revenue comes from public funds. Access to these funds depends on the priorities of society and of the general economic situation in Sweden, Norway, Germany and the rest of the world. A deep and prolonged recession could mean lower tax revenues and thus reduced potential for using public funds to finance the current education system. This, along with other changes in education budgets and grants in each municipality, could lead to lower reimbursement per student, which would impact the entire market, including AcadeMedia.

A limited portion of revenue from preschools in Sweden, Norway and Germany, as well as before-school and after-school care in compulsory school is privately financed by revenue from parents, which could also be adversely affected by a general economic downturn.

Regarding value added tax (VAT), a review of compensation to municipalities and county councils for so-called hidden VAT has been discussed in recent times. When an external agent provides a non-taxable service, part of the price corresponds to the supplier's cost for non-deductible VAT, known as hidden VAT. Therefore, a special reimbursement to compensate municipalities for the increased costs as a result of hidden VAT is paid when procuring business from, for example, independent education providers. In March 2014, a special committee was instructed to review the compensation to municipalities. The committee published its proposal in January 2016. The proposal suggests lowering the flat rate from six percent to five percent. If implemented, the proposal will likely in the long run have a negative impact on AcadeMedia since VAT compensation in school vouchers will be reduced from six to five percent.

Political risk

Publicly funded independent schools have been and are subject to significant scrutiny from authorities and the media, among others.

Possible legislation restricting independent education providers' opportunities for establishment, cost recovery and/or profit generation could have a material adverse effect on the Group's ability to conduct business and thereby adversely affect the Group's financial position and earnings.

Proposals that limit the Company's ability to distribute profits to shareholders could have major negative effects on AcadeMedia's share and market value.

While there is no parliamentary majority supporting a limitation of independent schools and profits at this time, the issue is sensitive and a government inquiry to investigate the welfare sector in Sweden has been ongoing since March 5, 2015. The investigation will, among other things, examine and present proposals on how to formulate legislation for public financing for operations of tax-financed welfare, such as education services, so that the funds benefiting the participants and the profit, as a general rule, are reinvested in the operations.

Changes in laws and regulations

AcadeMedia operates in a highly regulated market. Violations of laws and regulations may result in restrictions, increased operating costs or increased costs due to fines or other penalties. In addition, the Group's counterparties may be given the right to terminate or amend agreements entered into with the Group.

The political, economic and regulatory environment is changing and political factors and/or policy decisions could have a negative impact on the Group's profitability.

AcadeMedia depends on national authorities in the education sector.

The Group's operations are dependent on a variety of reimbursement systems and pricing decisions which are determined by local, regional and national authorities. By law, the same conditions shall apply to operations conducted by municipalities and operations conducted by independent operators. However, the pricing procedure exercised by municipalities varies considerably, both between different municipalities and over time. Prices are based on the relevant municipality's budget and investments in education services, which is why prices may both increase or decrease from one year to another in a specific municipality. Changes can be implemented on short notice.

There is also a risk that general cost increases, such as increased costs for social security contributions for young employees and increased salaries for teachers, are not immediately taken into account in the public remuneration. Consequently, AcadeMedia could incur significantly higher costs, but not always expect to be compensated when such costs arise, but at a later stage through, for example, school vouchers.

Financial Risk

Credit risk

The operation has a positive cash flow and the voucher system with payment in advance means that the business has a negative working capital. The Group's largest operating assets consist of accounts receivable, prepaid expenses and accrued income. Bad debt losses may arise in a business relationship or dispute arising after the customer becomes insolvent. The Group's receivables are almost exclusively against the central government, municipalities and authorities, where the risk of insolvency is small, for which reason AcadeMedia's credit risk is considered low.

Risk related to loans

The Group has external loans from Nordic credit institutions. In addition, the Group has finance leases. These loans pose financial risks such as breach of covenants (special loan conditions), interest rate obligations and repayment obligations to credit institutions. The operation's solid cash flow, regular liquidity forecasts and quarterly reconciliations with credit institutions effectively manage and limit the financial risk.

Currency risk

Operations are mainly conducted in Sweden and income and expense flows are therefore mostly denominated in Swedish currency. Some of the Group's assets, liabilities, revenue and expenses are denominated in currencies other than SEK, primarily in NOK and EUR with respect to the Group's Norwegian and German operations. The financial statements of the Norwegian and German subsidiaries must therefore be translated into SEK when preparing the consolidated accounts. Consequently some currency risk is associated with translation to Swedish kronor.

Sensitivity analysis

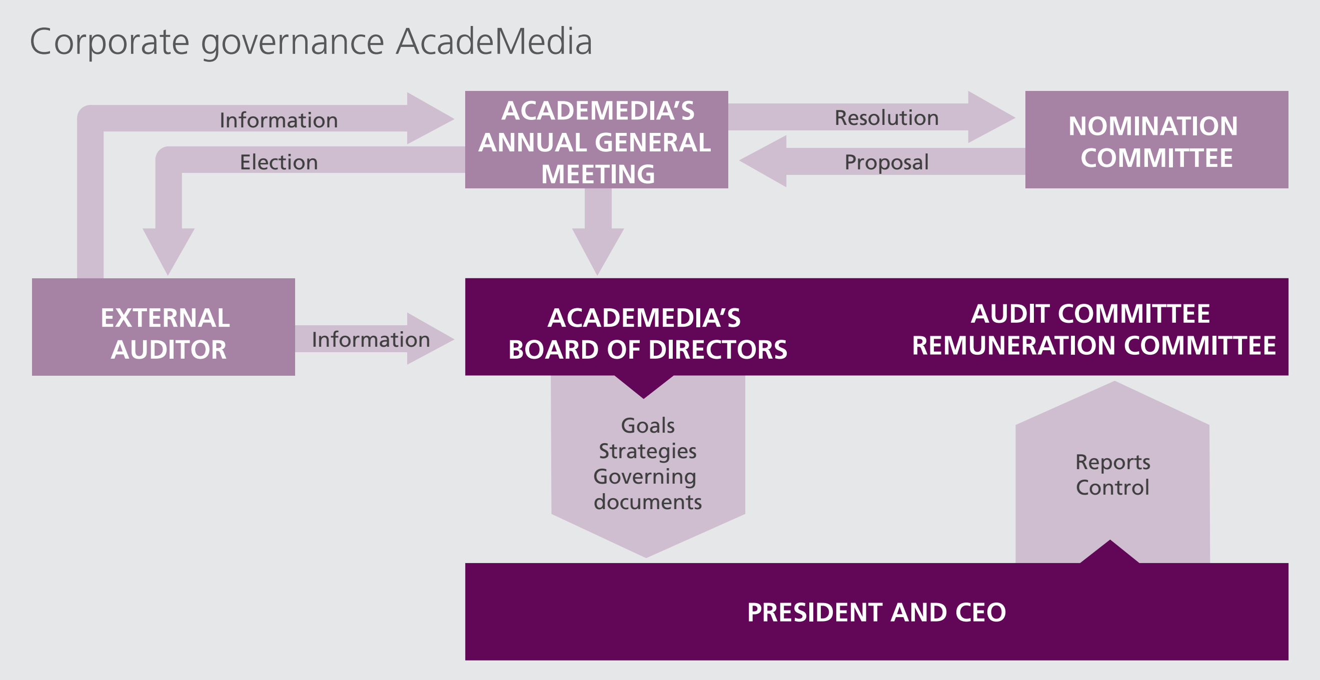
A number of key factors that affect the Group's financials are presented below in a sensitivity analysis. The estimated effect of the changes is based on the Group's financials for the 2015/16 financial year and assumes for each individual factor that all other factors are unchanged. The sensitivity analysis illustrates the effects on the Group's results as if the changes had occurred during the 2015/16 financial year, and are not a forecast of future effects on results.

FACTOR	CHANGE	EFFECT
Number of students in the three school segments	+/– 1%	+/– SEK 70 million on sales and +/– SEK 20-45 million on operating profit/loss (EBIT)*
Average personnel expense per employee	+/– 1%	+/– SEK 50 million on operating profit/loss (EBIT)
Average student voucher (all countries)	+/– 1%	+/– SEK 70 million on operating profit/loss (EBIT)
Interest change, Group loans **	+ 1 percentage point	– SEK 30 million on profit/loss after financial items
Exchange-rate fluctuations NOK/SEK	+/– 10%	+/– SEK 135 million on sales and +/– SEK 8 million on operating profit/loss (EBIT)

*) The effect on operating profit depends entirely on the volume change occurs, if it is spread out or concentrated.

**) As the Group's large loan agreement has a zero interest rate floor the interest expense will not benefit from further interest rate cuts.

Corporate Governance Report



EXTERNAL GOVERNING DOCUMENTS
- Swedish Companies Act
- Swedish Annual Accounts Act
- Other relevant laws
- Nasdaq Stockholm's rules for issuers of shares
- Swedish Code of Corporate Governance

INTERNAL GOVERNING DOCUMENTS
- AcadeMedia's articles of association
- Rules of procedure, instructions for the board of directors/CEO
- Values and culture
- Codes of conduct
- Policies and guidelines

AcadeMedia AB (publ) is a public limited company whose shares were listed on June 15, 2016 on Nasdaq Stockholm's list for Mid Cap companies. AcadeMedia complies with Nasdaq Stockholm's rules for issuers of shares and the Swedish Code of Corporate Governance (the "Code") which applies to all Swedish companies whose shares are listed on a regulated stock market in Sweden.

Corporate governance at AcadeMedia

The purpose of corporate governance at AcadeMedia is to ensure that the board of directors and management act so that the Company's operations focus on development to create long-term value for shareholders and other stakeholders, such as students, employees and customers. This includes ensuring:

- an efficient organization,
- quality management, risk management and internal control systems, and
- transparent internal and external reporting.

The structure of corporate governance at AcadeMedia is shown in the above illustration

Responsibility for governance, management and control is divided among shareholders, the board of directors, its elected committees and the chief executive officer. The external framework includes the Swedish Companies Act and Nasdaq Stockholm's rules for issuers of shares and the Swedish Code of Corporate Governance (the "Code"), as well as other relevant Swedish and foreign laws and regulations (such as the Education Act). The corporate governance report is prepared in accordance with the Annual Accounts Act.

In addition, there are internal control instruments such as the articles of association, rules of procedure for the board, guidelines for the composition of the nomination committee, instructions to board committees, instructions to the chief executive officer, authorization arrangements, financial policy, communications policy, insider policy, ethical guidelines, property policy and guidelines for remuneration to senior executives. Some of these documents can be found on the AcadeMedia website. All policy documents are available on AcadeMedia's intranet for employees.

Deviations from the Corporate Governance Code

During the 2015/16 financial year one deviation from the Code occurred, regarding rule 9.7, under which AcadeMedia reports a deviation with respect to the share-matching program and the warrant program described below in the "Share capital and ownership – Long-term incentive programs" section, where the vesting period for the programs is less than three years. The intention is that the vesting period in the Company's long-term incentive programs is to run from the first quarter report of the financial year to the corresponding report three years later. Because the current programs were adopted in connection with the Company's listing on Nasdaq Stockholm during the fourth quarter, the vesting period for this year's program is slightly shorter.

Another deviation from the Code is that the Company has chosen not to appoint an internal auditor. The board has resolved not to establish a special internal audit function because the Company believes that the enhanced quality management system and the responsibility of each segment head, along with the Company's CFO, meet the need for proper control, and that monitoring takes place, including in the form of reporting to the board. However, the board of directors conducts an annual review of the need for an internal audit function.

The Company has also deviated from the Code with regard to rule 2.4, composition of the nomination committee. According to the Code, if more than one board member serves on the nomination committee, no more than one of them should be dependent in relation to the Company's major shareholders. AcadeMedia has chosen to allow Erika Henriksson as representative of EQT and Ulf Mattsson, chairman of the board, to serve on the nomination committee. As a precaution, Ulf Mattsson has been deemed to be dependent on the principal owner EQT. The nomination committee has nevertheless allowed Ulf, as chairman of the board, to serve on the nomination committee to contribute his experience in working with the Company and the board of directors.

AcadeMedia has partly qualitative criteria in determining the quality objectives, which is a deviation from the code. Achieved quality is measured in detail with a quantitative measure at the unit level up to the corporate level and are described in detail in AcadeMedia's annual quality report and on its website. AcadeMedia's board has ruled, however, that it is also useful to evaluate whether the management has used good judgment in the process of quality development. This is important to ensure that the operations develop in a sound way for students and also for the company in a long-term sound way.

Shareholders' meeting

The shareholders' meeting is AcadeMedia's highest decision-making body. At the shareholders' meeting, shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of members of the board of directors and the chief executive officer, election of members of the board of directors and auditor, as well as remuneration to the board of directors and the auditor. Amendments to the articles of association are also decided by the shareholders' meeting. The annual general meeting of shareholders must be held within six months from the end of the financial year. AcadeMedia's annual general meeting will be held on November 17, 2016. In addition to the Annual General Meeting, an Extraordinary General Meeting may also be convened. According to the articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. Post och Inrikes Tidningar) and by making the notice available on the Company's website. At the time of the notice, information regarding the notice shall be published in Dagens Industri.

Right to participate in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day occurring five business days prior to the meeting, and notify the Company of their participation no later than on the date indicated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two advisors. Shareholders may register for the shareholders' meeting in several different ways, as indicated in the notice of the meeting. Shareholders are entitled to vote for all shares in the Company shares held by the shareholder.

Shareholders initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the board of directors. Such requests must be received by the board of directors well in advance of the shareholders' meeting, in accordance with the information provided on the Company's website in conjunction with the announcement of the time and place of the shareholders' meeting.

Nomination committee

In compliance with the Code, AcadeMedia has a nomination committee with the purpose of preparing proposals to the shareholders' meeting regarding the election of board members and auditors.

According to a resolution from the annual shareholders' meeting of the Company on December 18, 2015, AcadeMedia's nomination committee shall comprise the chairman of the board and one representative for each of the three largest shareholders based on ownership of the Company as per the end of the financial year's third quarter. Consequently, the AcadeMedia's nomination committee consists of:

Erika Henriksson,
Marvin Holding Limited, 64.5 percent of votes

Rune Andersson,
Mellby Gård, 10.0 percent of votes

Johan Lannebo,
Lannebo Fonder, 1.4 percent of votes

Ulf Mattsson
(chairman of the board), 0.1 percent of votes

Rune Andersson is chairman of the nomination committee.

Shareholders

The largest shareholders and their holdings are set out in the section on the AcadeMedia share on page 99.

Board of Directors

Composition of the board of directors

According to AcadeMedia's articles of association the board of directors, as elected by the shareholders' meeting, shall consist of at least three members and a maximum of ten members. The Company's board of directors currently consists of seven members, including the chairman, elected by the shareholders' meeting for the period until the AGM in 2016. Labor organizations are entitled by law to appoint employee representatives to the board with the same rights and duties as other board members. The Swedish Teachers' Union and the National Union of Teachers in Sweden appointed a total of two members and one alternate to serve on the board. The list below shows AcadeMedia's board members, when they were first elected to the board and whether the elected members are independent of the Company, management and/or the

BOARD OF DIRECTORS

Member	Elected	Position	Independent of: The Company and executive management	Independent of: The Company's major shareholders
Ulf Mattsson	2010	Chairman of the board	Yes	No
Harry Klagsbrun	2010	Board member	Yes	No
Helen Fasth Gillstedt	2009	Board member	Yes	Yes
Torbjörn Magnusson	2010	Board member	Yes	Yes
Erika Henriksson	2012	Board member	Yes	No
Silvija Seres	2015	Board member	Yes	Yes
Anders Bülow	2016	Board member	Yes	Yes
Peter Milton	2016	Employee representative	-	-
Anders Lövgren	2016	Employee representative	-	-
Fredrik Astin	2016	Deputy employee representative	-	-

principal owner. The composition of the board of directors of AcadeMedia meets the requirements for independent board members. None of the members of Group Management have significant shareholdings or partnerships in companies with which the Company has significant business relationships.

Ulf Mattson has been AcadeMedia's chairman of the board since 2010. The chairman is elected by the Annual General Meeting, leads the board, and ensures that it is both efficient and well-organized.

Division of work

The board follows written rules of procedures that are reviewed annually and adopted at the statutory board meeting each year. The rules of procedure regulate board practices, functions and breakdown of duties between board members and the chief executive officer, as well as between the board and its various committees. In connection with the statutory board meeting following each Annual General Meeting, the board also adopts the instructions to the chief executive officer, including instructions for financial reporting.

The board meets annually according to a fixed schedule. In addition to these board meetings, additional meetings may be convened to deal with issues that cannot be referred to a regular board meeting. In addition to board meetings, the chairman and the chief executive officer conduct a continuous dialog concerning management of the Company.

For a detailed presentation of the board, see pages 95-96.

The board's work during the 2015/16 financial year

During the year the board held 22 meetings. Board member attendance can be seen in the accompanying table. Eola Änggård Runsten, who is AcadeMedia's CFO, served as secretary at the board meetings. Before the meetings, board members received written information on the issues to be discussed at the meeting.

During the year, in addition to the usual monitoring of quality issues and finances, much of the board's time was devoted to work associated with the IPO, the establishment in Germany and the segment's operations.

The board has been working actively with management in various strategic issues and each year devotes a longer board meeting to a review of the Company's strategy.

BOARD ATTENDANCE

Member	Audit committee	Remuneration committee	Attendance board meetings
Ulf Mattsson		2 (2)	22 (22)
Harry Klagsbrun		1 (2)	18 (22)
Helen Fasth Gillstedt	3 (3)		22 (22)
Torbjörn Magnusson	3 (3)		20 (22)
Erika Henriksson	3 (3)	1 (2)	21 (22)
Silvija Seres		2 (2)	21 (22)
Anders Bülow	1 (1)		2 (3)
Peter Milton			10 (13)
Anders Lövgren			13 (13)
Fredrik Astin			13 (13)

Audit committee

At the board meeting on September 15, 2015 AcadeMedia established an audit committee consisting of three members: Helen Fasth Gillstedt (chair), Erika Henriksson, and Torbjörn Magnusson. The audit committee shall, among other things, without prejudice to the responsibilities and tasks of the board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal control, internal auditing and risk management, keep itself informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditor, keep itself informed of the result of the Supervisory board of Public Accountants' quality control of the Company's auditor and pay close attention to whether the auditors are providing the Company with other services besides audit services. The committee also has the task of evaluating the audit work and providing this information to the nomination committee, as well as assisting the nomination committee in the preparation of proposals regarding election of auditors and auditors' fees.

The audit committee has held three meetings from September 15, 2015 through August 30, 2016.

Remuneration committee

At the board meeting on September 15, 2015 AcadeMedia also established a remuneration committee consisting of three members: Ulf Mattsson (chair), Silvija Seres and Harry Klagsbrun. The remuneration committee shall prepare proposals concerning remuneration principles and remuneration and other terms of employment for the CEO and senior executives.

The remuneration committee has held two meetings from September 15, 2015 through August 30, 2016.

Evaluation of the board's work

The board’s work is evaluated annually through a structured process in which all board members and deputy members answer questions about how they feel the board performed with respect to a number of relevant areas. The areas assessed include whether the board's skills and composition are appropriate, as well as the focus and direction of its work. The chairman of the board is responsible for the evaluation and ensures that the results are presented and discussed within the board, as well as in the nomination committee. Thus the evaluation serves as a basis for the board's further work and development, as well as for the nomination committee’s work. The evaluation of the board’s work in 2015/16 was presented and discussed at the board meeting on June 20, 2016. All board members elected by the AGM participated in the survey. The overall results were presentedorally and various areas for development were discussed.

Remuneration to board members and shareholdings

At the extraordinary shareholders’ meeting held on June 1, 2016, it was resolved that remuneration until the next Annual General Meeting shall be paid at SEK 500,000 to the chairman of the board and SEK 250,000 to each of the other board members who are not employed by the Group. In addition, SEK 100,000 per year shall be paid to the chairman of the audit committee and the chairman of the remuneration committee, respectively, and remuneration to each of the other members of the relevant committee, who are not employed by the Group, shall be paid SEK 50,000 per year each. For information on the remuneration paid to the board members for the 2015/16 financial year see note 5.

Further information about the board members and their shareholdings can be found on page 95-96.

Chief Executive Officer and Executive Management

Marcus Strömberg has been President and CEO of AcadeMedia since 2005. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the CEO’s instructions. The CEO is also responsible for the preparation of financial reports and compiling information from executive management for board meetings and for presenting such materials at the meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and consequently must ensure that the board of directors receives adequate information in order for the board to be able to evaluate the Company’s financial position.

The CEO must continuously keep the board of directors informed of developments in the Company’s operations, the net sales development, the Company’s earnings and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company’s shareholders.

Group management, consisting of the heads of the four segments, as well as the deputy CEO, CFO, HR director and communications director, provides support for the CEO. For more information about the CEO and other senior executives, as well as their shareholdings, see pages 97-98.

For a description of the remuneration and terms of employment for the CEO and senior management for the 2015/16 financial year, as well as outstanding incentive programs in the Company, see note 5. The evaluations and reports required under the Code are posted on the website, along with descriptions of incentive programs, criteria for variable remuneration, application of guidelines for remuneration to senior executives, remuneration structures and remuneration levels in the Company.

Internal control and risk management

Internal control framework

AcadeMedia’s procedures for internal control are based on two perspectives: internal control and risk management relating to operations and internal control and risk management relating to financial reporting. Internal control shall ensure that AcadeMedia’s financial reporting provides a fair picture of the Company’s financial position and that the operations continuously meet the requirements and expectations of a company that operates within publicly funded operations.

Control environment

AcadeMedia’s board of directors is ultimately responsible for ensuring that the Company complies with the requirements for internal control and control of its financial reporting. The board annually adopts a number of governance documents to support the actions of management and all employees in order to promote correct, complete and current accounting. Central documents, which are available on the Company’s intranet, include rules of procedure for the board of directors, instructions for the CEO and the CEO’s duties, the work allocation between them and overall policies AcadeMedia’s CEO has delegated responsibility for implementation and enforcement of formalized routines for financial reporting and internal control to the CFO. In addition to the Company’s policies, AcadeMedia’s accounting manual is a central element and was approved by the board.

In parallel with the procedures for financial accounting and reporting, AcadeMedia’s internal control and risk management is largely based on systematic quality work. AcadeMedia has developed its own quality system through the AcadeMedia Model. The purpose of the quality system is both to minimize risk and to improve quality. Additionally, the operations are regularly reviewed by the Swedish Schools Inspectorate.

