



Robot wars, NTI-gymnasiet. Foto: Denise Andersson

Change Through Education

AcadeMedia AB (publ)

INTERIM REPORT July 2020 – March 2021

Net sales, adjusted for currency effects, increased by 7.3 percent organically

All segments contributed to sales and earnings growth

Continued focus on EdTech and digitalisation

AcadeMedia

Academedia

Interim report quarter 3 2020/21

Third quarter (January – March 2021)

- Net sales increased by 9.3 percent and amounted to SEK 3,591 million (3,284). Organic growth, including bolt-on acquisitions and adjusted for currency effects, was 7.3 percent.
- Operating profit (EBIT) amounted to SEK 345 million (309).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 278 million (224). Items affecting comparability amounted to SEK 6 million (36).
- Net profit for the period amounted to SEK 190 million (161).
- Diluted earnings per share was SEK 1.80 (1.53). Adjusted for IFRS 16, diluted earnings per share was SEK 2.02 (1.83).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the third quarter was 89,691 (82,940), representing an increase of 8.1 percent. Adjusted for the acquisition of Swedish Education Group, the increase was 5.1 percent.
- The pandemic continues to impact our operations, distance education has in part or in full continued at the upper secondary schools and compulsory schools. Activities have been cancelled or postponed.

First nine months (July 2020 – March 2021)

- Net sales increased by 6.9 percent to SEK 9,668 million (9,044). Organic growth, including bolt-on acquisitions and adjusted for currency effects, amounted to 7.3 percent.
- Operating profit (EBIT) amounted to SEK 840 million (639).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 653 million (449). Items affecting comparability amounted to SEK 7 million (36).
- Net profit for the period amounted to SEK 414 million (252).
- Diluted earnings per share was SEK 3.92 (2.39). Adjusted for IFRS 16, diluted earnings per share was SEK 4.62 (3.25).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the first nine months was 87,087 (82,245), representing an increase of 5.9 percent. Adjusted for the acquisition of Swedish Education Group, the increase was 4.9 percent.

Third quarter Group (SEK m)	Third quarter			Nine months			Rolling 12 m	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Apr 20 - Mar 21	2019/20
Net sales	3,591	3,284	9.3%	9,668	9,044	6.9%	12,896	12,271
Adjusted EBITDA ¹	373	313	19.2%	923	704	31.1%	1,286	1,066
Adjusted EBITDA margin, %	10.4%	9.5%	0.9 p.p.	9.5%	7.8%	1.7 p.p.	10.0%	8.7%
Operating profit	345	309.2	11.7%	840	639	31.5%	1 173	973
EBIT margin, %	9.6%	9.4%	0.2 p.p.	8.7%	7.1%	1.6 p.p.	9.1%	7.9%
Adjusted operating profit (EBIT) ¹	278	224	24.1%	653	449	45.4%	933	728
Adjusted EBIT margin, %	7.7%	6.8%	0.9 p.p.	6.8%	5.0%	1.8 p.p.	7.2%	5.9%
Total financial items	-98	-101	3.0%	-302	-312	3.2%	-407	-417
Income before taxes	247	208	18.8%	538	328	64.0%	766	556
Profit/loss for the period	190	161	18.0%	414	252	