Within the framework of the AcadeMedia Model, the internal control includes control of the Company’s and the Group’s organization and implementation of annual student, parent and employee surveys at Group level, where levels below certain limits result in action plans and further control and monitoring measures. Within the Group's compulsory school and upper secondary school operations, internal audits have been carried out for many years to verify that the operations meet the requirements of laws, regulations and other rules, as well as serving as tools for learning, development and quality work. The audits are carried out by trained examiners and include document studies, site visits and interviews with school management, personnel and students and where deficiencies are identified, action plans are presented. The goal is to carry out internal inspections every two years. A similar follow-up model is also available within the Group's preschools. In order to monitor and control ongoing regulatory and inspection cases, case logs of all pending cases are kept. The Group's head of quality and legal counsel prepare, on a monthly basis, a list of units for which specific risks and deficiencies exist. The list is reported to the segment and Group management, which decides whether specific actions are necessary.

AcadeMedia is characterized by high growth rates due to new establishments, as well as acquisitions. As regards the latter, the Company has well developed routines for integrating new operations relatively quickly and for ensuring that the operations comply with the Company's quality and financial procedures.

In summary, AcadeMedia's control environment is based on:

- Governance and monitoring of the board of directors and its audit committee
- Governing documents such as policies and rules of procedure
- Accounting manual
- Continuous monitoring and audits
- The Company's organization and clear delegation of authority, as well as accountability
- Well-established ethical guidelines (Code of Conduct) and the Company's guarantees to students/participants and society
- A well-developed quality management system (The AcadeMedia Model)

Risk Assessment

AcadeMedia conducts an annual risk assessment for the business. The operation is characterized by relatively low risks in areas such as credit risk (high share of public customers/counterparties), market risk (stable markets and revenue streams based on continuous need for educational services, demographic trends and price inflation) and relatively low risk of corruption or financial irregularities. According to the Company, the most important risks to manage are quality risk, which is the risk that the quality does not meet the requirements of students or the authorities, and political risk, which lies in the fact that business conditions are largely based on politically determined frameworks. Both of these risks are best managed by a quality management model (The AcadeMedia Model), clear ethical guidelines and a high degree of transparency regarding the Company's operations.

The audit committee is responsible for ensuring the risk assessment and risk management process regarding financial reporting. Read more about risks and risk management on page 47.

Control activities

Monitoring and control of the Company's operations in relation to stated objectives is ongoing. Monitoring of the board of directors largely takes place through the audit committee, including monitoring of reporting by management and the external auditors. The external auditors examine selected areas of internal control and report the results to the audit committee.

The internal control system aims both to ensure the reliability of financial reporting and monitoring of the Group's quality performance, as well as to ensure the necessary monitoring of compliance with Group policies, principles and instructions. Internal controls shall also ensure that the consolidated financial statements are prepared in accordance with the law and applicable accounting standards, and that the other requirements of the Group are met. Internal control relating to financial reporting consists of a number of main elements:

- the organizational structure of competence developed and documented in the order of attestation, which requires that at least two individuals review and approve transactions and costs;
- the documentation of financial procedures and policies found in the Group's accounting manual including financial policies, etc.;
- the procedures by which individuals at several levels in the organization analyze the financial results before external reporting occurs;
- the audit committee's duty to supervise financial reporting and internal control; and
- clear guidelines on financial reporting in the Company's communication policy and IR policy.

Information and Communication

AcadeMedia has communication and information channels aimed at enabling relevant information to be quickly and duly spread both internally and externally. The Company has a method for communicating complete and transparent financial reports. There are policies and procedures to prevent incorrect or inappropriate information. The board of directors receives monthly business reports, both operational and financial. The board is responsible for external interim reports and annual accounts in accordance with applicable laws and the Code. The board decided to modify policies and procedures to meet the requirements of the EU Market Abuse Regulation which entered into force on July 3, 2016. The financial reports are published on the Company's website. Internal governing documents are found in the Company's management system and are posted, where relevant, on AcadeMedia's intranet. The results of the annual quality investigation are published annually for the entire Group, for each principal and for each education unit on their respective websites.

Follow-up

AcadeMedia's efforts within internal control and risk management are primarily carried out through Group management's continuous follow-up of operations in relation to set goals and key indicator trends, as well as by focusing on early warning signs. The Company's key procedures for financial reporting and their appropriateness are continuously assessed by the CFO and the CFO's organization. Compliance with financial handbook, policies and legislation is examined and any deviation leads either to corrective actions, or improvement of processes and procedures. The audit committee summarizes and reports on the status of identified measures to the board.

Internal Audit

AcadeMedia's internal governance and control are based on a model of three defence lines. Based on an evaluation by the audit committee, the board has resolved not to establish a special internal audit function because the Company believes that the enhanced quality management system and the responsibility of each segment head, along with the Company's CFO, meet the need for proper control, and that monitoring takes place, including in the form of reporting to the board. However, the board of directors conducts an annual review of the need for an internal audit function. In order to ensure an appropriate organization for control measures and with respect to relevant licenses, the board of directors of the subsidiaries (providers subject to licenses) consist of AcadeMedia's CEO, deputy CEO and CFO, as well as the relevant segment head and business area head. The Company has therefore currently resolved not to establish an internal audit function.

Auditing

The auditor shall review the Company's annual report and financial statements, as well as the board of directors' and the CEO's management of the Company. Following the end of each financial year, the auditor shall present an audit report and a consolidated audit report to the AGM (Annual General Meeting).

According to the Company's articles of association, the Company must have at least one and at most two auditors and at most two deputy auditors. The Company's auditors are Ernst & Young AB, with Staffan Landén as auditor-in-charge and Oskar Wall as principal auditor. Staffan Landén has many years of experience auditing companies listed on a regulated market. His auditing clients include Vattenfall AB, Capio AB and Nederman Holding AB. Staffan is also an exchange auditor appointed by Nasdaq Stockholm. Oskar Wall has many years of experience auditing companies listed on a regulated market. His auditing clients include Estea AB, Oasmia Pharmaceutical AB and Stendörren Fastigheter AB.

The Company's auditors have participated in one board meeting and all three audit committee meetings.

The Company's auditors are presented in more detail in the section "board of directors, executive management and auditors" on page 98.

The audit committee conducts an annual evaluation of the auditors' work and independence.

For information on the remuneration paid to the auditors for the 2015/16 financial year see note 4.

Appropriation of Profits & Signatures

The board of directors' proposal to the AGM

The board proposes that the Group's results and balance sheet are presented to the Annual General Meeting on November 17, 2016 for adoption.

The board proposes to the Annual General Meeting that no dividend be paid.

Parent company

AT THE DISPOSAL OF THE AGM

	SEK
Retained earnings	– 2,331,815
Share premium reserve	2,183,930,367
Profit/loss for the year	16,412,227
Total	**2,198,010,779**

The board proposes that retained earnings be appropriated as follows:

Carried forward	**2,198,010,779**

Certification & Signatures

The board of directors and CEO hereby provide an assurance that the consolidated financial statements and annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and according to sound accounting practices, and provide a fair and true representation of the Group's and the Parent Company's financial position and results, and that the administration report provides a true and fair overview of the development of the Group's and the Parent Company's operations, financial position and results, and describes material risks and uncertainties faced by the companies in the Group.

Stockholm October 17, 2016

Ulf Mattsson
Chairman

Harry Klagsbrun
Board Member

Marcus Strömberg
President and Chief Executive Officer

Helen Fasth Gillstedt
Board Member

Erika Henriksson
Board Member

Torbjörn Magnusson
Board Member

Silvija Seres
Board Member

Anders Bülow
Board Member

Anders Lövgren
Employee Representative

Peter Milton
Employee Representative

Our audit report was submitted on October 19, 2016

Staffan Landén

Authorised Public Accountant

Oskar Wall

Authorised Public Accountant

Financial statements

Accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)

	NOTE	2015/16	2014/15
Net sales		8,611	8,163
		8,611	**8,163**
Cost of goods sold		-802	-705
Other external expenses	3, 4, 5	-1,876	-1,805
Personnel expenses	5, 6	-5,179	-4,854
Depreciation/amortization	7	-187	-203
Non-recurring items	8	-32	-79
		-8,076	**-7,646**
OPERATING PROFIT	9	**535**	**517**
Interest income and similar profit/loss items	11, 26	7	24
Interest expense and similar profit/loss items	12	-134	-293
		-127	**-269**
PROFIT/LOSS BEFORE TAX		**408**	**248**
Taxes	10	-89	-26
PROFIT/LOSS FOR THE YEAR		**319**	**222**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit/loss			
Remeasurement of defined benefit pension plans	6	16	-123
Deferred tax relating to defined benefit pension plans	10	-4	33
		12	**-90**
Items that may be reclassified to profit/loss			
Translation differences		-12	-18
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**-12**	**-108**
COMPREHENSIVE INCOME FOR THE YEAR		**319**	**115**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		319	222
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		**319**	**222**
Owners of the parent company		319	115
		319	**115**
Average number of ordinary shares, basic and diluted (thousands of shares)		85,311 / 85,316	84,674 / 84,674
Earnings per ordinary share, basic and diluted (SEK)	28	3.74 / 3.74	2.63 / 2.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK M)

	NOTE	JUNE 30, 2016	JUNE 30, 2015
ASSETS			
TOTAL NON-CURRENT ASSETS			
INTANGIBLE NON-CURRENT ASSETS			
Goodwill	13,14,16	4,874	4,740
Brands	15, 16	194	194
Other intangible non-current assets	17	9	7
		5,077	**4,941**
PROPERTY, PLANT AND EQUIPMENT			
Buildings	18, 33	638	502
Equipment	19, 20	253	228
Improvement expenses on third-party property	21	140	112
		1,031	**842**
OTHER NON-CURRENT ASSETS			
Non-current receivables		18	4
Deferred tax assets	10	15	97
		33	**101**
TOTAL NON-CURRENT ASSETS		**6,141**	**5,884**
CURRENT ASSETS			
INVENTORIES			
Merchandise		0	1
		0	**1**
CURRENT RECEIVABLES			
Accounts receivable	23	164	176
Current tax assets		55	58
Other receivables		15	14
Prepaid expenses and accrued income	24	463	422
		697	**670**
CASH AND CASH EQUIVALENTS	25	**331**	**695**
TOTAL CURRENT ASSETS		**1,028**	**1,366**
TOTAL ASSETS	34	**7,169**	**7,250**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK M)

	NOTE	JUNE 30, 2016	JUNE 30, 2015
EQUITY AND LIABILITIES			
EQUITY			
Share capital	27	94	8
Other paid-in capital		2,184	1,903
Translation reserves		-32	-20
Retained earnings including profit/loss for the year		744	413
TOTAL EQUITY		**2,990**	**2,304**
NON-CURRENT LIABILITIES			
Non-current liabilities to credit institutions	26, 32	2,084	2,299
Pension provisions	6, 29	53	46
Restructuring provisions	30	38	69
Deferred tax liability	10	22	80
Derivatives	11, 26	–	2
Other non-current liabilities	3, 26, 32	32	310
TOTAL NON-CURRENT LIABILITIES	33	**2,229**	**2,806**
CURRENT LIABILITIES			
Liabilities to credit institutions	26, 32	518	641
Other interest-bearing liabilities	3, 26, 32	50	74
Accounts payable	32	361	392
Current tax liability	32	15	32
Other liabilities	26, 32	169	121
Accrued expenses and pre-paid income	31	837	880
TOTAL CURRENT LIABILITIES	33	**1,950**	**2,140**
TOTAL EQUITY AND LIABILITIES	34	**7,169**	**7,250**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK M)

	NOTE 27	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			
	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total equity
OPENING BALANCE, JULY 1, 2014	8	1,903	-2	280	2,189
Profit/loss for the year	–	–	–	222	222
Other comprehensive income	–	–	-18	-89	-107
Comprehensive income for the year					115
Transactions with owners					
Total transactions with owners	**–**	**–**	**–**	**–**	**–**
CLOSING BALANCE, JUNE 30, 2015	**8**	**1,903**	**-20**	**413**	**2,304**
Profit/loss for the year	–	–	–	319	319
Other comprehensive income	–	–	-12	12	0
Comprehensive income for the year	–	–	**-12**	**331**	**319**
Transactions with owners					
Redemption of shares	0	0	–	–	0
Warrants	–	1	–	–	1
Share-matching plan	-	0	–	–	0
New share issue	9	341	–	–	350
Issue expenses	–	-21	–	–	-21
Tax on issue expenses	–	5	–	–	5
Bonus issue	77	-77	–	–	0
Non-cash issue	0	32	–	–	32
Total transactions with owners	**86**	**281**	**–**	**–**	**367**
CLOSING BALANCE, JUNE 30, 2016	**94**	**2,184**	**-32**	**744**	**2,990**

No non-controlling interests are recognized.

CONSOLIDATED CASH FLOW STATEMENT (SEK M)

	NOTE	2015/16	2014/15
Operating activities			
Operating profit/loss		535	517
Adjustment for items not affecting cash flow			
Changes in provisions		-9	-28
Capital gains on the sale of property, plant and equipment		-6	-15
Depreciation of non-current assets	7	187	203
Tax paid		-95	-54
Cash flow from operating activities before changes in working capital		**612**	**623**
Cash flow from changes in working capital			
Change in inventories		1	0
Change in operating receivables		-23	17
Change in operating liabilities		-48	44
CASH FLOW FROM OPERATING ACTIVITIES		**542**	**684**
Investing activities			
Investment in intangible non-current assets		-7	0
Acquisition of subsidiaries	13	-146	-22
Investment in property, plant and equipment	18, 19, 21	-284	-244
Sale of property, plant and equipment	18, 19	62	198
Investment in financial non-current assets		-11	–
CASH FLOW FROM INVESTING ACTIVITIES		**-386**	**-68**
Financing activities			
Interest received		6	14
Interest paid		-125	-177
New share issue *)		335	–
Borrowing**)	32	255	154
Amortization of debt	32	-983	-467
CASH FLOW FROM FINANCING ACTIVITIES		**-512**	**- 476**
Cash flow for the year		**-356**	**140**
Cash and cash equivalents at beginning of year		695	562
Exchange-rate differences in cash and cash equivalents		-8	-7
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	**331**	**695**

* The total amount for the new share issue for the 2015/2016 financial year was SEK 382 million, of which SEK 335 million was paid in cash and therefore affected cash flow. A non-cash issue of SEK 32 million was made in conjunction with the acquisition in Germany, refer to Note 13. The remaining SEK 16 million was paid in issue proceeds.

** On June 30, 2015 the Group signed a new long-term financing agreement with lending banks. The refinancing took place on July 7, 2015 and accordingly did not affect cash flow for the 2014/2015 financial year. For more information refer to Note 32.

PARENT COMPANY INCOME STATEMENT (SEK M)

	NOTE	2015/16	2014/15
Net sales	2	0	–
Other external expenses	3, 4, 5	-18	-1
Personnel expenses	5	-3	-
OPERATING PROFIT		**-21**	**-1**
Interest income and similar profit/loss items	11	0	0
Interest expense and similar profit/loss items	12	-42	-38
		-42	**-38**
YEAR-END APPROPRIATIONS			
Group contributions received		84	65
		84	**65**
PROFIT/LOSS BEFORE TAX		**21**	**27**
Taxes	10	-5	-6
PROFIT/LOSS FOR THE YEAR		**16**	**21**
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the year		16	21
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		**16**	**21**

PARENT COMPANY BALANCE SHEET MSEK(SEK M)

	NOTE	JUNE 30, 2016	JUNE 30, 2015
ASSETS			
TOTAL NON-CURRENT ASSETS			
FINANCIAL NON-CURRENT ASSETS			
Participations in Group companies	22	2,219	2,186
Deferred tax assets	10	1	1
TOTAL NON-CURRENT ASSETS		**2,220**	**2,187**
CURRENT ASSETS			
CURRENT RECEIVABLES			
Receivables from Group companies		84	–
Other receivables		1	–
		85	**0**
CASH AND BANK BALANCES	25	15	15
TOTAL CURRENT ASSETS		**100**	**15**
TOTAL ASSETS		**2,320**	**2,202**

PARENT COMPANY BALANCE SHEET MSEK(SEK M)

	NOTE	JUNE 30, 2016	JUNE 30, 2015
EQUITY AND LIABILITIES			
EQUITY			
RESTRICTED EQUITY	27	94	8
Share capital		**94**	**8**
NON-RESTRICTED EQUITY			
Share premium reserve		2,184	1,903
Retained earnings		-2	-23
Profit/loss for the year		16	21
		2,198	**1,901**
TOTAL EQUITY		**2,292**	**1,909**
NON-CURRENT LIABILITIES			
Non-current liabilities	26, 32	–	288
Other provisions	30	0	–
TOTAL NON-CURRENT LIABILITIES	33	**0**	**288**
CURRENT LIABILITIES			
Accounts payable		1	0
Liabilities to Group companies		17	0
Other liabilities	26, 32	1	0
Accrued expenses and pre-paid income	31	9	5
TOTAL CURRENT LIABILITIES		**28**	**5**
TOTAL EQUITY AND LIABILITIES		**2,320**	**2,202**

Pledged assets	33	None	2186
Contingent liabilities	33	None	None

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY (SEK M)

	RESTRICTED EQUITY	NON-RESTRICTED EQUITY		
	Share capital	Share premium reserve	Retained earnings	Total equity
OPENING BALANCE, JULY 1, 2014	8	1903	-23	1,888
Profit/loss for the year and comprehensive income	–	–	21	21
Comprehensive income for the year	–	–	21	21
Transactions with owners				
Total transactions with owners	**–**	**–**	**–**	**–**
CLOSING BALANCE, JUNE 30, 2015	**8**	**1,903**	**-2**	**1,909**
Profit/loss for the year and comprehensive income	–	–	16	16
Comprehensive income for the year	–	–	**16**	**16**
Transactions with owners				
Redemption of shares	0	0	–	0
New share issue	9	341	–	350
Issue expenses	–	-21	–	-21
Tax on issue expenses	–	5	–	5
Warrants	–	1	–	1
Share-matching plan	–	–	0	0
Bonus issue	77	-77	–	0
Non-cash issue	0	32	–	32
Total transactions with owners	**86**	**281**	**0**	**367**
CLOSING BALANCE, JUNE 30, 2016	**94**	**2,184**	**14**	**2,292**

PARENT COMPANY CASH FLOW (SEK M)

	NOTE	2015/16	2014/15
Operating activities			
Operating profit/loss		-21	-1
Adjustment for items not affecting cash flow		0	–
Income tax paid		–	–
Cash flow from operating activities before changes in working capital		**-21**	**-1**
Cash flow from changes in working capital			
Change in operating receivables		-2	0
Change in operating liabilities		22	0
CASH FLOW FROM OPERATING ACTIVITIES		**-1**	**-1**
Investing activities			
Shareholder contributions paid		–	-30
CASH FLOW FROM INVESTING ACTIVITIES		**–**	**-30**
Financing activities			
Interest received		–	0
Interest paid		-3	0
New share issue *)		335	–
Group contributions received		–	30
Amortization of debt		-331	–
CASH FLOW FROM FINANCING ACTIVITIES		**1**	**30**
Cash flow for the year		0	-1
Cash and cash equivalents at beginning of year		15	16
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	**15**	**15**

* The total amount for the new share issue for the 2015/2016 financial year was SEK 382 million, of which SEK 335 million was paid in cash and therefore affected cash flow. A non-cash issue of SEK 32 million was made in conjunction with the acquisition in Germany, refer to Note 13. The remaining SEK 16 million was paid in issue proceeds.

Notes to the Financial Statements

Note 1: General information, accounting and valuation principles

General information

The Company, AcadeMedia AB (publ), corp. reg. no. 556846-0231, is domiciled in Stockholm, Sweden. The head office address is Adolf Fredriks kyrkogata 2, Box 213, 101 24 Stockholm, Sweden. The Company has been listed on Nasdaq Stockholm since June 15, 2016. AcadeMedia is an independent education provider. The operation is divided into four business segments: Pre- and compulsory school, Upper secondary school, Adult education, and Preschool international. The segments are described in the Administration Report and in Note 9. The annual and consolidated financial statements for the financial year ending June 30, 2016, was approved for publication by the board of directors and the chief executive officer on October 17, 2016 and will be presented for adoption at the Annual General Meeting to be held November 17, 2016. The Company's principal activities are described in the Administration Report.

Rules and standards applied

The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated accounts are also prepared in accordance with Swedish law through application for financial reporting of the Swedish Financial Reporting Board's recommendation RFR 1, supplementary accounting rules for groups. The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities. Those cases where the Parent Company applies other accounting principles than the Group are stated separately at the end of this note.

Deviations in the annual report, compared with the year-end report

Adjustments were made during preparation of the financial statements that resulted in deviations compared with the submitted year-end report. The changes relate primarily to the reclassification of balance sheet items and the net accounting of offsetting assets/liabilities. These changes affect the balance sheet and key ratios as shown below. In addition, an elimination in net financial items was carried out in the fourth quarter, causing a reduction of SEK 7 million in interest income and interest expense. Net financial items are unchanged. Earnings per ordinary share have been recalculated and the new value is shown in the table below.

	ANNUAL REPORT	YEAR-END REPORT
Interest income	7	14
Interest expense	-134	-141
Net financial items	-127	-127
Total assets	7,169	7,207
Return on capital employed	10.1%	10.3%
Interest coverage ratio	4.8%	4.5%
Equity/assets ratio	41.7%	41.5%
Average number of ordinary shares (thousands), basic and diluted	85,311/85,316	80,278/80,283
Earnings per ordinary share, basic and diluted	3.74	3.97

New and amended accounting principles for the year

New and amended accounting principles for the year

A number of new or updated accounting recommendations and interpretations apply for the financial year starting on January 1, 2015 or later. None of the new IFRS rules that have been in force for the financial year that began July 1, 2015 has had a significant impact on the consolidated financial statements.

Future changes to accounting principles

A number of new or amended IFRSs will go into effect during the upcoming financial year or later and have not been adopted early in the preparation of these financial statements. Below is a description of the IFRSs that are expected to or may have an impact on the consolidated financial statements. Apart from the IFRSs described below, other new rules approved by the IASB as of June 30, 2016, are not expected to have any impact on the Group's financial statements.

IFRS 9 Financial Instruments goes into effect on January 1, 2018 and will replace IAS 39 Financial Instruments: Recognition and Measurement. Various parts of the new standard have been revised, some of them relating to recognition and measurement of financial assets
and financial liabilities. IFRS 9 classifies financial assets in three categories. Classification is established at initial recognition based on the nature of the asset and the entity's business model. The other part relates to hedge accounting. In general the new principles make it easier to prepare a report that provides a fair presentation of an entity's management of financial risk using financial instruments. Finally, new principles have been introduced regarding impairment of financial assets, where the model is based on anticipated losses. One purpose of this new impairment model is to ensure that provisions are made at an earlier stage for credit losses. It is still unclear whether IFRS 9 will affect the Group, as the Group has not yet made an evaluation of the effects. The EU is expected to approve the standard in the fourth quarter of 2016. It will be applicable to the Group as of July 1, 2018.

IFRS 15 Revenue from Contracts with Customers enters into force on January 1, 2018 to replace all previously issued standards and interpretations that address revenue (i.e. IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services). IFRS 15 contains a collective revenue recognition model for customer contracts. The idea of the standard is for the entire process to begin with a contract between two parties on the sale of goods or services. Initially a customer contract is to be identified, which generates an asset for the seller (a right, a promise of payment) and a liability (an undertaking, a promise to transfer goods/services). According to this model, revenue is subsequently recognized thereby proving that the undertaking to deliver the promised goods or services to the customer has been fulfilled. The EU is expected to approve the standard in the fourth quarter of 2016. It will be applicable to the Group as of July 1, 2018. The Group has not yet evaluated the effects of the introduction of the standard.

IFRS 16 Financial Instruments goes into effect on January 1, 2019 and will replace IAS 17. The standard will require that the lessee recognizes assets and liabilities attributable to all leases, with the exception of contracts shorter than 12 months and/or those pertaining to minor amounts. Recognition is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time has an obligation to pay for this right. The EU is expected to approve the standard in 2017. The Group has not evaluated the standard, but believes it will lead to recognition of significant assets and liabilities attributable to the Group's leases.

Basis for the preparation of the accounts

The consolidated accounts have been prepared in accordance with the cost method, other than for certain financial assets and liabilities (including derivative instruments) which are measured at fair value. Non-current assets, non-current liabilities and provisions are expected to be recovered or fall due for payment later than 12 months from the closing date.

The balance sheet items under the headings "current assets" and "current liabilities" are expected to be recovered or paid within a 12-month period. All other balance sheet items are expected to be recovered or paid at a later date. All amounts are reported in millions of Swedish kronor (SEK million) unless otherwise stated.

Non-current assets, non-current liabilities and provisions are expected to be recovered or fall due for payment later than 12 months from the closing date.

Consolidation principles

The consolidated accounts cover the parent company and its subsidiaries. The financial statements for the parent company and subsidiaries which are included in the consolidated accounts refer to the same period and are prepared according to the same accounting principles. All intra-group transactions and dealings are eliminated in their entirety and are thus not included in the consolidated accounts.

Subsidiary

Subsidiaries are all companies where the Group has a controlling interest. The Group has a controlling interest in a company when it is exposed to or has the right to a variable return on its holding in the company, and has the ability to influence the return through its control over the company. Subsidiaries are included in the consolidated accounts as of the date the controlling interest is transferred to the Group and consolidated until the date the controlling interest ceases. A determining factor in whether a company should be consolidated is if the Group is deemed to have a controlling interest. AcadeMedia has no non-controlling interest holdings.

Translation of receivables and liabilities in foreign currencies

Functional currency and reporting currency

Items included in the financial statements of the various entities in the Group are valued in the currency used in the financial environment where the respective company has its primary operations (functional currency). The parent company's and the Swedish subsidiaries' functional currency and reporting currency is Swedish kronor. The functional currency and reporting currency for the subsidiaries in Norway is Norwegian kroner and in Germany the Euro. The Group's reporting currency is Swedish kronor.

Foreign currency transactions

Foreign currency transactions are translated to the functional currency at the exchange rate in effect on the transaction date. On the closing date, monetary receivables and liabilities expressed in foreign currencies are translated at the exchange rate in effect on the closing date. All exchange-rate differences are included in profit/loss. Exchange-rate differences from operating items are recognized in operating profit/loss as other operating income or other operating expenses, while exchange-rate differences relating to financial assets and liabilities are recognized as financial income or financial expense.

Financial statements of foreign operations

All exchange-rate differences arising in the translation of a subsidiary's profit/loss and financial position from the Company's functional currency to the Group's reporting currency are recognized in other comprehensive income altogether in the translation reserve in equity. Assets and liabilities of foreign operations are translated into Swedish kronor at the closing rate on the closing date, while income and expense items are translated at an average rate for the year. In connection with divestment of net investments in foreign operations, the translation differences pertaining to the net investment are recognized through profit or loss.

Gross accounting

Gross accounting is always applied for reporting of assets and liabilities, except in cases where both an asset and a liability exist with the same counterparty and can be offset on legal grounds and offsetting is the intended action. Gross accounting is also applied for income and expenses unless otherwise stated.

Classification of assets and liabilities

Non-current assets, non-current liabilities and provisions are expected to be recovered or fall due for payment later than twelve months from the closing date. Current assets, current liabilities and provisions are expected to be recovered or fall due for payment within twelve months of the closing date.

Related party transactions

Related parties are the companies in which AcadeMedia has a controlling or significant interest in terms of the operational and financial decisions taken. Related parties include the companies and physical persons who are able to exercise a controlling or significant influence over the Group's financial and operational decisions.

Business combinations

Business combinations are reported according to the acquisition method. The purchase consideration consists of the transferred assets, liabilities the Group assumes from the previous owner of the acquired company and any issued shares. The purchase consideration also includes the fair value of all assets or liabilities that result from an agreed contingent consideration. In cases where a contingent consideration is remeasured at fair value, it is recognized in operating profit/loss. In cases where a contingent consideration is remeasured at fair value, it is recognized in operating profit/loss. Identifiable acquired assets and assumed liabilities are measured initially at fair value on the acquisition date.

The amount by which the purchase consideration, any non-controlling interests and the fair value of previous shareholdings exceeds the fair value of the Group's share of identifiable acquired net assets is recognized as goodwill.

Goodwill on acquisitions of subsidiaries is recognized as an intangible asset. Goodwill is tested annually to identify any impairment and is recognized at cost less any accumulated impairment losses. Any impairment losses are recognized immediately as an expense and are not reversed. Gains or losses on the divestment of an entity include the residual carrying amount of the goodwill relating to the divested entity.

Goodwill is allocated between cash-generating units in impairment testing. Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination where the goodwill item arose.

Intangible non-current assets excluding goodwill

Brands

In connection with acquisitions of subsidiaries, brands are recognized as intangible assets with an indefinite useful life. Market awareness of the brand is the primary factor taken into account to determine whether or not the brand has an indefinite useful life. The Company has not identified any limitations in the useful lives of its brands and they are thus considered indefinite. Brands are tested for impairment annually or if there is an indication of impairment, and are carried at cost less accumulated impairment losses.

A few of AcadeMedia's brands have a limited useful life and are carried at cost less accumulated amortization and impairment losses. Depreciation takes place on a straight-line basis to distribute the costs for the brands over their assessed useful lives. Amortization is based on the useful life periods as shown below.

	NUMBER OF YEARS
Brands attributable to acquired surplus values	Indefinite useful life
Brands, for which a useful life can be determined	5 years

Other Intangible non-current assets

Other intangible assets with a limited useful life are carried at cost less amortization and any impairment losses. Amortization takes place on a straight-line basis over the assessed useful life of the asset. The useful life periods are reviewed on every closing date and adjusted as needed. When the depreciable amount of the assets is established, the assets' residual value is taken into account where applicable. The following amortization schedule is applied:

	NUMBER OF YEARS
Other intangible assets	3-5 years

Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation and any impairment losses.

Expenses for improving an asset's performance to exceed its original level increase the asset's carrying amount. Further expenditures are added to the asset's carrying amount or recognized as a separate asset only when it is likely that future economic benefits associated with the asset will accrue to the Group and the asset's cost can be reliably measured. All other forms of repair and maintenance are recognized as expenses in the income statement during the periods in which they arise.

Property, plant and equipment are derecognized from the balance sheet when they are divested or if they cannot be expected to add any economic benefit in the future, either through use or sale. Profit and loss are calculated as the difference between the sale amount and the recognized residual value of the asset. Profit or loss is recognized in the income statement in the accounting period in which the asset was divested as other expenses and other income.

Property, plant and equipment are depreciated systematically over the estimated useful life of the asset. The useful life periods are reviewed on every closing date and adjusted as needed. When the depreciable amount of the assets is established, the assets' residual value is taken into account where applicable. The straight-line depreciation method is used for all types of assets and is based on the useful life periods shown below:

	NUMBER OF YEARS
Buildings in general	25-30 years
Equipment	3-10 years
Improvement expenses on third-party property	3-20 years

Impairment of property, plant and equipment and intangible non-current assets

Goodwill and brands with indefinite useful lives are tested annually for impairment or if there is any indication of loss of value. Property, plant and equipment and intangible non-current assets that are depreciated or amortized are tested when there is an indication that an asset has declined in value. The impairment test is done by calculating the asset's recoverable amount. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount. The recoverable amount is the higher of net realizable value and the asset's value in use in operations. An assessment is made of the recoverable amount per cash-generating unit.

Previously recognized impairment losses are reversed if the recoverable amount is considered to exceed the carrying amount. The reversal amount is, however, not greater than the carrying amount would have been if an impairment had not been recognized in earlier periods. Goodwill impairment losses are not reversed and are recognized in non-recurring items.

Financial assets

Classification

The Group classifies its financial assets in the categories "Financial assets at fair value through profit or loss" and "Loan receivables and accounts receivable." The classification depends on the purpose for which the financial asset was acquired.

All purchases and sales of financial assets are recognized on the transaction date.

Loan receivables and accounts receivable

Purchases and sales of financial assets are recognized on the transaction day, i.e. the date when the Group commits to the purchase or sale of the asset. Financial instruments are recognized initially at fair value plus transaction costs. This applies to all financial assets that are not recognized at fair value through profit or loss.

Loan receivables and accounts receivable are recognized after the acquisition date at accrued cost applying the effective-interest method.

Loan receivables and accounts receivable are non-derivative financial assets with fixed or determinable payments and that are not listed in an active market.

Loan receivables are measured initially at fair value and are subject to regular and systematic analysis for the purpose of establishing the amount of the receivable coming in. If a loan receivable is deemed doubtful, a provision is made for the difference between the carrying amount and the expected inflow of cash. Any interest income on loan receivables is included in financial income.

The Group's cash and cash equivalents, accounts receivable and other current receivables are included in this category.

Provisions

A provision is made for doubtful receivables and loan receivables on the closing date when there is objective evidence that the full value of the asset will not be received. Losses pertaining to doubtful receivables are recognized in the income statement under external expenses.

Principles for impairment of loans and receivables

At the end of every reporting period the Group performs a test to identify any objective evidence of impairment of a financial asset or group of financial assets. An impairment loss is recognized for a financial asset or Group of financial assets if there is objective evidence of impairment resulting from one or more events that occurred after the asset was initially recognized (a "loss event") and this event (or events) has an impact on the estimated future cash flows for the financial asset or Group of financial assets which can be reliably estimated.

For loan receivables and accounts receivable, impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not happened), discounted with the financial asset's original effective interest rate. The carrying amount of the asset is written down and the impairment loss is recognized in the consolidated income statement.

Financial assets measured at fair value through profit or loss

For AcadeMedia this category includes derivative instruments classified as hedging instruments. The assets are measured at fair value with changes in value recognized in the income statement. Transaction expenses are recognized in the income statement and are not capitalized.

Purchases and sales of financial assets are recognized on the transaction day, i.e. the date when the Group commits to the purchase or sale of the asset.

Financial assets measured at fair value through profit or loss are initially recognized at fair value, while associated transaction expenses are recognized in the income statement. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has essentially transferred all risks and benefits associated with ownership. Financial assets measured at fair value through profit or loss are recognized after the acquisition date at fair value.

Profits and losses resulting from changes in fair value for the category of financial assets measured at fair value through profit or loss are recognized as profit/loss in the period in which they arise and are included in the income statement item "Financial items" (refer to Notes 11, 12).

Financial liabilities

Classification

The Group classifies its financial liabilities in the categories "Financial liabilities at fair value through profit or loss" and "Financial liabilities measured at amortized cost."

Financial liabilities measured at fair value through profit or loss

For AcadeMedia this category includes derivative instruments classified as hedging instruments. The liabilities are measured at fair value with changes in value recognized in the income statement.

Financial liabilities measured at amortized cost

Interest-bearing and non-interest-bearing financial liabilities not held for trading are recognized in this category. The liabilities are measured at amortized cost. Non-current liabilities have a remaining term of more than one year, while liabilities with shorter terms are recognized as current liabilities. Accounts payable have short anticipated terms and are therefore measured at nominal amounts with no discount.

Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories mainly consist of books and other educational materials.

Provisions

Provisions are recognized when the Group has a legal or informal obligation resulting from past events, where it is likely that a payment will be required to fulfil the obligation and the amount can be reliably measured. In cases where the Company expects a provision it has made to be compensated by an external party – for example within the framework of an insurance agreement – the expected compensation is recognized as a separate asset, but only when it is essentially certain that the payment will be received. Provisions are made for restructuring of the business for situations such as the closure of units and staff redundancies, after calculation of the costs.

Contingent liabilities

Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by one or several uncertain future events, which are not entirely within AcadeMedia's control, happening or not happening. Also reported as contingent liabilities are obligations arising from past events that have not been recognized as a liability or provision because it is not likely that the obligation will be settled or because the size of the obligation cannot be estimated with sufficient reliability.

Remuneration to employees

Salaries, social security contributions, bonuses and other current remuneration to employees are recognized when the employee has performed the service.

Pensions

The Group's pension plans consist in part of defined benefit plans with a contractual promise regarding future pension levels related primarily to the final salary, and in part of defined contribution plans for which insurance premiums are paid and the employee carries the risk associated with the future pension level.

A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. For defined contribution pension plans the Group pays contributions to publicly or privately managed pension insurance plans on a compulsory, contractual or voluntary basis. The contributions are normally based on the salary level. The Group has no legal or informal obligations to pay additional contributions. The Group's obligations regarding defined contribution plans are recognized as a personnel expense in the income statement as and when they are earned by the employee performing his/her work tasks for the Company.

A defined benefit pension plan is a pension plan with no defined contribution. The defined benefit pension plans consist largely of plans that provide a benefit based on final salary and length of service. Calculations are made for defined benefit plans according to the unit credit method for the purpose of establishing the present value of obligations relating to benefits for current and former employees. These calculations are made annually and based on actuarial assumptions which are established annually at the end of the accounting period. Assumptions are made on inflation, changes in social security fees, staff turnover, discount rates and estimated life expectancy. The present value of defined benefit obligations is established by discounting the estimated future cash flows using the interest rate for first-class corporate bonds issued in the same currency as the compensation will be paid in with due dates comparable to the current pension obligations.

Pension expenses relating to service during the current period are recognized as personnel expenses in the income statement. Costs for service in previous periods are also recognized directly in the income statement as personnel expenses. Net interest is calculated using the discount rate on the defined benefit pension liability and on the fair value of plan assets, and this expense is included in personnel expenses in the income statement.

The Group's net obligations consist of the calculated present value of the pension obligation less the fair value of the plan assets. Changes in the present value of the net obligations resulting from changed actuarial assumptions and experience-based adjustments are treated as remeasurement effects and recognized in other comprehensive income.

The carrying amounts of pensions and similar obligations in the consolidated balance sheet correspond to the obligations' present value at the closing of the accounts with a deduction of the fair value of plan assets including payroll tax. If the value of the obligation exceeds the value of the plan assets, a liability is recognized. If the plan assets exceed the obligations, an asset is recognized in the consolidated balance sheet.

In the Norwegian companies' defined benefit pension plans, the employees make contributions to the plans according to established terms. The contribution consists of a fixed percentage of the employee's salary and it is not related to the number of years of service. Employee contributions are recognized as a reduction of the cost of service for the period in which the services are performed.

The Swedish companies' defined benefit pension obligations under the ITP2 plan are insured through an Alecta pension insurance. This plan is a defined benefit plan covering several employers. The plan is accounted for as a defined contribution pension plan as Alecta cannot provide sufficient information on the Group's proportional share of the plan's obligations, plan assets and expenses in order to account for the plan as a defined benefit pension plan.

Severance pay

Other senior executives are defined as the members of executive management. Other senior executives have a period of notice from the Company of 4-12 months. If other senior executives resign, the period of notice is 4-8 months. The period of notice for certain senior executives may also be extended by six months if the executive intends to take up a new position with a company running competing operations. During the period of notice remuneration is paid based on the individual's employment contract. Two senior executives also have the right to severance pay of six and ten monthly salaries respectively in addition to salary during the period of notice if notice is given by the employer.

The period of notice for other employees is normally as stipulated in the collective agreement.

Long-term incentive programs

Share-based payments in the Company relate to the share-matching plan that is regulated with equity instruments and are reported in accordance with IFRS 2. The fair value of the allocated share-matching plan is estimated at the grant date using an accepted valuation model, known as the Monte Carlo simulation model, taking into account market-related conditions. The total amount to be expensed is based on the fair value of the allocated shares. The total amount is recognized as a personnel expense in the income statement over the vesting period, with a corresponding adjustment to equity. At each quarterly closing the Group revises its estimates of the number of shares expected to vest and subsequently be recognized in social security contributions. Social security contributions attributable to share-based instruments to employees as compensation for services rendered should be expensed over the periods in which the services are performed. The cost is then calculated by applying the same valuation model used when the options were issued. The provision that is made is re-measured at each reporting date.

In addition to the above share-matching plan AcadeMedia also has a warrant program, which is calculated using the Black & Scholes model.

Leases

Finance leases where the Group in all material respects takes over all risks and benefits associated with ownership of the leased object are initially reported in the statement of financial position at the fair value of the leased object or, if the value is lower, at the present value of future minimum lease payments. Lease payments are recognized as financing expenses and amortization of debt. Assets under finance leases are depreciated over the anticipated useful life of the asset.

Leases where the lessor essentially retains all of the risks and benefits associated with ownership are classified as operating leases. Lease payments are expensed on a straight-line basis in the statement of comprehensive income during the lease period. Any incentives received upon signing of lease agreements are taken into account initially.

Revenue

Net sales

Net sales are recognized at the fair value of the amount received or the amount that will be received in return for goods or services sold within the Group's ordinary operations. Net sales are recognized excluding VAT and net after any discounts. The Group's main source of revenue is school vouchers and participant fees. Tuition fees are recognized as revenue and allocated in line with the degree of completion over the period during which the instruction is provided, including time for planning and grading of student instruction. Revenue for preschool operations is recognized based on the same fundamental principle. Revenue for goods sold is recognized upon delivery to students.

Government grants

Government grants are recognized at fair value in the case that there is reasonable certainty that they will be received and that AcadeMedia will meet the conditions attached to the grant. Contributions received to cover costs are recognized as an expense reduction of the applicable expense item.

Interest

Interest income is recognized as and when it is earned (calculated based on the return on the underlying asset according to the effective interest rate).

Dividends

Revenues are recognized in the income statement when the shareholders' right to receive a dividend payment has been established.

Cost of goods sold

The cost of goods sold mainly pertains to expenses for school meals (ingredients and catering), educational materials and the cost of other consumables.

Non-recurring items

Non-recurring items are recognized on a separate line and relate to non-recurring income and expenses. The purpose of this presentation is to get a better picture of the trend in the underlying business. Income and expenses recognized on this line are specified and commented on in Note 8.

Taxes

Income tax

Tax expense for the period consists of current tax and deferred tax. Tax is recognized in the income statement, except where the tax relates to an item that is recognized in other comprehensive income or directly in equity. In such cases the tax is also recognized in other comprehensive income or in equity.

Current tax is tax to be paid or received in the current year as well as adjustments of previous years' current tax. The tax rates and laws applied in calculating the amount are those adopted or announced as of the closing date.

Deferred tax

Deferred tax is recognized on the closing date according to the balance sheet method for temporary differences between recognized and fiscal values of assets and liabilities. Deferred tax assets are recognized for all deductible temporary differences, including loss carry-forwards, to the extent it is likely that a taxable profit will be available against which the deductible temporary differences can be used. The value of deferred tax assets is to be determined on every closing date and adjusted to the extent it is no longer likely that a sufficient profit will be generated so that all or part of the deferred tax asset can be utilized. Deferred tax assets and tax liabilities are established based on the tax rates in effect for the period in which the asset is realized or the liability paid, based on tax rates (and laws) that have been adopted or announced by the closing date.

Recognition of cash flows

Cash and cash equivalents consist of available cash, bank balances and other liquid investments with an original maturity of less than three months and that are exposed to insignificant value fluctuation. Incoming and outgoing payments are recognized in the cash flow statement. Cash flow from operating activities is recognized according to the indirect method.

Business segments

Reportable segments are identified based on the internal reporting to the highest executive decision-maker, which in AcadeMedia's case is the board of directors. In this reporting the Group consists of the four segments: Pre- and compulsory school (Sweden), Upper secondary school (Sweden), Adult education (Sweden) and Preschool international. In some business segments additional follow-up procedures are carried out per business area. Refer to Note 9 for more information.

The companies and schools in the respective segments are deemed by the Company to be a collective business segment with similar long-term financial results in accordance with the basic principles in IFRS 8. This is based on the following assertions:

- The services are of the same type.
- The services are produced in similar production processes.
- The services are aimed at the same type of customer.
- The services are sold and distributed in a similar way.

Key estimates and judgments

The preparation of year-end accounts and the application of various accounting standards are often based on executive management's judgments or assumptions and estimates which are deemed reasonable under the prevailing conditions. These assumptions and estimates are usually based on past experience, but are also based on other factors, such as anticipated future events. Actual results may be different and actual outcomes may deviate from the assumptions and estimates made. Assumptions and estimates are reviewed on a regular basis and any changes are reported in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

The judgments made by the Group when applying IFRS that have a considerable impact on the financial statement, and estimates made that may require significant adjustments to be made in the following year's financial statements, are mainly those in the following areas:

- Impairment testing of goodwill and brands
- Deferred tax assets
- Provision for pension liabilities (defined benefit pensions)
- Provision for restructuring/closure of school units

AcadeMedia tests for any indications of a decline in the value of assets on a regular basis throughout the year. If such an indication exists, the asset's recoverable amount is calculated. For goodwill and brands with an indefinite useful life, the recoverable amount is calculated at least once a year. The recoverable amount is established by calculating the value in use. In making these calculations, certain assumptions and estimates must be made. Refer to Note 16 for more information.

Deferred tax assets are recognized only to the extent it is deemed likely they may lead to lower tax payments in the future. In these judgments, several assumptions on future circumstances and estimates of variables have been made, the most important of which being an assessment of the companies' future profit generation.

AcadeMedia has a number of defined benefit pension plans. The present value of pension obligations depends on a number of factors that are established on an actuarial basis using a number of assumptions. In the assumptions used to establish the net expense (income) for pensions, the discount rate is included. If these assumptions change, this will affect the carrying amount of the pension obligations. Further information on such things as sensitivity analysis for changes in significant assumptions is provided in Note 6. Future events and changes in business parameters may make it necessary to change estimates and assumptions.

Provisions for restructuring costs of entities are considered to have been made when they are decided by management and communicated to the interested parties, and a reliable estimate of the cost can be made. Costs are attributable to the closure of units in accordance with the Group's education guarantee. These costs primarily relate to unused premises and personnel redundancy.

Parent company accounting principles

The Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities) was applied in the preparation of the parent company's financial statements The parent company applies the same accounting principles as the Group with the exception of those cases stated below.

Presentation of income statement and balance sheet

The financial statements include an income statement, statement of comprehensive income, balance sheet, statement of cash flows and a statement of changes in equity. The parent company uses the formats specified in the Swedish Annual Accounts Act, which among other things means that a different presentation of equity is applied. For the parent company, shareholders' equity is divided into unrestricted and restricted equity.

Participations in Group companies

Shares in subsidiaries are recognized at cost less any impairment losses. An estimate of recoverable amount is made when there is an indication that shares and participations in subsidiaries have decreased in value. If this is lower than the carrying amount, an impairment loss is recognized. Impairment losses are reported in "Income from participation in Group companies"

Lease agreements

In the parent company leases, if any, are recognized as operating leases.

Cash and bank balances

The definition of cash and cash equivalents comprises cash on hand and demand deposits at banks and similar institutions.

Group contributions and shareholder contributions

Shareholder contributions are recognized as an increase in the value of shares and participations in Group companies. An assessment is then made of whether there is a need for impairment in the value of the shares and participations in question. Group contributions paid and received are both recorded as an appropriation.

Note 2: Intragroup sales

The Group's financial agreements have been made according to market principles. Of the parent company's purchases, SEK 17 (0) million and SEK 0 (0) million relate to sales with other companies in the Group of companies to which the company belongs. The parent company's purchases are attributable in their entirety to the listing of the Company's shares on Nasdaq on June 15, 2016.

Note 3: Leases

	GROUP	
	2015/16	**2014/15**
Lease payments for the year (operating) *)		
Premises	1,187	1,167
Equipment	82	152
TOTAL	**1,269**	**1,319**
Lease payments for the year (finance) **)		
Equipment	76	89
TOTAL	**76**	**89**

* Lease expenses for assets held through operating leases, such as rented premises, machinery and office equipment, are recognized among other external expenses.

Future payments for non-cancellable operating and finance leases are as follows:

	GROUP		
CONTRACTUAL LEASE PAYMENTS	**2016/2017**	**2017-2020**	**>2020**
Operating leases			
Premises	1,192	2,457	2,597
Equipment	21	23	11
TOTAL	**1,213**	**2,480**	**2,608**

Existing leases vary in duration from 2-25 years. Computers are leased for 2-3 years, while premises are rented on leases for up to 25 years. Premises/rental contracts are upwardly adjusted annually in line with an index.

	2015/2016		2014/2015	
FINANCE LEASES **)	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
Payments due				
Within one year	51	50	50	49
Later than one year but within five years	29	28	21	20
Total	**80**	**78**	**71**	**69**
Interest	–	2	–	2
TOTAL	**80**	**80**	**71**	**71**
Current portion	–	50	–	49
Long-term portion	–	28	–	20

**) Finance leases are included in the balance sheet under equipment. Refer to Notes 19 and 20. Future undiscounted obligations for finance leases according to the table above.

Note 4: Remuneration to auditors

	GROUP		PARENT COMPANY	
	2015/16	**2014/15**	**2015/16**	**2014/15**
Ernst & Young AB				
- audit assignment	5	5	0	0
- auditing services over and above audit assignment*	3	0	1	–
- tax advisory services	0	0	1	–
- other services	2	1	–	–
PWC				
- audit assignment	1	1	–	–
- other services	1	2	–	–
TOTAL FEES	**12**	**9**	**2**	**0**

* Refers to the expanded work related to the IPO.

Note 5: Personnel expenses

	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Salaries and remuneration				
Board of directors and CEO	6	5	3	–
Other employees	3,702	3,498	–	–
Group total	**3,708**	**3,503**	**3**	**–**
Expenses for social security contributions and pension obligations				
Board of directors and CEO	4	3	1	–
Of which pension expenses, including payroll tax	3	1	–	–
Other employees	1,442	1,352	0 *)	–
Of which pension expenses, including payroll tax	306	281	–	–
Group total	**1,446**	**1,355**	**1**	**–**
TOTAL	**5,154**	**4,858**	**4**	**–**

*) relates to social security contributions on share-matching plan

The Group has received hiring subsidies in the form of wage subsidies and government grants for first-year teacher bonuses paid totaling SEK 81 (59) million, which are recognized in personnel expenses. The wage subsidy has reduced personnel expenses. The cost of hired personnel is recognized in the income statement under the item other external expenses and amounts to SEK 41 (74) million.

	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Average number of employees (full-time equivalents)				
Average number of employees, Sweden	7,835	7,494	1	–
of which men	2,385	2,278	1	–
of which women	5,450	5,216	–	–
Average number of employees, Norway	1,820	1,665	–	–
of which men	198	193	–	–
of which women	1,622	1,472	–	–
Average number of employees, Germany	59	–	–	–
of which men	3	–	–	–
of which women	56	–	–	–
Average number of employees, total	9,714	9,159	1	–
of which men	2,586	2,471	1	–
of which women	7,128	6,688	–	–

	2015/16	2014/15
Proportion of women and men, board of directors		
Women	50%	50%
Men	50%	50%
Proportion of women and men, senior management		
Women	57%	71%
Men	43%	29%

Marcus Strömberg was appointed CEO of the parent company on September 15, 2015 and has been employed by the parent company since May 1, 2016 (AcadeMedia AB (publ.). Before that he was employed at a subsidiary.

On September 15, 2015 Martin Sandgren was formally appointed as External Deputy CEO of AcadeMedia AB. The costs for the Deputy CEO are included in the item "Other employees" in the table above.

Remuneration to the Board of Directors of AcadeMedia AB (formerly AcadeMedia Group AB)

The operating board of directors was previously appointed in the wholly owned subsidiary AcadeMedia Group AB, but since September 15, 2015 has been elected to serve AcadeMedia AB. This body has handled all key matters relating to the Company's governance. The Chairman of the Board and board members are paid a fee as resolved by the Annual General Meeting. The annual fixed board fee for 2015/16 was SEK 150,000 each for each elected member and SEK 250,000 for the chairman of the board. Board members employed by EQT Partners AB did not receive board fees for 2015/16. On September 15, 2015 AcadeMedia AB established a remuneration committee and an audit committee. Remuneration is SEK 50,000 per year for committee members and SEK 100,000 for the chair. For 2015/16, ¾ of the annual amount was paid as remuneration. Neither the chairman of the board nor any of the board members has any agreements on pension benefits, other benefits or severance pay.

For the previous financial year, 2014/2015, the board of AcadeMedia AB (publ) consisted of Harry Klagsbrun and Erika Henriksson with Ali Farahani as deputy, all appointed by Marvin Holding Ltd. In the table below the amounts for 2015/16 are for AcadeMedia AB (publ) (parent company), whereas the amounts for 2014/15 relate to AcadeMedia Group AB, where all members were active.

TOTAL REMUNERATION (Amounts in SEK 000s)	2015/16		2014/15	
	Board fee	Committee fee	Board fee	Committee fee
Ulf Mattsson, chairman of the board	250	75	250	–
Harry Klagsbrun*	–	–	–	–
Torbjörn Magnusson	150	38	150	–
Erika Henriksson*	–	–	–	–
Ali Farahani, deputy (Academedia AB 2014/2015)	–	–	–	–
Helen Fasth Gillstedt (board member and chair of the audit committee)	150	75	150	–
Sofia Larsen (through August 31, 2014)	–	–	25	–
Silvija Seres (from January 1, 2015)	150	38	75	–
Anders Bülow (from June 15, 2016)	–	–	–	–
Anders Lövgren (employee representative)**	–	–	–	–
Peter Milton (employee representative)**	–	–	–	–
Fredrik Astin (deputy, employee representative)**	–	–	–	–
TOTAL	**700**	**226**	**650**	**–**

* Employed by EQT Partners AB
** Employee representatives were elected to the board of directors on May 25, 2016 but have attended board meetings since January 2016.

No benefits or pension disbursements were paid out in 2015/16, 2014/15 to the board of directors. Board member Helen Fasth Gillstedt received SEK 75,000 as extra remuneration in connection with the extra work associated with the Adult education segment.

REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES (Amounts in SEK 000s)	**2015/16**	**2014/15**
Marcus Strömberg, CEO, fixed salary	4,110	3,878
Other senior executives, fixed salary	10,756	10,599
Total	**14,866**	**14,477**
Number of other senior executives	**7**	**7**
Marcus Strömberg, CEO, variable remuneration	621	1,146
Other senior executives, variable remuneration	1,843	1,827
Total	**2,464**	**2,973**
Number of other senior executives	**6**	**5**
Marcus Strömberg, CEO, benefits	84	71
Other senior executives, benefits	217	234
Total	**301**	**305**
Number of other senior executives	**3**	**5**
Marcus Strömberg, CEO, pension	1,228	1,175
Other senior executives, pensions	1,894	2,044
Total	**3,122**	**3,219**
Number of other senior executives	**7**	**7**
TOTAL	**20,753**	**20,974**

Remuneration to the CEO and senior executives follows the board's established guidelines, which are presented in the Administration Report.

The above table shows that the deputy CEO, among other senior executives, receives a salary of SEK 2,070,000, variable remuneration of SEK 306,000, benefits of SEK 69,000 and a pension of SEK 424,000.

Executive management consists of the following positions: CEO, deputy CEO, three segment managers, CFO, Head of HR and Head of Communication and Public Affairs. AcadeMedia's CEO receives a basic salary and benefits. Marcus Strömberg also collects variable remuneration of a maximum of six monthly salaries calculated based on set performance targets on a full-year basis. The targets are both operational and financial in nature, such as quality and financial performance. The CEO's annual pension premiums amount to a maximum of 30 percent of his fixed basic salary. The CEO has a premium-based pension solution. The CEO also receives benefits consisting of a car and housing.

If notice of termination is given by AcadeMedia the CEO is entitled to a 12-month period of notice. The salary during the period of notice will be reduced by the amount of any remuneration from another employer as of month seven. If notice of termination is given by AcadeMedia the CEO is entitled to 12 months' severance pay, in addition to the period of notice. Following a notice from the CEO, the notice period is six months. The employment agreement includes an anti-competitive clause of six months if he intends to take up a new position with a company running competing operations. During this time, the CEO is entitled to remuneration corresponding to the difference between his salary in a new employment and the salary he had in his employment with the Company.

The employment contract of the deputy CEO has a notice period of six months. In addition to a fixed salary, the deputy CEO is also entitled to receive variable compensation of a maximum of six months' salary, based on the same criteria as for the chief executive officer. For other senior executives, notice periods between 4 and 12 months apply depending on whether notice is given by the senior executive or the Company. The notice period is generally longer in cases where a senior executive intends to take new employment in a company conducting competing operations. In addition to a fixed salary, certain senior executives are also entitled to receive variable compensation of a maximum of three or six months' salary, based on the same type of criteria as for the chief executive officer. When notice is given by the employer, certain senior executives are entitled to severance pay amounting to between six and twelve months' salary, in addition to regular salary during the notice period.

Other senior executives are defined as the members of executive management. Sofia Larsen took over as Head of the Pre- and compulsory school segment on September 1, 2015. Christer Hammar took over as head of the Adult education segment on December 1, 2015. The others were members of executive management throughout the 2015/16 and 2014/2015 financial years. All members of executive management receive remuneration in addition to their fixed salary and pension consisting of variable pay of a maximum of three or six monthly salaries. As is the case for the CEO, the performance targets that apply are both operational – relating to quality and employees – and financial.

Incentive plan

At the Extraordinary General Meeting of the Company on June 1, 2016, the shareholders resolved to
introduce two long-term incentive programs in the form of a share-matching plan, aimed at a maximum of 70 managers and other key employees in the Group, and a warrant program aimed at a maximum of eight senior executives who are invited to invest in this program in addition to the investment in the share-matching plan.

The rationale for the incentive programs is to motivate and retain competent employees, align the participants' goals with those of the Company, as well as to increase the motivation to meet and exceed the Company's financial targets. The board of directors intends to evaluate the two incentive programs with respect to these objectives. If the programs serve their purposes, the Board intends to propose that future AGMs adopt similar incentive programs on a regular basis.

Share-matching plan

The Extraordinary General Meeting approved a share-matching plan aimed at more than 70 managers and other key employees within the Group. As of June 30, 2016 58 people had chosen to participate in the share-matching plan.

Participation requires participants to use their own resources to acquire shares in the Company, or to allocate shares already held to the program, known as savings shares. Participants who, with certain exceptions, retain the savings shares during the term of the program from the first day of trading on Nasdaq Stockholm until the date of publication of the interim report for the period July 1 to September 30, 2018, and who are also employed by AcadeMedia throughout the term, will receive a matching share (without consideration) at the end of the period for each savings share, provided that the total return (return to shareholders in the form of share price increases and reinvestment of any dividends during the term) on the Company's share throughout the term of the program exceeds 0 percent and that AcadeMedia has maintained a high standard for its educational services.

During the program the board will carry out an evaluation and assessment of management's opinion regarding the quality of the education provided to the students. The number of matching shares to which participants will be entitled will be increased to compensate for any dividends paid on shares during the term. The maximum value of the right to receive one matching share is limited to five times the price of the share when it was listed on Nasdaq Stockholm. Should the value of such a right exceed this ceiling, the number of matching shares will be reduced proportionately.

As of June 30, 2016, senior executives have chosen to participate in the program so that the total number of shares to be allocated under the share-matching program will be a maximum of 110,747 shares, representing 0.12 percent of outstanding shares. Share-matching plan costs are recognized according to IFRS 2 and valuation of the share-matching plan and social security contributions are based on a generally accepted valuation model (Monte Carlo simulation). The cost of the share-matching plan for the Group during the financial year was SEK 33,000 excl. social security contributions, which amounted to SEK 24,000.

Warrant program

The Extraordinary General Meeting resolved to issue warrants as part of an incentive program aimed at the Group's senior executives. Eligibility to participate in the program is limited to a maximum of eight senior executives, including the CEO. Participation requires a maximum personal investment in the share-matching plan. The issue covered a total of 540,000 warrants entitling holders to subscription for the same number of new shares in the Company. The offer was fully subscribed and 540,000 warrants were acquired. Participants acquired warrants for SEK 2.20 per warrant for a total of SEK 1,188,000, which is considered to be the market value based on an independent valuation using the Black and Scholes model.

If the warrants are exercised in full the company's total shares and votes will be diluted by approximately 0.57 percent.

The warrants have an exercise price per share equivalent to 125 percent of the initial public offering price of SEK 40 per share, i.e. SEK 50 per share. The warrants may be exercised during two periods: for two weeks from the day after publication of the interim report for the third quarter of the 2018/2019 financial year and for two weeks from the day after publication of the interim report for the first quarter of the 2019/2020 financial year.

Should the price per share in the Company at subscription exceed 200 percent of the exercise price, the exercise price will be increased by a corresponding excess amount. The maximum profit at exercise of the warrants is thus limited to SEK 50 per warrant.

The Company has retained the right to, with certain exceptions, repurchase warrants should a participant's employment with the Company be terminated or should the participant wish to transfer warrants prior to the warrants being exercisable.

Note 6: Pensions

Pensions

The Group has defined contribution plans and defined benefit plans in Sweden and Norway.

NET PENSION EXPENSES	GROUP 2015/16	GROUP 2014/15
Cost of service during the period	56	55
Cost of service, previous periods (plan change/adjustment)	-1	–
Employee contributions	-14	-15
Net interest	1	-1
Pension expense, defined benefit pension plans, in profit/loss for the year	**42**	**39**
Pension expense, defined contribution pension plans, in profit/loss for the year	213	180
Pension expenses in profit/loss for the year	**255**	**219**
Remeasurement of defined benefit pension plans recognized as other comprehensive income	-16	123
PENSION EXPENSE IN TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**239**	**342**

Defined benefit pension plans in Sweden are according to the ITP 2 agreement and are secured through pension insurance with Alecta, and are pension plans that cover several employers. This pension plan is accounted for as a defined contribution pension plan as Alecta cannot provide sufficient information in order to account for the plan as a defined benefit pension plan.

The premiums for the year for pension insurance plans contracted with Alecta amount to SEK 75 million (SEK 67 million). The Group's percentage of the premiums paid to Alecta amounted to around SEK 0.2 percent (around 0.2 percent). Premiums for the defined benefit retirement and family pension plans are calculated on an individual basis and are determined by factors such as salary, previously vested pension and expected remaining period of service.

The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance obligations, calculated according to Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective funding ratio should normally be allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is less than 125 percent or exceeds 155 percent, steps are to be taken to return the funding ratio to within the normal interval. In the case of a low funding ratio, steps may be taken to raise the agreed price for new policies and expand existing benefits. In the case of a high funding ratio, steps may be taken to introduce premium reductions. As of June 30, 2016, Alecta's surplus in the form of its collective funding ratio was 140 percent (154 percent).

The following is information on defined benefit pension plans in Norway. The Norwegian companies are obliged to comply with the Norwegian law on mandatory occupational pensions. The Company's pension plans meet the requirements of this law. The plans provide defined future benefits in the form of retirement, family and disability pension. These benefits are mainly determined by the number of years of service, salary at retirement and social insurance levels. Defined benefit pension plans in Norway are secured in accordance with the plans' rules through pension insurance with Storebrand Livforsikring AS. The size of the pension premiums is determined by the insurance provider based on different criteria than those in IAS 19. Under the pension agreement the employees contribute 2 percent of their gross salary in premium payments.

NET DEFINED BENEFIT PENSION LIABILITY	GROUP JUNE 30, 2016	GROUP JUNE 30, 2015
Present value of pension liability	381	381
Fair value of plan assets	-328	-335
NET PENSION LIABILITY (+) /ASSETS (–) IN THE BALANCE SHEET	**53**	**46**

CHANGE IN PRESENT VALUE OF PENSION LIABILITY	GROUP 2015/16	GROUP 2014/15
Pension liability, opening balance	**381**	**227**
Effect of acquisitions	10	7
Cost of service during the period	56	54
Cost of service, previous periods (plan change/adjustment)	-1	–
Interest expense	8	9
Remeasurement of pensions,		
– demographic assumptions	0	17
– financial assumptions	-27	95
– experience-based adjustments	11	8
Pension disbursements	-4	-3
Paid payroll tax	-5	-11
Plan change/adjustment	-34	–
Exchange-rate difference	-14	-22
PENSION LIABILITY, CLOSING BALANCE	**381**	**381**

Plan change/adjustment refers to a change in the rules and conditions regarding disability pension in Norway. The net change entailed a positive impact on profit of SEK 1 million, recognized under Cost of service, previous periods. As a result of the change disability pension is classified and recognized as a defined contribution pension.

CHANGE IN FAIR VALUE OF PLAN ASSETS	GROUP 2015/16	GROUP 2014/15
Plan assets, opening balance	**335**	**264**
Effect of acquisitions	5	7
Interest income	7	10
Return over and above interest income	0	-3
Employer contributions	18	63
Employee contributions	14	15
Pension disbursements from plan assets	-4	-3
Plan change/adjustment	-34	–
Exchange-rate difference	-13	-18
PLAN ASSETS, CLOSING BALANCE	**328**	**335**

The plan assets consist of pension insurance through Storebrand Livforsikring AS, invested according to Storebrand Ekstra Forsiktig and consist of interest-bearing investments with a good credit rating.

The change in employer pension contributions compared with the previous year can mainly be explained by the change in the periodicity of premium payments. See below for the forecast regarding next year's payments.

The present value of pension obligations depends on a number of factors established based on a number of assumptions.

SIGNIFICANT ACTUARIAL ASSUMPTIONS	JUNE 30, 2016	JUNE 30, 2015
Discount rate	2.50%	2.30%
Salary increase	2.50%	2.75%
Upward adjustment of pension	0.00%	0.00%
Increase in social security amount	2.25%	2.50%
Employee turnover	13% until age 40, then 6%	13% until age 40, then 6%
Life expectancy, mortality table	K2013B	K2013B

The Norwegian pension agreements cover around 2,200 individuals who are mainly active young women. The weighted average duration of defined benefit pension liabilities is around 29 years.

The expected total contributions to the Norwegian defined benefit plans amount to around SEK 60 million for the upcoming financial year. Added to this is Norwegian payroll tax of around SEK 8 million. The expected contributions to the Swedish defined benefit plans with Alecta amount to around SEK 83 million. Added to this is Swedish payroll tax of around SEK 21 million.

The defined benefit pension plans expose the Group to various risks, including risk associated with life expectancy, salary levels etc. Each change in the assumptions applied will have an impact on the carrying amounts of the pension obligations. Responsibility for pension obligations for former employees, so called paid-up policies, is however transferred to the insurance provider and the pension obligations for paid-up policies are not recognized as net debt.

SENSITIVITY ANALYSIS FOR PENSION LIABILITIES	CHANGE OF ASSUMPTIONS		CHANGE IN LIABILITIES SEK M	
Discount rate	-0.50%	0.50%	66	-55
Salary increase	-1.00%	1.00%	-21	24
Upward adjustment of pension	–	0.50%	–	54

The sensitivity analysis involved changing one actuarial assumption while the other assumptions remain unchanged. This method shows the liability's sensitivity to an individual assumption. This is a simplified method as the actuarial assumptions are normally correlated.

Note 7: Depreciation/amortization

	GROUP	
	2015/16	2014/15
Other intangible assets	5	3
Brands	0	0
Equipment	137	147
Improvement expenses on third-party property	29	29
Buildings	16	24
DEPRECIATION/AMORTIZATION FOR THE YEAR	**187**	**203**

Note 8: Non-recurring items

Non-recurring items include non-recurring income and expenses. These are on a separate line in the accounts to improve comparability between periods and to clarify the trend in the underlying operation. Non-recurring items are items related to property such as capital gains, major property damage not covered by commercial insurance, consulting costs related to acquisitions, severance payments to senior executives, major integration costs resulting from acquisitions, reorganization costs, as well as costs arising from strategic decisions and major restructuring that results in winding up of units.

	GROUP	
	2015/16	2014/15
Gains on the sale of preschool properties, Norway	6	16
Restructuring expenses for winding up of units	3	-65
Non-recurring operating expenses	-15	-23
IPO expenses	-16	–
Transaction costs	-10	-7
TOTAL	**-32**	**-79**

Restructuring costs for units being wound up in the Pre- and compulsory school segment are expected to be less than planned, for which reason SEK 3 million of last year's restructuring reserve will be reversed to profit. Non-recurring operating expenses primarily relate to expenses for integration within adult education, as well as the staff reorganization that was carried out in the fourth quarter of 2015/2016 and resulted in restructuring costs for retiring staff. Transaction expenses are fees and services purchased in connection with company acquisitions. IPO expenses relate to profit portion of listing costs.

The Group's operating profit/loss would be as follows if non-recurring items had not had their own line in the accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)	GROUP	
	2015/16	2014/15
Net sales	8,611	8,163
Other operating income	6	16
	8,617	**8,179**
Cost of goods sold	-802	-705
Other external expenses	-1,903	-1,895
Personnel expenses	-5,190	-4,858
Depreciation/amortization	-187	-204
	-8,081	**-7,662**
OPERATING PROFIT	**535**	**517**

Note 9: Segment reporting

The Group's operations are run within four segments: Pre- and compulsory school (Sweden), Preschool international, Upper secondary school (Sweden) and Adult education (Sweden). Preschool international is located in Norway and Germany, while the other segments are based in Sweden.

AcadeMedia's Pre- and compulsory school segment runs preschools and compulsory schools in a large number of municipalities throughout Sweden under the brands Pysslingen Förskolor, Pysslingen Skolor and Vittra. They are run entirely based on the school voucher system.

AcadeMedia's Preschool international segment currently operates preschools in Norway under the Espira brand and in Germany under the Joki brand. The segment was established in connection with the acquisition of Espira in May 2014 and Joki in February 2016. Espira is Norway's third largest preschool provider and has a clear proficiency-oriented concept. Joki has seven bilingual preschools in the Munich area in Germany. The operation in Germany has a higher percentage of parental fees. Operations in the Preschool international segment are based on a publicly funded school voucher system similar to the Swedish one.

AcadeMedia's Upper secondary schools segment provides upper secondary education throughout Sweden under 16 different brands, offering both university preparatory and vocationally-oriented programs. The segment's brands include Plusgymnasiet, NTI, LBS, ProCivitas and Rytmus. They are run entirely based on the school voucher system.

AcadeMedia's Adult education segment is Sweden's largest provider of adult education. AcadeMedia Adult education is divided into four areas: language and integration, municipal adult education, labor market services and higher vocational education. The units are operated under brands such as Eductus, Hermods, and NTI-skolan. The reimbursement model, which varies among the business areas, is based on public funding across the board, mainly from municipalities and public employment agencies.

The segments are responsible for the ongoing financial results up to and including operating profit. Responsibility for operating assets and financing, including cash and cash equivalents, rests at the Group level. This means that cash and cash equivalents and interest-bearing assets and liabilities are not allocated out to the segments. Consequently, it is not possible to allocate net financial income/expense and tax on the year's profits per segment either.

2015/16 SEK M	**Pre- and compulsory school**	**Preschool international**	**Upper secondary School**	**Adult education**	**Other/ Group**	**Total**	**Elimination**	**Group**
Net sales, external	3,434	1,381	2,421	1,372	3	8,611	–	8,611
Net sales, internal	141	214	83	94	268	800	-800	–
Sales revenue, total	**3,575**	**1,595**	**2,504**	**1,466**	**271**	**9,411**	**-800**	**8,611**
EBITDA before non-recurring items	252	104	298	157	-57	754	–	754
Depreciation/amortization	-49	-26	-100	-7	-5	-187	–	-187
Operating income (EBITA) before non-recurring items	203	78	198	150	-62	567	–	567
Non-recurring items	3	6	0	-3	-38	-32	–	-32
Operating profit/loss (EBIT)	206	84	198	147	-100	535	–	535
Net financial items	–	–	–	–	-127	-127	–	-127
Profit/loss after financial items (EBT)	–	–	–	–	408	408	–	408
Tax on profit for the year	–	–	–	–	-89	-89	–	-89
PROFIT/LOSS FOR THE YEAR	**–**	**–**	**–**	**–**	**319**	**319**	**–**	**319**

SEK M	**Pre- and compulsory school**	**Preschool international **)**	**Upper secondary school**	**Adult education**	**Other/ Group**	**Total**	**Elimination**	**Group**
Total number of students	30,081	8,056	25,014	*)	–	63,151	–	63,151
Number of children, preschools	10,302	8,056	0		–	18,358	–	18,358
No. of students, compulsory schools	19,779	0	0		–	19,779	–	19,779
No. of students, upper secondary schools	0	0	25,014		–	25,014	–	25,014
Number of employees, annually	4,223	1,879	2,125	1,360	127	9,714	–	9,714
Number of units	226	94	105		–	425	–	425

*) The volume of adult education is not measured based on the number of participants since the length of the programs varies from individual occasions to academic years

**) Espira was acquired in May 2014 and Joki was acquired in February 2016, at which time the name of the segment was changed to Preschool international

2014/15 SEK M	**Pre- and compulsory school**	**Preschool Norway **)**	**Upper secondary school**	**Adult education**	**Other/ Group**	**Total**	**Elimination**	**Group**
Net sales, external	3,159	1,351	2,341	1,309	3	8,163	–	8,163
Net sales, internal	28	0	18	4	200	250	-250	–
Sales revenue, total	**3,187**	**1,351**	**2,359**	**1,313**	**203**	**8,413**	**-250**	**8,163**
EBITDA before non-recurring items	263	140	294	158	-56	799	–	799
Depreciation/amortization	-51	-33	-103	-12	-4	-203	–	-203
Operating income (EBITA) before non-recurring items	212	107	191	146	-60	596	–	596
Non-recurring items	-19	16	-57	-15	-4	-79	–	-79
Operating profit/loss (EBIT)	193	123	134	131	-64	517	–	517
Net financial items	–	–	–	–	-269	-269	–	-269
Profit/loss after financial items (EBT)	–	–	–	–	248	248	–	248
Tax on profit for the year	–	–	–	–	-26	-26	–	-26
PROFIT/LOSS FOR THE YEAR	**–**	**–**	**–**	**–**	**222**	**222**	**–**	**222**

SEK M	**Pre- and compulsory school**	**Preschool international **)**	**Upper secondary school**	**Adult education**	**Other/ Group**	**Total**	**Elimination**	**Group**
Total number of students	28,709	7,449	24,739	*)	–	60,897	–	60,897
Number of children, preschools	9,766	7,449	0	–	–	17,215	–	17,215
No. of students, compulsory schools	18,943	0	0	–	–	18,943	–	18,943
No. of students, upper secondary schools	0	0	24,739	–	–	24,739	–	24,739
Number of employees, annually	3,954	1,665	2,069	1,361	110	9,159	–	9,159
Number of units	211	78	105	–	–	394	–	394

*) The volume of adult education is not measured based on the number of participants since the length of the programs varies from individual occasions to academic years

**) Espira was acquired in May 2014 and Joki was acquired in February 2016, at which time the name of the segment was changed to Preschool international

Geographic information

REVENUE FROM EXTERNAL CUSTOMERS (BASED ON PLACE OF RESIDENCE)	GROUP	
	2015/16	2014/15
Sweden	7,230	6,812
Norway	1,348	1,351
Germany	33	-
TOTAL	**8,611**	**8,163**

NON-CURRENT ASSETS BY COUNTRY	GROUP	
	2015/16	2014/15
Sweden	4,694	4,634
Norway	1,354	1,250
Germany	93	-
TOTAL	**6,141**	**5,884**

The Group has one customer whose sales amounted to around 11% (10%) of the Group's total net sales for 2015/16. The breakdown by segment for this customer is as follows: Pre- and compulsory school SEK 670 (541) million, Upper secondary school SEK 204 (241) million and Adult education SEK 103 (73) million.

Note 10: Taxes

Income tax in the consolidated statement of comprehensive income consists of the following main components:

	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Income statement				
Current tax				
Current tax on profit for the year	-66	-30	-5	–
Adjustment for previous years	-3	-1	–	–
Total current tax	**-69**	**-31**	**-5**	**–**
Deferred tax				
Emergence and reversal of temporary differences	-19	5	–	-6
Total deferred tax	**-19**	**5**	**–**	**-6**
Total tax expense recognized in the income statement	**-89**	**-26**	**-5**	**-6**
Other comprehensive income				
Deferred tax attributable to defined benefit pension plans	-4	33	–	–
TOTAL TAX EXPENSE RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**-4**	**33**	**–**	**–**

RECONCILIATION OF TAX RECOGNIZED IN THE INCOME STATEMENT	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Profit/loss before tax	408	248	21	-39
Tax on profit for the year based on the tax rate in effect (22.0%)	-90	-54	-5	-6
Tax effect of:				
Effect of other tax rates for foreign companies	-2	-4	–	–
Other non-deductible expenses	-3	-5	–	–
Non-taxable income	6	24	0	–
Utilization of previous year's unrecognized loss carry-forwards	0	0	–	–
Deferred tax on sale of properties *)	0	14	–	–
Revaluation of deferred tax – change in tax rate	0	–	–	–
Adjustment for previous years	-3	-1	–	–
Other	3	0	–	–
RECOGNIZED TAX EXPENSE	**-89**	**-26**	**-5**	**-6**

*) The difference between the recognized deferred tax liability attributable to sold properties prior to the sale and the taxable outcome of the sale. Since no tax was paid in connection with the sale, the deferred tax liability was reversed in its entirety and recognized in profit and loss.

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Deferred tax assets				
Intangible non-current assets	0	2	–	–
Property, plant and equipment	15	11	–	–
Tax deficit	38	36	1	1
Pension provisions	13	12	–	–
Other	24	37	–	–
Total deferred tax assets	**90**	**97**	**1**	**1**
Offsetting of tax asset/tax liability	-75	–	–	–
Deferred tax assets, closing balance	**15**	**97**	**1**	**1**
Deferred tax liability				
Intangible non-current assets	11	20	–	–
Property, plant and equipment	25	22	–	–
Untaxed reserves	61	38	–	–
Total deferred tax liabilities	**97**	**80**	**–**	**–**
Offsetting of tax asset/tax liability	-75	–	–	–
Deferred tax liabilities, closing balance	**22**	**80**	**–**	**–**
Change in deferred tax				
Deferred tax net, opening balance	16	-44	1	7
Reclassification, previous year	-2	21	–	–
Deferred tax according to the income statement	-19	5	–	-6
Company acquisitions	0	-1	–	–
Deferred tax net, opening balance	-4	33	–	–
Untaxed reserves	3	2	–	–
Deferred tax net, closing balance	**-6**	**16**	**1**	**1**

Tax loss carry-forwards

The tax loss carry-forwards for the Group amount to SEK 169 (164) million. As of June 30, 2016 the Group did not have the right to fully use loss carry-forwards to offset a surplus due to changes in the Group structure. The full right to use tax loss carry-forwards in Sweden with the current Group structure will be available in 2021 at the latest. Tax loss carry-forwards in Sweden amount to SEK 159 million, in Norway SEK 9 million, and in Germany SEK 1 million. Loss carry-forwards have no time limit. The parent company's deferred tax loss carry-forwards total SEK 3 (3) million.

Deferred tax assets are recognized as an asset to the extent it is likely that the loss carry-forward can be used to offset a surplus in future tax returns. SEK 169 (164) million of the Group's tax loss carry-forwards are expected to be able to offset future tax surpluses.

Note 11: Interest income and similar profit/loss items

	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Interest income	6	13	0	0
Interest rate swaps	1	11	–	–
Other	–	1	–	–
INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS	**7**	**24**	**0**	**0**

For more information about the Group's interest rate swaps, refer to Note 26.

Note 12: Interest expense and similar profit/loss items

	GROUP		PARENT COMPANY	
	2015/16	2014/15	2015/16	2014/15
Interest expense	-121	-218	-41	-38
Borrowing costs *)	-6	-73	-1	0
Exchange rate losses	-3	-1	–	–
Bank fees and similar	-4	-1	–	–
INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS	**-134**	**-293**	**-42**	**-38**

*) Handling charges for new loans are expensed over the term of the loan. During the financial year, scheduled depreciation/amortization was SEK 6 (28) million. The previous year SEK 73 million was expensed; since a new loan agreement was signed, the remaining loan costs amounting to SEK 45 million were expensed.

Note 13: Business combinations

Acquisitions 2015/16

Acquiring companies	Acquired companies/businesses	Acquisition date	Segment
Pysslingen Förskolor och Skolor AB	Sjötullen	July 13, 2015	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	WanWett AB	Nov. 1, 2015	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	Landborgen Prästgatan Förskolor AB	Feb. 1, 2016	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	Lärkträdets Förskola AB	March 1, 2016	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	Färjan AB	June 1, 2016	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	Vårberga Förskola AB	June 1, 2016	Pre- and compulsory school
Pysslingen Förskolor och Skolor AB	Förskoleaktiebolaget Hattstugan	June 1, 2016	Pre- and compulsory school
Espira Barnehager AS	Espira Stansa AS	April 1, 2016	Preschool international
Espira Barnehager AS	Espira Varbak Arcen AS	April 1, 2016	Preschool international
Espira Barnehager AS	Espira Scala Hundvåg Tasta AS	June 1, 2016	Preschool international
AcadeMedia GmbH	Joki Harlaching GmbH	Feb. 1, 2016	Preschool international
AcadeMedia GmbH	Joki Kinderbetreuung Pasing GmbH	Feb. 1, 2016	Preschool international

Together these acquisitions represent a value of less than 5 percent of the Group, and accordingly they are not specified as separate acquisitions in the tables.
The voting power of all acquisitions amounts to 100 percent.
Of the above acquisitions, the acquisition of Sjötullen entails the acquisition of the assets and liabilities of the business.

Acquisitions of large and small businesses comprise an important part of AcadeMedia's growth strategy. The acquisition of Joki in Germany also entails a platform for expansion into a new geographic market.

In all of the acquisitions, the purchase consideration takes the form of a cash payment as well as a 676,092 shares in AcadeMedia AB for a value of SEK 32 million. There is an agreement concerning deferred consideration and it cannot exceed SEK 3 million.

The following are disclosures of adjusted acquired net assets and goodwill. Amortization/impairment of goodwill attributable to goodwill on consolidation are not tax deductible, while amortization/impairment attributable to business acquisitions (net assets) are tax deductible.

ACQUISITION EFFECTS OF ACQUISITIONS MADE	2015/2016
Purchase consideration including transaction expenses	208
Purchase consideration excluding transaction expenses	203
Fair value of acquired net assets excluding goodwill	-47
TOTAL GOODWILL	**156**

FAIR VALUE ACQUIRED	2015/2016
Intangible non-current assets excluding goodwill	0
Property, plant and equipment	80
Financial assets, including deferred tax assets	2
Current assets	13
Cash and cash equivalents	22
Non-current loans	-18
Other non-current liabilities	-6
Other current liabilities	-28
Current tax liability	-14
Deferred tax liability	-4
NET ASSETS ACQUIRED	**47**

The fair value of acquired receivables is included in current assets and amounts to SEK 13 million. The receivables are expected to be received in full. Goodwill that has arisen from acquisitions consists of synergies with existing businesses, as well as resources such as personnel, education programs, recruitment and personnel development, as well as service organization, which can be streamlined as a result of the acquisitions.

IMPACT OF THE ACQUISITIONS ON THE GROUP'S CASH AND CASH EQUIVALENTS	2015/2016
Purchase consideration agreed	203
Cash and cash equivalents at time of acquisition	-22
Less purchase consideration that has not been settled in cash	-32
Unsettled purchase consideration	-3
IMPACT ON THE GROUP'S CASH AND CASH EQUIVALENTS	**146**

Acquisitions 2014/15

Acquiring companies	Acquired companies/businesses	Acquisition date	Segment
Espira Barnehager AS	Engelsrudhagen barnehagetomt AS	Oct. 6, 2014	Preschool international
Espira Barnehager AS	Espira Knerten AS	Jan. 2, 2015	Preschool international
Pysslingen Förskolor och Skolor AB	Hammarby Förskolor AB	June 1, 2015	Pre- and compulsory school

Together these acquisitions represent a value of less than 5 percent of the Group, and accordingly they are not specified as separate acquisitions in the tables. The voting power of all acquisitions amounts to 100 percent.

The purchase consideration in all acquisitions consists of a cash consideration and no agreements are in place regarding a contingent or deferred consideration.

The following are disclosures of adjusted acquired net assets and goodwill. No portion of the goodwill will be tax deductible.

ACQUISITION EFFECTS OF ACQUISITIONS MADE	2014/2015
Purchase consideration including transaction expenses	35
Purchase consideration excluding transaction expenses	35
Fair value of acquired net assets excluding goodwill	-16
TOTAL GOODWILL	**19**

FAIR VALUE ACQUIRED	2014/2015
Property, plant and equipment	15
Current assets	6
Cash and cash equivalents	13
Non-current loans	-7
Other current liabilities	-7
Current tax liability	-1
Deferred tax liability	-3
NET ASSETS ACQUIRED	**16**

The fair value of acquired receivables is included in current assets in the amount of SEK 6 million. The receivables were expected to be received in full. Goodwill that arises from acquisitions consists of synergies with existing businesses, as well as resources such as personnel, education programs, recruitment and personnel development, as well as service organization, which can be streamlined as a result of the acquisitions.

IMPACT OF THE ACQUISITIONS ON THE GROUP'S CASH AND CASH EQUIVALENTS	2014/2015
Purchase consideration agreed	35
Cash and cash equivalents at time of acquisition	-13
IMPACT ON THE GROUP'S CASH AND CASH EQUIVALENTS	**22**

The Group has been consolidating a number of substantial acquisitions for a number of years. The high growth rate puts added pressure on management. In 2014/15 an organization and Group management structure was developed in order to handle future challenges and continued growth. The Group will continue to expand over the next few years. Below is a list of acquisitions made by the Group by year.

Group total

ACQUISITION EFFECTS OF ACQUISITIONS MADE	2015/2016	2014/2015
Purchase consideration including transaction expenses	208	35
Transaction costs	-5	0
Purchase consideration excluding transaction expenses	203	35
Fair value of acquired net assets excluding goodwill	-47	-16
TOTAL GOODWILL	**156**	**19**

Goodwill is mainly attributable to:

- The business can sustainably operate with good profitability based on its quality and attractiveness as the result of a well-developed organization and staff
- Annual cost synergies, which are expected to arise from overlapping resources in sales and marketing, administration, education
- Economies of scale and streamlining in purchasing and administration.
- Expanded operations into new geographic markets

IMPACT OF THE ACQUISITIONS ON THE GROUP'S CASH AND CASH EQUIVALENTS	2015/2016	2014/2015
Purchase consideration agreed	203	35
Cash and cash equivalents at time of acquisition	-22	-13
Less purchase consideration that has not been settled in cash	-32	–
Adjustment of net cash	-3	0
IMPACT ON THE GROUP'S CASH AND CASH EQUIVALENTS	**146**	**22**

CONTRIBUTION OF ACQUISITIONS TO CONSOLIDATED PROFIT	2015/2016	2014/2015
Net sales	81	10
Operating profit/loss (EBIT)	8	2

IF THE UNITS HAD BEEN INCLUDED IN CONSOL-IDATED PROFIT/LOSS FROM JULY 1 THEIR CONTRIBU-TION WOULD HAVE BEEN	2015/2016	2014/2015
Net sales	226	50
Operating profit/loss (EBIT)	16	5

Note 14: Goodwill

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Cost, opening balance	4,744	4,760
Company acquisitions	156	19
Translation difference	-22	-35
Accumulated cost, closing balance	**4,878**	**4,744**
Impairment, opening balance	-4	-4
Impairment for the year	–	–
Accumulated impairment, closing balance	**-4**	**-4**
CARRYING AMOUNT, CLOSING BALANCE	**4,874**	**4,740**

Note 15: Brands

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Cost, opening balance	194	194
Company acquisitions	–	–
Accumulated cost, closing balance	**194**	**194**
Amortization, opening balance	0	0
Amortization for the year	0	0
Accumulated amortization, closing balance	**0**	**0**
CARRYING AMOUNT, CLOSING BALANCE	**194**	**194**

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
All brands included above relate to Sweden:		
Pysslingen	39	39
Vittra	8	8
Rytmus	5	5
NTI	30	30
LBS	12	12
ProCivitas	0	0
NTI-skolan	0	0
Hermods	100	100
Eductus	0	0
	194	**194**

Note 16: Impairment testing

The Group tests at least once a year for impairment of goodwill and brands (refer to accounting principles in Note 1). Goodwill and brands are monitored within the Group by segment as these are clearly defined business areas with similar business models. The segments have therefore the been decided to be Group's cash-generating units (CGE) and are evaluated in the impairment test.

The recoverable amount of the segments is calculated on the basis of a ten-year forecast which is based on the approved budget and the segment's business plan up to and including 2019/2020. The last six years are used to enable depreciation/amortization to reflect the investment assumptions; growth is aligned with terminal growth assumption. The board of directors has approved these plans based on previous results, industry experience and expectations for market trends. Budgets and business plans are drawn up individually and are based on the segments' units. The business plans include assumptions on growth in the number of students, margins, working capital and investment requirements.

The cash flow beyond the business plan is expected to grow by 1 percent for the Swedish segments and 2 percent for the International segment. The international operations are new acquisitions, for which reason the growth assumptions are closer to the market rate of inflation and therefore higher than they are for our Swedish operations. The inflation targets are 2.5% in Norway and 2% in Sweden. Moreover the existing inflation rate in Norway is higher than the central bank's target. Given this background, both assumed growth rates are considered to be conservative assumptions. New units expected to be started after 2015/16 and acquisitions have been excluded. A summary of the breakdown of goodwill and brands by segment can be found below.

	Good-will	Brands	Growth rate*	Wacc**
Segment – June 30, 2016				
Pre- and compulsory school	1,867	47	1%	12.5%
Preschool international	760	0	2%	12.4%
Upper secondary school	1,493	47	1%	12.4%
Adult education	754	100	1%	12.5%
	4,874	**194**		
Segment – June 30, 2016				
Pre- and compulsory school	1,813	47	1%	12.5%
Preschool international	680	0	2%	12.6%
Upper secondary school	1,493	47	1%	12.4%
Adult education	754	100	1%	12.4%
	4,740	**194**		

* A weighted average growth rate is used to extrapolate cash flows beyond the business plan period.

** Pre-tax discount rate used for estimated future cash flows.

AcadeMedia has conducted a comprehensive analysis of the sensitivity in the variables used in the model. The analysis takes into account a reasonable decline in gross margins, an increase in the discount rate and lowered growth assumptions. A change in each of the significant assumptions included in the calculation shows that the recoverable amount exceeds the carrying amount with a margin for the segments Pre- and compulsory school, Upper secondary school and Adult education. The Preschool international segment's recoverable amount exceeds the carrying amount by SEK 90 (76) million. In the case of a change in the growth rate from 2.0 (2.0) percent to 1.2 (1.2) percent, the recoverable amount would match the carrying amount, given otherwise unchanged assumptions.

Note 17: Other intangible non-current assets

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Cost, opening balance	31	31
Acquisitions for the year	7	3
Disposals for the year	-16	-3
Company acquisitions	0	–
Accumulated cost, closing balance	**22**	**31**
Amortization, opening balance	-24	-21
Disposals	16	0
Amortization for the year	-5	-3
Translation difference	0	–
Accumulated amortization, closing balance	**-13**	**-24**
CARRYING AMOUNT, CLOSING BALANCE	**9**	**7**

Other intangible non-current assets consist of computer software and teaching platforms.

Note 18: Buildings

	GROUP	
	JUNE 30, 2016	**JUNE 30, 2015**
Cost, opening balance	518	592
Translation difference	-17	-29
Company acquisitions	66	14
Purchases	159	134
Less sales for the year	-66	-193
Accumulated cost, closing balance	**660**	**518**
Depreciation, opening balance	-16	-3
Translation difference	0	0
Depreciation of buildings sold	10	11
Depreciation for the year	-16	-24
Accumulated amortization, closing balance	**-22**	**-16**
CARRYING AMOUNT, CLOSING BALANCE	**638**	**502**

The buildings relate to preschool properties in the Preschool international segment and were added through the acquisition of Espira and subsequent expansion with new construction for new establishments. To some extent the Group also builds and owns preschool properties within the Norwegian operation. Three (10) preschool properties were sold during the year. As of June 30, 2016, 20 (17) properties were owned.

Note 19: Equipment

	GROUP	
	JUNE 30, 2016	**JUNE 30, 2015**
Cost, opening balance	713	699
Translation difference	-1	-1
Company acquisitions	5	0
Purchases	160	143
Less sales for the year	-2	0
Disposals	-99	-128
Accumulated cost, closing balance	**776**	**713**
Depreciation, opening balance	-485	-466
Translation difference	0	0
Depreciation for the year	-137	-147
Disposals	99	128
Accumulated amortization, closing balance	**-523**	**-485**
CARRYING AMOUNT, CLOSING BALANCE	**253**	**228**

Note 20: Equipment held under finance leases

	GROUP	
	JUNE 30, 2016	**JUNE 30, 2015**
Cost, opening balance	255	250
Purchases	82	67
Disposals	-87	-63
Accumulated cost, closing balance	**250**	**254**
Depreciation, opening balance	-185	-164
Depreciation for the year	-74	-84
Disposals	86	63
Accumulated amortization, closing balance	**-173**	**-185**
CARRYING AMOUNT, CLOSING BALANCE	**77**	**69**

The leased assets in the table above are included in the table in Note 19. The Group's future lease obligations are described in Note 3.

Note 21: Improvement expenses on third-party property

	GROUP	
	JUNE 30, 2016	**JUNE 30, 2015**
Cost, opening balance	261	226
Company acquisitions	3	–
Purchases	55	39
Disposals	-6	-4
Accumulated cost, closing balance	**313**	**261**
Depreciation, opening balance	-149	-121
Depreciation for the year	-29	-29
Disposals	5	1
Translation difference	0	–
Accumulated amortization, closing balance	**-173**	**-149**
CARRYING AMOUNT, CLOSING BALANCE	**140**	**112**

Note 22 Shares in subsidiaries

The Group has operations in Sweden, Norway and Germany. The parent company has controlling interest over the subsidiaries. All subsidiaries are wholly owned, directly or indirectly, by the parent company.

Book value, opening balance as of June 30, 2015	2,186
AcadeMedia AB made shareholder contributions to AcadeMedia Group AB	32
Book value, closing balance as of June 30, 2016	**2,219**

DIRECT OWNERSHIP Subsidiary	Corp. ID No.	Registered office	Capital share	Number of shares	Nominal value	Book value
AcadeMedia Group AB	556806-1369	Stockholm	100%	50,000	1	2,219

Nominal values in the tables below are denominated in local currency.

INDIRECT OWNERSHIP OF SUBSIDIARIES IN THE GROUP	Corp. ID No.	Registered office	Capital share	Number of shares	Nominal Value/share (SEK)
ACM 2010 AB	556805-3051	Stockholm	100%	50,000	1
ACM 2001 AB	556057-2850	Stockholm	100%	12,041,246	2
Anew Learning AB	556402-8925	Stockholm	100%	10,000	1,000
AcadeMedia Eductus AB	556527-4007	Stockholm	100%	20,000	2,000
Nordens Teknikerinstitut AB (NTI)	556120-3679	Stockholm	100%	10,000	1,000
Klaragymnasium AB	556630-3938	Stockholm	100%	1,000	100
Ljud & Bildskolan LBS AB	556485-1649	Stockholm	100%	10,000	1,000
Drottning Blankas Gymnasieskola AB	556566-8794	Stockholm	100%	4,000	400
Hermods Gymnasium AB	556528-6696	Stockholm	100%	2,800	280
Hermods Design & Construction College AB	556982-8451	Stockholm	100%	50,000	1
Mikael Elias Gymnasium AB	556558-3282	Stockholm	100%	250,000	1
Framtidsskolan Örestad Utveckling AB	556607-0552	Stockholm	100%	1,000	100
ProCivitas Privata Gymnasium AB	556615-7102	Stockholm	100%	1,000	100
Plushögskolan AB	556495-5853	Gothenburg	100%	1,000	100
Plusgymnasiet AB	556578-9129	Gothenburg	100%	1,000	100
P-PY 2009 AB	556786-3609	Stockholm	100%	21,100,386	1
Pysslingen Förskolor och Skolor AB	556035-4309	Stockholm	100%	90,000	100
Söder Triaden Förskolor AB	556468-5955	Stockholm	100%	102	1,000
AcadeMedia Support AB	556568-8479	Stockholm	100%	1,000	100
Primaskolan i Sverige AB	556557-0958	Stockholm	100%	4,000	100
Didaktus AB	556590-6947	Stockholm	100%	808,600	10
Didaktus Skolor AB	556473-2856	Stockholm	100%	4,300	50
Didaktus Utbildningar AB	556645-3626	Stockholm	100%	2,000	50
NTI-skolan AB	556709-8057	Stockholm	100%	2,000	100
IT Gymnasiet Sverige AB	556597-0471	Stockholm	100%	6,000	100
Framtidsgymnasiet i Göteborg AB	556478-1606	Stockholm	100%	1,000	100
Framtidsgymnasiet i Sverige AB	556575-5500	Stockholm	100%	1,000	100
Framtidsgymnasiet Öst AB	556530-4481	Stockholm	100%	6,999	100
Rytmus AB	556464-8979	Stockholm	100%	8,000	100
Sjölins Gymnasium AB	556375-8399	Stockholm	100%	500	1,000
Vittraskolorna AB	556458-6716	Stockholm	100%	1,000	100
AcadeMedia fria grundskolor AB	556932-0699	Stockholm	100%	50000	1
Nya Designgymnasiet i Nacka AB	556932-0681	Stockholm	100%	50000	1
Hammarby Förskolor AB	556629-2537	Stockholm	100%	100,000	100
WanWett AB	556755-0032	Stockholm	100%	100,000	100
Landborgen Prästgatan Förskolor AB	556450-2101	Stockholm	100%	100,000	100
Lärkträdets Förskola AB	556590-4868	Stockholm	100%	100,000	100
Stallmästarens Förskola AB	556480-7625	Stockholm	100%	100,000	100
Färjan AB	556768-0631	Stockholm	100%	100,000	100
Norrskenets Friskolor Kalix AB	559047-6528	Stockholm	100%	50,000	1
Norrskenets Friskolor Boden AB	559045-5050	Stockholm	100%	50,000	1
Norrskenets Friskolor Luleå AB	559045-5076	Stockholm	100%	50,000	1
Vårberga Förskola AB	556494-2703	Stockholm	100%	100,000	1
Förskoleaktiebolaget Hattstugan	556449-6817	Stockholm	100%	100,000	1
Kompetensutvecklingsinstitutet Sverige AB	556355-7395	Stockholm	100%	1,000	100
Hermods Group AB	556757-0949	Stockholm	100%	1,408,011	1
Hermods AB	556044-0017	Stockholm	100%	11,000	100
EC Utbildning AB	556626-4387	Karlshamn	100%	1,000	100
Coachning och utveckling i Sverige AB	556820-7673	Stockholm	100%	500	100
NK Datacenter AB	556575-3901	Stockholm	100%	1,000	100
Utbildningsborgen i Örebro AB	556442-1328	Örebro	100%	5,000	100
Sälj och Marknadshögskolan i Sverige AB	556518-9361	Stockholm	100%	1,000	100

INDIRECT OWNERSHIP OF SUBSIDIARIES IN THE GROUP	Corp. ID No.	Registered office	Capital share	Number of shares	Nominal Value/share (NOK)
Espira Holding AS	913192281	Karmøy	100%	30	100,000
ESPIRA GRUPPEN AS	991926577	Karmøy	100%	54,630,000	0.1
ESPIRA BARNEHAGER AS	985072825	Karmøy	100%	100	1,000
ESPIRA EIENDOM AS	992642734	Karmøy	100%	100	1,000
ESPIRA ENTREPRENØR AS	998253640	Karmøy	100%	2,000	1,000
BARNEBYGG AS	963261446	Oslo	100%	1,000	100
ESPIRA AKADEMIET AS	966825855	Karmøy	100%	920	152
ESPIRA BJØRGENE AS	988440418	Karmøy	100%	100	1,000
ESPIRA BLAKSTAD AS	996987329	Karmøy	100%	100	1,000
ESPIRA BRÅDALSFJELLET AS	988711896	Karmøy	100%	100	1,000
ESPIRA BRÅSTEINTUNET AS	993429082	Karmøy	100%	100	1,000
ESPIRA DRAGERSKOGEN AS	990652899	Karmøy	100%	100	1,000
ESPIRA DVERGSNES AS	991126627	Karmøy	100%	100	1,000
ESPIRA EIKENGA SA	817350232	Karmøy	100%	62	2,935
ESPIRA EVJE AS	996987337	Karmøy	100%	100	1,000
ESPIRA FJELDEBAKKANE AS	987415584	Karmøy	100%	100	1,000
ESPIRA FENSTAD AS	987762780	Karmøy	100%	100	1,000
ESPIRA GARHAUG AS	986916490	Karmøy	100%	100	1,000
ESPIRA GJEMBLE AS	983089909	Karmøy	100%	100	1,000
ESPIRA GULLHELLA AS	985462437	Karmøy	100%	100	1,000
ESPIRA GÅSERUD AS	985030006	Karmøy	100%	100	1,000
ESPIRA HALSNØY KLOSTER AS	990797722	Karmøy	100%	100	1,000
ESPIRA HELLDALSÅSEN AS	985311374	Karmøy	100%	100	1,000
ESPIRA HØYTORP FORT AS	988711918	Karmøy	100%	100	1,000
ESPIRA KLØVERENGA AS	988067547	Karmøy	100%	100	1,000
ESPIRA KNERTEN AS	979339828	Karmøy	100%	210	1,000
ESPIRA KNIVEÅSEN AS	990343063	Karmøy	100%	100	1,000
ESPIRA KRYSTALLVEIEN AS	992419938	Karmøy	100%	100	1,000
ESPIRA KUVENTRÆ AS	989838563	Karmøy	100%	100	1,000
ESPIRA LITLASUND AS	992061472	Karmøy	100%	100	1,000
ESPIRA LØVESTAD AS	992823690	Karmøy	100%	100	1,000
ESPIRA MARTHAHAUGEN AS	990036888	Karmøy	100%	100	1,000
ESPIRA MYRASKOGEN AS	992061448	Karmøy	100%	100	1,000
ESPIRA NORDMO AS	985311366	Karmøy	100%	100	1,000
ESPIRA OPAKER AS	992081066	Karmøy	100%	100	1,000
ESPIRA OPSAHL AS	985797625	Karmøy	100%	100	1,000
ESPIRA OSLO BARNEHAGEDRIFT AS	914945577	Karmøy	100%	100	1,000
ESPIRA ORMADALEN AS	992420189	Karmøy	100%	100	1,000
ESPIRA RAMBJØRA AS	986916512	Karmøy	100%	100	1,000
ESPIRA REE AS	989544489	Karmøy	100%	100	1,000
ESPIRA ROMHOLT AS	888440402	Karmøy	100%	100	1,000
ESPIRA RUBBESTADNESET AS	991996605	Karmøy	100%	100	1,000
ESPIRA RÅ AS	989932543	Karmøy	100%	100	1,000
ESPIRA SALAMONSKOGEN AS	989512811	Karmøy	100%	100	1,000
ESPIRA SKJERABERGET AS	917350140	Karmøy	100%	67	1,000
ESPIRA SKOLEGATA AS	986916644	Karmøy	100%	100	1,000
ESPIRA SKÅREDALEN AS	992061529	Karmøy	100%	100	1,000
ESPIRA SNURREFJELLET AS	986916563	Karmøy	100%	100	1,000
ESPIRA SOLKNATTEN AS	990652813	Karmøy	100%	100	1,000
ESPIRA STONGAFJELLET AS	989838512	Karmøy	100%	100	1,000
ESPIRA SUNDBYFOSS AS	994310623	Karmøy	100%	100	1,000
ESPIRA TAREMAREBY AS	917350183	Karmøy	100%	630	500
ESPIRA TJØSVOLL AS	992062002	Karmøy	100%	100	1,000
ESPIRA TORSBERGSKOGEN AS	991361642	Karmøy	100%	100	1,000
ESPIRA ULSETSKOGEN AS	991127402	Karmøy	100%	100	1,000
ESPIRA VAGLETJØRN AS	989838482	Karmøy	100%	100	1,000
ESPIRA VANNVERKSDAMMEN AS	990342598	Karmøy	100%	100	1,000

ESPIRA VANSE AS	988263095	Karmøy	100%	100	1,000
ESPIRA VELDETUN AS	985462372	Karmøy	100%	100	1,000
ESPIRA ØSTREM AS	986916555	Karmøy	100%	100	1,000
ESPIRA ÅBOL AS	992823585	Karmøy	100%	100	1,000
ESPIRA ÅRHAUG AS	988067644	Karmøy	100%	100	1,000
ENGELSRUDHAGEN BARNEHAGETOMT AS	913981464	Karmøy	100%	216,828	1
KARMSUND BARNEHAGE AS	990586152	Karmøy	100%	100	1,000
NORDJORDET BARNEHAGE AS	992184337	Karmøy	100%	100	1,000
SKOGEN BARNEHAGE AS	992420243	Karmøy	100%	100	1,000
SØNDRE KLEIVAN BARNEHAGE AS	990050937	Karmøy	100%	100	1,000
ESPIRA VARBAK ARCEN AS	890015492	Karmøy	100%	100	1,000
ESPIRA STANSA AS	912980219	Karmøy	100%	73,818	1
ESPIRA SCALA TASTA AS	988201170	Karmøy	100%	100	1,000
ESPIRA SCALA HUNDVÅG AS	988201030	Karmøy	100%	100	1,000

INDIRECT OWNERSHIP OF SUBSIDIARIES IN THE GROUP	Corp. ID No.	Registered office	Capital share	Number of shares	Nominal Value/share (EUR)
AcadeMedia GmbH	HRB 222 151	Munich	100%	25,000	1
Joki Harlaching GmbH	HRB 187 591	Munich	100%	25,000	1
Joki Kinderbetreuung Pasing GmbH	HRB 174 184	Munich	100%	25,000	1
Joki Trudering GmbH	HRB 206 880	Munich	100%	25,000	1
Joki Kinderbetreuung Obermenzing GmbH	HRB 214 371	Munich	100%	25,000	1
Joki Kinderbetreuung Forstenried GmbH	HRB 214 367	Munich	100%	25,000	1
Joki Kinderbetreuung Johanneskirchen GmbH	HRB 214 359	Munich	100%	25,000	1
Joki Kinderbetreuung Lerchenau GmbH	HRB 214 655	Munich	100%	25,000	1

Note 23: Accounts receivable

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Not overdue	141	104
Overdue 1-15 days	15	32
Overdue 16-30 days	2	33
Overdue more than 30 days	8	9
Total	**166**	**178**
Reserves for doubtful accounts receivable, opening balance	2	1
Increase of reserves	1	2
Reversed reserves (–)	-2	-1
Reserves for doubtful accounts receivable, closing balance	**2**	**2**
ACCOUNTS RECEIVABLE, CLOSING BALANCE	**164**	**176**
Confirmed bad debt losses	0	1

The Group's reserves for doubtful accounts receivable are for the category "Overdue more than 30 days."

There is normally no security for the claims. The Group's customers are mainly municipalities, public authorities and multiple companies, with a low credit risk for the Group and the credit quality of outstanding accounts receivable is deemed very good. There are no significant credit concentrations.

Reservations for doubtful debts are made individually in accordance with internal regulations and normally when the debts are more than 60 days past due. The reservation is then kept at 100 percent. Established customer losses form part of other external expenses.

Note 24: Prepaid expenses and accrued income

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Prepaid rent	221	223
Prepaid lease expenses	7	7
Other prepaid expenses	105	99
Accrued income	130	93
TOTAL	**463**	**422**

Other prepaid expenses are mainly prepaid pension premiums. Accrued income mainly relates to unbilled programs in adult education.

Note 25: Cash and cash equivalents

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Cash and bank balances	331	695	15	15
TOTAL	**331**	**695**	**15**	**16**

The definition of cash and cash equivalents in the balance sheet is the same as in the cash flow statement. Cash and cash equivalents consist of bank balances.

Note 26: Financial risk and management of capital risk

The Group's general finance policy focuses on the unpredictability of the financial markets with the aim of minimizing potential unfavorable effects on the Group's financial results. Among other things, the Group uses derivative instruments to hedge certain risk exposure.

Risk management is handled at the central Group staff level according to policies established by the board of directors. The board of directors has established a finance policy that covers general financial risk management, which for specific areas, such as currency risk, interest rate risk and credit risk, prescribes the use of derivative instruments and non-derivative financial instruments, and the investment of surplus liquidity.

The purpose is to minimize the Group's cost of capital through appropriate financing and efficient management and control of the Group's financial risks. The Group works actively with its follow-up on liquidity and continously updates the forecasts of the expected development of liquidity. This makes it possible to take the necessary steps in time.

Interest rate risk

Business loans have the six-month IBOR interest rate. The Group has interest derivatives to manage interest risk. As of June 30, 2016, 1 percent (1 percent) of the Group's bank loans were hedged using interest rate swaps. The effect of an increase in the variable interest rate of 1 percent on the Group's interest expense is therefore SEK 27 (33) million.

The change in value of derivatives improved the result by SEK 1 million (11), refer to Note 11. The fair value of the derivatives was SEK -1 million as of June 30, 2016 (-2), which is recognized as a current (non-current) non-interest-bearing liability. The fair value of interest-rate swaps is based on discounting estimated future cash flows under the contractual terms and conditions and maturity dates and based on the market interest rate for similar instruments on the balance sheet date. Where discounted cash flows are used, the future cash flows are calculated on the best assessments of company management. The discount rate applied is the market-based interest rate of similar instruments on the balance sheet date.

Interest rate swaps	Nominal amount	Fixed interest rate (%)	Fixed interest rate
Maturity March 31, 2017	40	3.27	1
TOTAL	**40**		**1**

Finance policy

According to the Group's finance policy, short-term investments of surplus liquidity are only made in instruments with limited counterparty risk and a credit rating that is no lower than K1.

Credit risk

Credit risk is the risk that a counterparty will not fulfil its obligations after the Group has completed delivery. In businesses where goods and services are provided against subsequent payment, it is not possible to fully avoid credit losses. Collateral is not normally held for accounts receivable. The majority of the Group's customers are public authorities or larger companies. The credit risk is deemed small in relation to the Group's total net sales. For more information, refer to Note 23.

Currency risk

AcadeMedia has a certain currency risk in its profit or loss. A total of 15% of sales are generated in Norway and denominated in NOK and just under 1% in Germany, denominated in EUR. Thus there is a certain currency risk linked to the NOK/SEK rate. A change in the exchange rate of +/- 10% would therefore mean a change in sales of +/- SEK 135 million and a change in operating profit/loss of +/- SEK 8 million.

Liquidity and financing risk

Liquidity and financing risk is the risk that the Group will not be able to fulfill its payment obligations as a result of insufficient liquidity or difficulties raising new loans.

AcadeMedia has access to long-term financing for its operations. On June 30, 2015 the Group signed a new agreement with lending banks for long-term financing. The refinancing took place on July 7, 2015. The agreement involved an extension of credit with significantly lower interest margins and better loan terms. Bank loans maturing for payment in 2020 carry interest rates which are set on a six-monthly basis.

The following covenants were established in connection with the financing commencing on June 30, 2015 and apply prospectively.

Covenant 1, debt/equity ratio = net debt/EBITDA. The ratio may not exceed 3.5xx.

Covenant 2, interest cover = EBITDA/interest paid in cash The ratio must exceed 5xx.

All covenants had been fulfilled by the Group as of June 30, 2016.

Most of the Group's operations are personnel-intensive and have a low investment requirement. The AcadeMedia Group mainly requires investments in equipment, except in Norway where new preschools usually entail investment in own premises. Furthermore, for the most part, income/school vouchers are received in advance, making the working capital negative. AcadeMedia's operations thus generate a positive cash flow even during growth. Additional funding is needed primarily for future acquisitions. For more information, refer to Note 32.

Access to additional financing is affected by factors such as market conditions, general access to credit, and AcadeMedia's credit rating and credit capacity. Furthermore, access to additional financing is dependent on customers, suppliers and lenders not having a negative opinion of AcadeMedia's long-term and short-term financial outlook.

Financing risk consists of the risk that an excessive portion of the Group's financing will mature within a short period, during which the Group's ability to obtain new financing is limited or financing can only be obtained on less favorable terms and with significantly higher costs. AcadeMedia's credit rating and financial funding opportunities for both loans and new equity were strengthened by the IPO.

The Group's financing consists mainly of a loan agreement for SEK 2,580 million entered into on June 30, 2015 between, among others, the wholly-owned subsidiary ACM 2010 AB as the original borrower and guarantee provider and DNB Bank AB and Nordea Bank AB (publ) as the arrangers and original lenders. The loan agreement contains some covenants relating to the Group's financial position. As of June 30, 2016, all such covenants had been fulfilled with a satisfactory margin. If AcadeMedia breaches any of these covenants in the future, this could result in the loans under the loan agreement maturing fully or in part for immediate repayment.

There is a risk that AcadeMedia, in connection with the maturity of the above-mentioned loan agreement or in the event additional financing should be needed, will not be able to obtain such financing on acceptable terms or at all. Factors such as the general availability of credit and the Group's credit rating have an impact on access to additional financing. Also, access to additional financing is dependent on the Group's lenders having a positive opinion of the Group's long-term and short-term financial outlook. Disruptions or uncertainties in the capital and credit markets may also limit access to capital. These factors may have a significantly negative impact on AcadeMedia's business, financial position and results.

The Group has determined that the covenants will be fulfilled during the loan term and the risk of being required to repay the loans early is therefore low. Furthermore, it is also assessed that the Group will manage interest rate payments even if the benchmark interest rate were to increase.

Note 27: Share capital

	Number of ordinary share (thousands of shares)	Number Preference shares (thousands of shares)	Number of shares (thou-sands of shares)	Share capital (SEK 000s)
Shares outstanding, July 1, 2014	82	7,943	8,025	8,025
Shares outstanding, June 30, 2015	**82**	**7,943**	**8,025**	**8,025**
Redemption of class E ordinary shares Jan 4, 2016	0	–	0	0
Conversion Jan 4, 2016	7,943	-7,943	0	0
Bonus issue Jan 4, 2016	71,975	–	71,975	71,975
Non-cash issue Feb 1, 2016	676	–	676	676
Bonus issue June 1, 2016	4,674	–	4,674	4,674
New share issue June 15, 2016	8,750	–	8,750	8,750
SHARES OUTSTANDING, JUNE 30, 2016	**94,100**	**–**	**94,100**	**94,100**

Consolidated capital

AcadeMedia's financial goal is for growth in net sales to reach 5-7 percent per year for the Group excluding acquisitions. AcadeMedia also has a goal to deliver the best educational quality in the areas where the Group operates. The target is for adjusted EBIT to amount to seven to eight percent of sales.

Regarding indebtedness, AcadeMedia's target is to have net debt in relation to operating profit before depreciation and amortization (EBITDA) excluding non-recurring items with a maximum factor of three. During brief periods there may, however, be deviation from this goal, for example in the event of larger acquisitions.

No non-controlling interests are recognized.

Share capital

Per den 30 juni 2016 omfattade det registrerade aktiekapitalet 94 100 000 stamaktier (8 025 252) med ett kvotvärde på 1 kr. Innehavare av stamaktier är berättigade till utdelning som fastställs efter hand och aktieinnehavet berättigar till rösträtt vid bolagsstämman med en röst per aktie. Alla aktier har samma rätt till AcadeMedia AB (publ) kvarvarande nettotillgångar. Samtliga aktier är fullt betalda och inga aktier är reserverade för överlåtelse. Inga aktier innehas av bolaget själv eller dess dotterbolag.

Other paid-in capital

Övrigt tillskjutet kapital utgörs av kapital tillskjutet av AcadeMedia ABs (publ) ägare. Här ingår överkurs som erlagts i samband med nyemissioner samt erhållna kapitaltillskott från aktieägarna.

Translation reserve

Omräkningsreserven innefattar alla valutakursdifferenser som uppstår vid omräkning av finansiella rapporter från utländska verksamheter som har upprättat sina finansiella rapporter i en annan valuta än den valuta som koncernens finansiella rapporter presenteras i. Moderbolaget och koncernen presenterar sina finansiella rapporter i svenska kronor.

Parent company's equity

Non-restricted equity

Share premium reserve

The share premium reserve relates to issues associated with previous issuances, as well as issuances in 2015/16.

Retained earnings

Retained earnings comprise the previous year's unrestricted equity after payment of any dividend.

Retained earnings, the share premium account, capital received from shareholders and profit for the year together comprise unrestricted equity.

Dividend

The board of directors will propose to the Annual General Meeting that no dividend be paid.

DISTRIBUTION OF SHARE CAPITAL JUNE 30, 2016

Type of share	Class	Number	Amount, SEK
Ordinary share	Ordinary	94,100,000	94,100,000
Class C share	C	0	0

The Company's shares must be able to be issued in 2 classes, including ordinary shares and Class C shares. Ordinary shares shall carry one vote and class C shares shall carry one tenth of a vote. The quota value per share is SEK 1.

According to the issued warrant program, a maximum of 540,000 shares in AcadeMedia AB may be issued up until the 14th day after publication of the interim report for the first quarter of financial year 2019/2020.

Note 28: Earnings per share

EARNINGS PER SHARE	2015/16	2014/15
Profit for the year attributable to owners of the parent company, net after tax (SEK m)	319	222
Average number of ordinary shares basic and diluted (thousands)	**85,311 / 85,316**	**84,674 / 84,674**
EARNINGS PER ORDINARY SHARE BASIC AND DILUTED (SEK)	**3.74 / 3.74**	**2.63 / 2.63**

Note 29: Pension provisions

	GROUP	
	JUNE 30, 2016	JUNE 30, 2015
Pension provisions – Norway	53	46

Pension provisions in Norway

Pension provisions in Norway consist of the net present value of defined benefit pension liabilities and the fair value of plan assets (refer to Note 6 Pensions).

Note 30: Provisions

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Provisions for restructuring expenses, opening balance	69	20	–	–
Provisions for restructuring expenses	7	65	–	–
Utilized provisions for restructuring expenses	-28	-15	–	–
Unutilized provisions for restructuring expenses	-10	-1	–	–
	38	**69**	**–**	**–**
Other provisions	0	–	0	–
TOTAL OTHER PROVISIONS	**38**	**69**	**–**	**–**

Restructuring expenses include the cost of divesting 7 (12) units in accordance with the Group's education guarantee. The costs mainly consist of unused premises and redundant personnel. Provisions for the year for restructuring expenses consist of a restructuring package for 7 units. Estimated restructuring costs amount to: personnel SEK 6 (4) million, rent SEK 27 (34) million, and other costs SEK 5 (0) million. The provision is expected to be utilized in its entirety over the next two years.

Note 31: Accrued expenses and pre-paid income

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Accrued payroll expenses	641	639	2	–
Deferred income	105	149	–	–
Accrued interest on loans	20	26	–	5
Other accrued expenses	71	66	7	–
TOTAL	**837**	**880**	**9**	**5**

Accrued payroll expenses relate mainly to vacation and vacation pay, but also to payroll taxes.

Note 32: Mortgages, liabilities and amortization schedule

The table below shows the Group's financial liabilities, divided up according to the remaining period after the closing date up to the contractual maturity date. The amounts given in the table are the contractual liabilities.

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Interest-bearing liabilities				
Non-current liabilities to credit institutions excl. property loans	1,827	2,126	–	–
Non-current interest-bearing liabilities – properties	278	174	–	–
Borrowing costs	-21	–	–	–
Total non-current liabilities to credit institutions	**2,084**	**2,299**	**–**	**–**
Non-current finance leases	28	20	–	–
Other non-current liabilities (interest-bearing)	4	290	–	290
Borrowing costs	–	-1	–	-1
Total Other non-current liabilities	**32**	**310**	**–**	**289**
Current liabilities to credit institutions	320	480	–	–
Current interest-bearing liabilities – properties	198	161	–	–
Total current liabilities to credit institutions	**518**	**641**	**–**	**–**
Current finance leases	50	49	–	–
Other current liabilities (interest-bearing)	–	25	–	–
	50	**74**	**–**	**–**
TOTAL INTEREST-BEARING LIABILITIES	**2,684**	**3,324**	**–**	**289**
Amortization				
Amortization year 1	568	715	–	–
Amortization years 2-5	1,900	2,462	–	290
Amortization years 5–	237	148	–	–
Total amortization	**2,705**	**3,325**	**–**	**290**

The difference between total amortization and total interest-bearing liabilities consists of borrowing costs, which reduce the interest-bearing liability but do not affect amortization.

Interest rates	**Interest rate year 1**	**Interest rate years 2-5**	**Interest rate year 5-**	**Total**
Group	63	142	44	250
Parent company	–	–	–	–
Non-interest-bearing liabilities/credit maturing within 12 months				
Accounts payable	361	392	1	0
Current tax liabilities	15	32	–	–
Other current liabilities	169	121	1	0

Loan agreement

On June 30, 2015 the Group signed a loan agreement for up to SEK 2,580 million between, among others, the wholly-owned subsidiary ACM 2010 AB as the original borrower and guarantee provider and DNB Bank AB and Nordea Bank AB (publ) as the arrangers and original lenders and Nordea Bank (publ) as agent and surety agent. The interest rate on the credit facilities under the loan agreement is variable and based on IBOR (the IBOR used depends on the contractual lending currency) plus a variable margin based on the Group's net debt in relation to the Group's EBITDA. However, IBOR can not be lower than 0, which means that negative interest rates have no impact. As of June 30, 2016 the Company had utilized SEK 2,147 million.

The variable interest rate margin at the end of the financial year is 2.00 – 2.25 percent, which is around two percentage points lower than in the past. The new loan agreement went into effect on July 7, 2015 and matures in 2020. The loan is recognized under the heading "Long-term loans to credit institutions" and "Current liabilities to credit institutions." This includes loans from the Norwegian State Housing Bank (No. Husbanken) as of June 30, 2016 in the amount of SEK 279 million and the interest is 1.6-4.7 percent. The original term of the loan is 30 years, but the effective term varies from loan to loan.

The loan agreement contains covenants requiring certain financial key ratios (covenants) to be achieved relating to interest cover and net debt/ equity ratio in relation to the Group's EBITDA. If the covenants cannot be fulfilled, the credit facilities may be cancelled and immediate repayment required.

The information below shows how the interest margins were set based on net debt/adjusted EBITDA.

Net debt/adjusted EBITDA	Margin (before listing *)	Margin (after listing *)
Greater than or equal to 3.75:1	3.25 - 3.50%	n/a
Greater than or equal to 3.25:1 and less than 3.75:1	2.75 - 3.00%	n/a
Greater than or equal to 3.25:1	n/a	2.50 - 2.75%
Greater than or equal to 2.75:1 or less than 3.25:1	2.25 - 2.50%	2.00 - 2.25%
Greater than or equal to 2.25:1 and less than 2.75:1	2.00 - 2.25%	1.75 - 2.00%
Greater than or equal to 1.75:1 and less than 2.25:1	1.75 - 2.00%	1.50 - 1.75%
Greater than or equal to 1.25:1 and less than 1.75:1	1.50 - 1.75%	1.25 - 1.50%
Less than 1.25:1	1.25 - 1.50%	1.00 - 1.25%

*) Listing on the Nasdaq Stockholm Stock Exchange.

Under the new credit agreement the interest expense is significantly lower than previous years. This is partly due to the fact that some loans have been amortized and that the interest margin, as a result of the lower debt/equity ratio, is around two percentage points lower than before. The interest margin was reduced in connection with the listing on Nasdaq Stockholm on June 15, 2016. The table shows before and after listing.

Information on the Group's derivatives can be found in Note 11 and Note 26.

Information on the Group's pledged assets can be found in Note 33.

Carrying amounts, by currency, for the Group's borrowing are as follows:

Amounts in SEK m	JUNE 30, 2016	JUNE 30, 2015
SEK	1,754	2,515
NOK*	772	700
EUR*	179	110
TOTAL	**2,705**	**3,325**

*NOK and EUR have been translated to SEK in the table.

Note 33: Pledged assets and contingent liabilities

	GROUP		PARENT COMPANY	
	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2015
Pledged assets				
Floating charges	–	111	–	–
Real property mortgages	537	404	–	–
Shares in subsidiaries	–	5,136	–	2,186
	537	**5,651**	**–**	**2,186**
Contingent liabilities				
Guarantees	223	175	–	–
	223	**175**	**–**	**–**

Chattel mortgages and pledged shares in subsidiaries were provided as collateral to Nordea bank in Sweden for bank loans up until the IPO. The property mortgages are pledged as collateral to the Norwegian State Housing Bank for bank loans.

Guarantees have been provided to landlords to enable the Group's subsidiaries to sign rental agreements with landlords in Sweden and Norway.

Note 34: Disclosures on the Group's financial instruments

Classification and categorization of the Group's assets and liabilities 2015/2016

JUNE 30, 2016	Financial assets measured at fair value through profit or loss	Loan receivables/ Accounts receivable	Total financial assets	Non-financial assets	Total
Assets					
Intangible assets	–	–	–	5,077	5,077
Property, plant and equipment	–	–	–	1,031	1,031
Non-current receivables	–	18	18	–	18
Deferred tax assets	–	–	–	15	15
Inventories	–	–	–	0	0
Accounts receivable	–	164	164	–	164
Current tax assets	–	–	–	55	55
Other receivables	–	10	10	5	15
Prepaid expenses and accrued income	–	195	195	268	463
Cash and cash equivalents	–	331	331	–	331
TOTAL ASSETS	**–**	**718**	**718**	**6,451**	**7,169**

JUNE 30, 2016	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total financial liabilities	Non-financial liabilities	Total
Equity and liabilities					
Equity	–	–	–	2,990	2,990
Non-current liabilities to credit institutions	–	2,084	2084	–	2,084
Pension provisions	–	–	–	53	53
Restructuring provisions	–	–	–	38	38
Deferred tax liability	–	–	–	22	22
Derivatives	–	–	–	–	–
Other non-current liabilities	–	32	32	–	32
Liabilities to credit institutions	–	518	518	–	518
Other interest-bearing liabilities	–	50	50	–	50
Accounts payable	–	361	361	–	361
Current tax liability	–	–	–	15	15
Other current liabilities	–	–	–	169	169
Accrued expenses and pre-paid income	1	102	103	734	837
TOTAL EQUITY AND LIABILITIES	**1**	**3,147**	**3148**	**4,021**	**7,169**

Measurement at fair value involves using a fair value hierarchy for measurement inputs. The three levels are:*

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices as included in Level 1 which are directly or indirectly observable for the asset or liability. There may also be inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatility and credit spreads.

Level 3: Unobservable inputs for the asset or liability. At this level market participant assumptions used in pricing of the asset or liability, including risk assumptions, are taken into account.

For all items above, with the exception of borrowing and derivatives, the book value is an approximation of the fair value, and accordingly these items are not split into levels based on the fair value hierarchy.

Fair value for borrowing for disclosure purposes is based on future cash flows of capital and interest, discounted to the current market interest rate on the closing date, i.e. level 2 in the fair value hierarchy. All of the Group's loans were refinanced as of June 30, 2015 so that the book value of loans corresponds to the fair value. Refer also to Note 26. The Group's derivatives are carried at fair value in the balance sheet and defined as level 2 in the fair value hierarchy. A description of how derivatives are measured can be found in Note 26.

Classification and categorization of the Group's assets and liabilities 2014/15

JUNE 30, 2015	Financial assets measured at fair value through profit or loss	Loan receivables/ Accounts receivable	Total financial assets	Non-financial assets	Total
Assets					
Intangible assets	–	–	0	4,941	4,941
Property, plant and equipment	–	–	0	842	842
Non-current receivables	–	4	4	–	4
Deferred tax assets	–	–	0	97	97
Inventories	–	–	0	1	1
Accounts receivable	–	176	176	–	176
Current tax assets	–	–	0	58	58
Other receivables	–	13	13	1	14
Prepaid expenses and accrued income	–	104	104	318	422
Cash and cash equivalents	–	695	695	–	695
TOTAL ASSETS	**0**	**992**	**992**	**6,258**	**7,250**

JUNE 30, 2015	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total financial liabilities	Non-financial liabilities	Total
Equity and liabilities					
Equity	–	–	0	2,304	2,304
Non-current liabilities to credit institutions	–	2,299	2,299	–	2,299
Pension provisions	–	–	–	46	46
Restructuring provisions	–	–	–	69	69
Deferred tax liability	–	–	0	80	80
Derivatives	2	–	2	–	2
Other non-current liabilities	–	310	310	–	310
Liabilities to credit institutions	–	641	641	–	641
Other interest-bearing liabilities	–	74	74	–	74
Accounts payable	–	392	392	–	392
Current tax liability		–	0	32	32
Other current liabilities	–	–	0	121	121
Accrued expenses and pre-paid income	–	175	175	705	880
TOTAL EQUITY AND LIABILITIES	**2**	**3,891**	**3,893**	**3,357**	**7,250**

Measurement at fair value involves using a fair value hierarchy for measurement inputs. Refer to equivalent information above.*

Note 35: Related party transactions

Purchases from/sales to Group companies are described in Note 2. Salaries and other remuneration to senior executives and the board of directors are paid as described in Note 5. In addition to remuneration to Helen Fasth Gillstedt as presented in Note 5, the Group has purchased consulting services from board member Helen Fasth Gillstedt's company Blong AB for SEK 25,000 (69,000).

Note 36: Significant events after the end of the financial year

The number of children and students in AcadeMedia's three school segments, Pre- and compulsory school, Upper secondary school and Preschool international, increased by 4.9 percent for the first quarter of 2016/17 compared with the same period last year. This meant that the average number of children and students who attended one of the Company's preschools or schools was 65,143 (62,103) during the quarter.

At the beginning of the fall semester a new preschool in Sweden and three preschools in Norway opened. Several units also expanded their capacity. One small preschool was acquired in Norway. At the same time three units were closed or sold, compared with the number operating in Q4 2015/16 and seven upper secondary school units are being restructured and therefore have fewer students.

Jens Eriksson, with a background from the MTG Group, took over as head of the Upper secondary school segment on August 1, 2016.

Audit Report

To the annual meeting of the shareholders of AcadeMedia AB, corporate identity number 556846-0231

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of AcadeMedia AB for the financial year 2015-07-01—2016-06-30, except for the corporate governance statement on pages 50-55. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 39-93.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 June 2016 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 50-55. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and statement of comprehensive income and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of AcadeMedia AB for the financial year 2015-07-01-2016-06-30. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. The Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 50-55 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm October 19, 2016
Ernst & Young AB

Staffan Landén
Authorized Public Accountant

Oskar Wall
Authorized public accountant

The board of directors, executive management and auditor

Board of Directors

ULF MATTSSON

Born 1964. Chairman of the board since 2010. Chairman of the remuneration committee.
Education: MBA, Stockholm University and PMD, Harvard Business School.
Other current appointments: Chairman of the board of Avaj International Holding , GG Holding, Evidensia Djursjukvård, Musti ja Mirri and itsLearning. Board member of Addtech and ORAS Invest.
Previous appointments: Chairman of the board of Mackmyra Svensk Whisky, Pahlén Intressenter, Bactiguard Holding and Flextrus Group. Board member and CEO of Gambro and Incentive. Board member of Securitas Direct, Pelly Intressenter, Renal Management, NSS Group, Sanitec and StormGeo, as well as CEO of Indap Holding.
Shareholding in the Company: 116,522 shares held via company.

HARRY KLAGSBRUN

Born 1954. Board member since 2010. Member of the remuneration committee.
Education: MBA, New York University, M.Sc. in Business, Stockholm School of Economics and B.A. in journalism, Stockholm University.
Other current appointments: Board member of PIAB and Dometic Group AB.
Previous appointments: Board member of Gambro AB, Securitas Direct AB, board member ISS A/S and Duni AB.
Shareholding in the Company: None.

HELEN FASTH GILLSTEDT

Born 1962. Board member since 2009. Chairman of the audit committee.
Education: M.Sc. in Business, Stockholm School of Economics and studies in Sustainable Community Development, Stockholm University and the Royal Institute of Technology, Stockholm.
Other current appointments: Board member of the Lindorff Group AB, Samhall AB, Handelsbanken Fonder AB and Humana AB, Svefa Holding AB. Board member and CEO for Blong AB and member of Advisory board for Save the Children Sweden.
Previous appointments: Executive positions in the SAS Group and the Statoil Group
Shareholding in the Company: 29,702 shares.

TORBJÖRN MAGNUSSON

Born 1963. Board member since 2010. Member of the audit committee.
Education: Licentiate degree and MSc in Engineering Physics, Royal Institute of Technology, Stockholm.
Other current appointments: Board member and CEO of If Skadeförsäkring Holding AB (publ). Board member of If Skadeförsäkring AB (publ) and If Skadeförsäkringsbolag AB (Finland). Vice chairman of the board for Topdanmark A/S as well as board member of Svensk Försäkring and Association Rendez-Vous de Septembre.
Previous appointments: Board member of Aleris AB.
Shareholding in the Company: 14,852 shares.

ERIKA HENRIKSSON

Born 1981. Board member since 2012. Member of the audit committee.
Education: M.Sc. in Business, Stockholm School of Economics.
Other current appointments: Director at EQT Partners AB. Board member of Eton Group AB.
Previous appointments: Board member of Sunstorm Holding AB, Scandic Hotels Holding AB and Scandic Hotels Group AB.
Shareholding in the Company: None.

SILVIJA SERES

Born 1970. Board member since 2015. Member of the remuneration committee.
Education: PhD mathematics, Oxford University, M.Sc. computer science, University of Oslo and MBA, INSEAD.
Other current appointments: Partner at Technorocks AS. Board member of Nordea Bank AB, Syncron International AB, Norsk Ringkringkasting AS (NRK) and others, as well as member of the nomination committee for Telenor ASA.
Previous appointments: Board member of Norsk Tipping AS, Statkraft AS, Aschehoug AS, Data Respons ASA, Dagbladet Medialab AS, Norman ASA.
Shareholding in the Company: None.

ANDERS BÜLOW

Born 1953. Board member since 2016.[1)]
Education: M.Sc. in Business, Stockholm University.
Other current appointments: Chairman of the board for KappAhl AB (publ) and chairman for Feralco Holding AB. Board member of Mellby Gård AB, StudentConsulting Holding AB, as well as Roxtec AB and Älvsbyhus Intressenter AB.
Previous appointments: Chairman of the board for Duni AB (publ), Bearsoft AB, S & H Teknik AB and CusCus AB. Board member of Meaning Green AB.
Shareholding in the Company: 750 shares held via company.

PETER MILTON

Born 1965. Employee representative since 2016, National Union of Teachers in Sweden.
Education: Bachelor of Education, Stockholm Institute of Education.
Other current appointments: None.
Previous appointments: None.
Shareholding in the Company: None.

ANDERS LÖVGREN

Born 1967. Employee representative since 2016, Swedish Teachers' Union.
Education: Enrolled in vocational teacher program, Linnaeus University.
Other current appointments: None.
Previous appointments: None.
Shareholding in the Company:100 shares.

FREDRIK ASTIN

Born 1967. Deputy employee representative since 2016, National Union of Teachers in Sweden.
Education: Bachelor of Education and enrolled in Masters in Education Leadership program, University of Gothenburg.
Other current appointments: None.
Previous appointments: None.
Shareholding in the Company: None.

1) The extraordinary shareholders' meeting of the Company decided on June 1, 2016 to elect Anders Bülow as board member of the Company. However, this decision is conditional upon the listing of the Company on Nasdaq Stockholm.

Senior executives

MARCUS STRÖMBERG

Born 1967. Chief executive officer of the Group since 2005.
Education: M.Sc., Engineering Physics and Electrical Engineering, Linköping University.
Other current appointments: Board member of the Swedish Institute for Quality (SIQ) and IFUS.
Previous appointments: Board member of Friskolornas Riksförbund and numerous assignments within Lernia.
Shareholding in the Company: 228,704 shares and 176,000 warrants.

EOLA ÄNGGÅRD RUNSTEN

Born 1965. CFO since 2013.
Education: M.Sc. in Business, Stockholm School of Economics.
Previous appointments: CFO at EQT Management S.a.r.l., HR director at EQT Partners AB, CFO at SEB Wealth Management and assignments for Alfred Berg and Handelsbanken.
Shareholding in the Company: 23,990 shares and 52,000 warrants.

SOFIA LARSEN

Born 1972. Head of Pre- and compulsory school segment since 2014.
Education: B.A. in Business Administration, Örebro University.
Other current appointments: Board member of Friskolornas Riksförbund and chair of Akademikerförbundet Jusek.
Previous appointments: Board member of AcadeMedia AB and other positions. Director of communication at Örebro University, member of parliament (c) and chair of the Riksdag education committee.
Shareholding in the Company: 11,881 shares and 52,000 warrants.

MARTIN SANDGREN

Born 1974. Deputy CEO and COO since 2007. Head of the Preschool Germany segment and also for the Upper secondary school segment until July 31, 2016.
Education: M.Sc. in business, Lund University as well as studies at the National University of
Singapore and the Faculty of Engineering, Lund University.
Other current appointments: Founder and board member of 3 nine AB and board member of ILT Group AB.
Previous appointments: Consultant at McKinsey & Company as well as assignments within 3 nine AB and
Grimaldi Industri AB.
Shareholding in the Company: 103,565 shares and 52,000 warrants.

PAULA HAMMERSKOG

Born 1962. Head of communications and public affairs since 2012. Communication manager on a consultancy basis
since 2009.
Education: Journalism degree, Department of Media Studies, Stockholm University.
Previous appointments: Chair of the board of World Imagine AB. PR consultant at GCI and Kreab
as well as interim Director of Communications at Fastighetsägarna Stockholm.
Shareholding in the Company: 7,083 shares and 52,000 warrants.

LISE-LOTTE OLDMARK

Born 1964. Head of HR since 2014 and Head of AcadeMedia Academy since 2012.
Education: A number of different management training programs held by the City of Stockholm, tutor training and trained Organization Consultant, Humanova.
Previous appointments: Several management assignments within Pysslingen Forskolor and Pysslingen Skolor.
Shareholding in the Company: 31,595 shares and 52,000 warrants.

MARIT LAMBRECHTS

Born 1957. Head of the business segment Preschool Norway since 2014 when AcadeMedia acquired Espira.
Education: D. Sc., Oslo University.
Other current appointments: Board member of PBL (Norwegian trade association for preschools) and Helsetelefonen AS, as well as representative of Oslo and Akershus University College.
Previous appointments: Induct Software AS, Norchip AS, YA bank AS, Intempo AS, Plantasjen AS
Shareholding in the Company: 48,665 shares held through company.

CHRISTER HAMMAR

Born 1969. Head of the business segment Adult education since 2015.
Education: Leadership and business education programs, IHM and RMI-Bergs and leadership education programs, Manpower.
Other current appointments: Chairman of the board and CEO of Nordic Contribution AB.
Previous appointments: CEO of Manpower A/S and Profice Care AB, regional manager of Humana Assistans.
Shareholding in the Company: 20,001 shares and 52,000 warrants.

JENS ERIKSSON

Born 1977. Head of the Upper secondary school business segment as of August 1, 2016.
Education: M.Sc. in Business, Stockholm School of Economics.
Other current appointments: Board member of This is nice AB, Nice Entertainment Group OY, Moskito Group OY, A Nice Company AS, Monster AS, Playroom Event AS, Playroom Music AS
Previous appointments: COO & CFO Nice Entertainment Group, President & COO MTG Studios
Shareholding in the Company: 17,616 shares and 52,000 warrants.

Other information about the board of directors and executive management

With the exception of Ulf Mattsson, Harry Klagsbrun and Erika Henriksson whom, through their directorships and/or other assignments or employments related to the Principal Owner, are not considered independent of the Principal Owner, all directors of the board who are elected by the shareholders, are independent of the Company, the executive management and the Principal Owner.

There are no family ties between any of the members of the board of directors or executive management and there are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management of the Company and their private interests and/or other undertakings. None of the directors of the board or members of the executive management have entered into agreements or any other arrangements with AcadeMedia regarding benefits upon termination of their assignment.

Over the last five years, none of the members of the board of directors or the members of the executive management were (i) sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, (iii) been the subject of sanctions or accused by authorities or bodies acting for particular professional groups under public law or (iv) been subject to injunctions against carrying on business.

The Swedish Tax Agency has in recent years conducted a review of companies providing investment advice to all major Swedish private equity funds as well as persons active in these companies. The review has included EQT Partners AB, investment advisor to, among others, EQT, as well as persons who are, or have previously been, active in EQT Partners AB, including the Company's board members Harry Klagsbrun and Erika Henriksson as well as the Company's CFO Eola Anggard Runsten.

In this respect, the Swedish Tax Agency decided to reassess both EQT Partners AB and the persons concerned. Following the dismissal from the Administrative Court of Appeal in Stockholm of the Swedish Tax Agency's claim for reassessment in a similar case, the Administrative Court in Stockholm annulled the Swedish Tax Agency's decision on reassessment of EQT Partners AB. The same applies to the process regarding Eola Anggard Runsten and the Administrative Court has annulled the Swedish Tax Agency's decision on reassessment. The Swedish Tax Agency's decision on reassessment regarding Harry Klagsbrun and Erika Henriksson was appealed to the administrative court of Stockholm. The administrative court resolved that parts of the dividend that these persons received as a return on investments made in certain funds shall not be taxed as capital income, but according to the rules applying to close corporations (the so-called 3:12-rules). The Swedish Tax Agency's decision on reassessment therefore stands, to some extent. However, the judgment of the administrative court is likely to be appealed.

All members of the board of directors and the members of executive management can be reached at the Company's main office at Adolf Fredriks Kyrkogata 2, P.O. Box 213, SE-101 24 Stockholm, Sweden.

Auditors

The Company's auditors are Ernst & Young AB, with Staffan Landén as auditor-in-charge, and Oskar Wall as principal auditor. Staffan Landén was elected at the 2015 annual shareholders' meeting for the period until the conclusion of the 2016 Annual General Meeting, while Oskar Wall was elected at the extraordinary shareholders' meeting for the period until the end of the 2016 Annual General Meeting. Staffan Landén (born 1963) is an authorized public accountant and member of FAR (professional association for authorized public accountants). Oskar Wall (born 1975) is an authorized public accountant and member of FAR (professional association for authorized public accountants).

The AcadeMedia share

The AcadeMedia shares are listed on Nasdaq Stockholm in the Mid Cap segment under the ticker symbol ACAD.

IPO

On May 27, 2016 AcadeMedia announced the decision to launch an IPO on Nasdaq Stockholm. Trading in the AcadeMedia share started on June 15 under the ticker ACAD. The first settlement date was June 17, 2016. At the time of the IPO, the price per share was set at SEK 40, corresponding to a market value based on the total number of shares in AcadeMedia of about SEK 3.8 billion.

Shareholder structure

The total number of shares in the Company as of June 30 was 94,100,000 and the ten largest shareholders accounted for around 83 percent.

In connection with the listing the family-owned company Mellby Gård acquired just under 10 percent of the total shares in the Company. Mellby Gård has the option, up until four days after publication of the Company's quarterly report for the period from October to December 2016, to purchase a further approximately 10 percent of the total shares in AcadeMedia from Marvin Holding, at a price of SEK 42 per share.

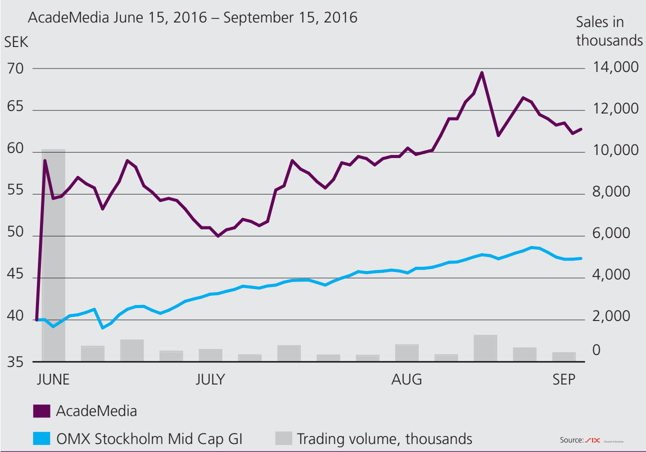
Other institutional investors that are major shareholders are Lannebo Fonder 1.36 percent, Andra AP-fonden 1.33 percent, Odin Fonder 1.33 percent and Swedbank Robur 1.33 percent. In addition, approximately 35,000 private individuals subscribed for shares, approximately 700 of whom are AcadeMedia employees.

EQT V indirectly owns 56.5 percent of AcadeMedia via the holding company Marvin Holding Ltd., which held 64.5 percent of the shares in AcadeMedia AB as of June 30, 2016. Marvin Holding Ltd. is owned by 87.6 percent of the fund EQT V.

ACADEMEDIA'S 10 LARGEST SHAREHOLDERS AS OF JUNE 30, 2016

Name	Number of shares	Percentage of capital and votes, %
MARVIN HOLDING LIMITED	60,710,163	64.52
MELLBY GÅRD AB	9,400,590	9.99
LANNEBO FONDER	1,278,120	1.36
ANDRA AP-FONDEN	1,250,000	1.33
SWEDBANK ROBUR SMÅBOLAGSFOND SVERIGE	1,250,000	1.33
VERDIPAPIRFOND ODIN SVERIGE	1,250,000	1.33
GÖTERFELT, JOHAN	993,818	1.06
FEELMORE I GÖTEBORG AB	805,357	0.86
PC 2 UTBILDNING AB	744,790	0.79
HANDELSBANKEN FONDER AB RE JPMEL	722,943	0.77

SHARE PERFORMANCE JUNE 15 – SEPTEMBER 15, 2015



Share performance

The AcadeMedia share rose from the listing on June 15, 2016 until July 1 by 47.5 percent based on the offering price of SEK 40. During the same period, the Nasdaq Stockholm Mid Cap index rose 3.2 percent. The highest price paid for the shares was SEK 59.75 and the lowest for the period was SEK 51.25. As of June 30, the AcadeMedia share price was SEK 59.00, corresponding to a market capitalization of about SEK 5,552 million.

Between June 15, 2016 and September 15, 2016 the AcadeMedia share rose by 57 percent based on the offering price of SEK 40. During the same period, the Nasdaq Stockholm Mid Cap index rose 18 percent. The highest price paid for the shares was SEK 74.00 and the lowest for the period was SEK 49.10. As of September 15, the AcadeMedia share price was SEK 62.75, corresponding to a market capitalization of about SEK 5,905 million.

From June 15, 2016 through September 15, 2016 a total of 17,363,422 shares were traded, representing 18.5 percent of the outstanding shares. The average daily trading volume during the same period was 259,156 shares.

Dividend policy

AcadeMedia's main responsibility is to provide a good education for the reimbursement received. This must be done as efficiently as possible. AcadeMedia's unrestricted cash flow will primarily be reinvested in the operation in order to maintain high quality and to finance future growth. The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets relating to quality and financial position.

Five-year review

FIVE-YEAR REVIEW SEK MILLION, unless otherwise stated

	2015/16	2014/15	2013/14	2012/13	2011/12
Profit/loss items, SEK M					
Net sales	8,611	8,163	6,372	5,125	4,718
Items affecting comparability	-32	-79	-35	-14	-87
EBITDA	722	720	614	514	419
Depreciation/amortization	-187	-203	-164	-139	-126
Operating profit/loss (EBIT)	535	517	449	376	294
Net financial items	-127	-269	-209	-255	-267
Profit/loss for the period before tax	408	248	240	121	27
Profit/loss for the period after tax	319	222	189	128	-11
BALANCE SHEET ITEMS, SEK M					
Non-current assets	6,141	5,884	5,945	4,151	4,075
Current receivables and inventories	697	670	654	537	484
Cash and cash equivalents	331	695	562	338	294
Non-current interest-bearing liabilities	2,116	2,609	3,020	2,308	2,292
Non-current non-interest-bearing liabilities	113	197	131	88	122
Current interest-bearing liabilities	568	715	469	207	158
Current non-interest-bearing liabilities	1,382	1,425	1,352	857	842
Equity	2,990	2,304	2,189	1,566	1,438
Total assets	7,169	7,250	7,161	5,026	4,853
Capital employed	5,674	5,628	5,679	4,082	3,889
Net debt	2,342	2,629	2,927	2,178	2,157
Property-adjusted net debt	1,866	2,295	2,563	2,178	2,157
KEY RATIOS					
Operating margin (EBIT), %	6.2%	6.3%	7.1%	7.3%	6.2%
Adjusted EBIT, SEK m	567	596	485	389	381
Adjusted EBIT margin, %	6.6%	7.3%	7.6%	7.6%	8.1%
Adjusted EBITDA, SEK m	754	799	649	528	507
Adjusted EBIT margin, %	8.8%	9.8%	10.2%	10.3%	10.7%
Net margin, %	3.7%	2.7%	3.0%	2.5%	-0.2%
Return on capital employed, % (12 months)	10.1%	10.8%	10.0%	9.8%	11.2%
Return on equity, % (12 months)	12.1%	9.9%	10.1%	8.5%	-1.0%
Equity/assets ratio, %	41.7%	31.8%	30.6%	31.2%	29.6%
Interest coverage ratio, xx	4.8	2.8	2.7	1.8	1.8
Net debt/Adjusted EBITDA (12 months)	3.1	3.3	4.5	4.1	4.3
Adjusted Net Debt/Adjusted EBITDA (12 months)	2.5	2.9	3.9	4.1	4.3
Cash flow from investing activities	-386	-68	-864	-95	-765
Number of full-time employees	9,714	9,159	6,997	6,087	5,299

Definitions of key ratios can be found on pages 102-103

Reconciliation of alternative performance measures

Below are calculations for the alternative performance measures used in the report. See definitions for more information.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SEK million, unless otherwise stated	2015/16	2014/15	2013/14	2012/13	2011/12
NET DEBT					
Non-current interest-bearing liabilities	2,116	2,609	3,020	2,308	2,293
+ Current interest-bearing liabilities	568	715	469	207	158
- Non-current interest-bearing receivables*	11	0	0	0	0
- Cash and cash equivalents	331	695	562	338	294
= Net debt	**2,342**	**2,629**	**2,927**	**2,178**	**2,157**
PROPERTY-ADJUSTED NET DEBT					
Net debt (as described above)	2,342	2,629	2,927	2,178	2,157
- non-current property loans	278	174	288	0	0
- current property loans	197	161	76	0	0
= Property-adjusted net debt	**1,866**	**2,295**	**2,563**	**2,178**	**2,157**
RETURN ON CAPITAL EMPLOYED, % (12 MONTHS)					
Adjusted operating profit EBIT (12 months)	567	596	485	389	381
+ Interest income	6	13	2	3	3
divided by					
Average equity (12 months)	2,647	2,247	1,878	1,502	1,350
+ average non-current interest-bearing liabilities (12 months)	2,363	2,815	2,664	2,300	1,925
+ average current interest-bearing liabilities (12 months)	641	592	338	182	146
= Return on capital employed, %, 12 months	**10.1%**	**10.8%**	**10.0%**	**9.8%**	**11.2%**
RETURN ON EQUITY, % 12 MONTHS					
Profit/loss after tax (12 months)	319	222	189	128	-11
divided by					
Average equity (12 months)	2,647	2,247	1,878	1,502	1,130
= Return on equity, %, 12 months	**12.0%**	**9.9%**	**10.1%**	**8.5%**	**-1.0%**
INTEREST COVERAGE RATIO, XX					
Adjusted operating profit EBIT (12 months)	567	596	485	389	381
+ Interest income (12 months)	6	13	2	3	3
+ Other financial income (12 months)	1	11	8	-3	9
divided by					
Interest expense (12 months)	-121	-218	-181	-226	-218
= Interest coverage ratio, xx	**4.8**	**2.8**	**2.7**	**1.8**	**1.8**

*) Included in the line item Other non-current assets in the consolidated balance sheet

Definitions of key ratios

KEY RATIOS	DEFINITION	PURPOSE
Number of full-time employees	Average number of employees during the period, full-time equivalent (FTE).	The number of employees is the main cost driver for the Company
Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time divided by the number of full-time employees (FTE).	Absence due to illness is used to measure employee absence and provide indications of employee health.
Adjusted EBITDA	Operating profit/loss before depreciation/amortization of property, plant and equipment and intangible non-current assets.	Adjusted EBITDA is used to measure underlying profit from operating activities, regardless of depreciation/amortization and excluding items affecting comparability
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Adjusted Net Debt	Net debt net of property-related loans, i.e. loans in the Norwegian State Housing Bank, building loans for ongoing construction projects and other property loans in Norway.	Adjusted net debt shows the portion of loans that finance the business, while property loans are linked to a building asset that can be separated and sold.
Adjusted Net Debt/Adjusted EBITDA	Adjusted net debt divided by adjusted EBITDA	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings excluding items affecting comparability (adjusted EBITDA), to pay off the Company's liabilities, excluding property-related loans
Adjusted operating profit/loss EBIT	Operating profit/loss (EBIT) excluding items affecting comparability.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted return on capital employed	Adjusted EBIT + interest income for the most recent 12-month period divided by average capital employed (opening balance + closing balance)/2.	Adjusted return on capital employed is used to set adjusted operating profit/loss in relation to total tied up capital regardless of type of financing.
Capital employed	Total assets less non-interest bearing liabilities and provisions as well as deferred tax liabilities. Or: Equity plus non-current and current interest-bearing liabilities.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity).
Cash flow from investments	Cash flow from investing activities according to the cash flow analysis. This includes acquisitions, investments and divestments of buildings, as well as investments in property, plant and equipment and intangible assets. Investments financed with leases are not included.	Cash flow from investments is used to regularly measure how much cash is used to maintain operations and for expansion.
Cash flow from operating activities	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	Cash flow from operating activities is used as a measure of the cash flow that the Company generates before investments and financing.
Earnings per share	Profit/loss for the period in SEK, divided by the average number of shares outstanding, basic/diluted, calculated according to IAS 33.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
EBITDA	Operating profit/loss before depreciation/amortization and impairment of non-current assets.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortization.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to set EBITDA in relation to sales.
Employee turnover	Average number of employees who left the company during the year in relation to the average number of employees. (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees).	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
Equity/Assets ratio	Equity as a percentage of total assets.	
Interest coverage ratio	Adjusted EBIT for the last 12 months plus financial income in relation to interest expense.	Interest coverage ratio is used to measure the company's ability to pay interest costs.
Items affecting comparability	Items affecting comparability are items related to property such as capital gains, major property damage not covered by commercial insurance, consulting costs related to acquisitions, severance payments to senior executives, major integration costs resulting from acquisitions, reorganization costs, as well as costs arising from strategic decisions and major restructuring that results in winding up of units.	Items affecting comparability are used to identify the non-recurring profit/loss items that are not included in ongoing operating activities in order to obtain a clearer picture of the underlying profit trend.
Net debt	Interest-bearing debt (current and non-current) net of cash and cash equivalents and non-current interest-bearing receivables (current and non-current).	Net debt is used to clarify the size of the debt less current cash and cash equivalents (which in theory could be used to repay loans).

Net debt/adjusted EBITDA	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months.	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings (EBITDA), to pay off the Company's liabilities, including property-related loans.
Net margin	Profit/loss for the period as a percentage of net sales.	Net margin is used to measure net earnings in relation to sales.
Number of children/students	Average number of children/students enrolled during the specified period. Adult education participants are not included in the Group's total figures for number of children/students.	Number of children/students is the most important driver for revenue.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating in the period. Integrated units where preschools and compulsory schools are combined are counted as two units as they each hold their own permit.	Number of education units indicates how the Company grows over time through new establishments and acquisitions minus discontinued units.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of net sales.	The operating margin shows the percentage of sales remaining after operating expenses, which can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax.	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
Return on equity	Profit/loss for the most recent 12-month period divided by average equity (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed	Adjusted operating profit/loss (EBIT for the most recent 12-month period plus interest income divided by average capital employed (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to the capital needed to run the business.

GENERAL

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period the previous year unless otherwise stated. Totals of amounts in whole figures do not always match reported totals due to rounding. The reported total amounts are correct.

Helpful tips

Annual reports are filled with information and few people read them from cover to cover. Our annual report provides a good summary of AcadeMedia's operations and results, even if you only read parts of it.

Here are some helpful tips for people who don't have time to read everything.

For people who want to know all about our business and financial performance

The Administration Report, which begins on page 39, is a good starting point. It provides a brief summary of information such as major events over the past year, our financial position and our quality management initiatives.

For people who want to know all about the numbers

The numbers package begins on page 57 and covers 38 pages. That's where you can learn that Academedia's sales for the year totaled SEK 8,611 million and the profit for the period was SEK 319 million.

For people who want the shortest summary possible

On page 3 we have "The year in brief" – it doesn't get any shorter than that!

For people who want to gain insight into how we see the future

The two-page message from the CEO on pages 6-7 is a good status update describing both where we are today and how we view the future. Our strategy for the future, which we call Roadmap 2020, is also described in this section. Scroll ahead to page 24 where the market section starts, which also provides a fair amount of information about the future.

For people who want to know more about our segments

Our four segments – Pre- and compulsory school, Upper secondary school, Adult education and Preschool international – are described on pages 28-38.

For people who have a strong interest in quality

Our quality management initiatives are described on pages 12-18. If you would like even more information, we recommend reading AcadeMedia's Group-wide quality report, which is available at www.academedia.se

For people with a focus on internal control

The Corporate Governance Report, which starts on page 50, describes how we ensure good internal control and governance.

We hope you enjoy reading our report!

AcadeMedia

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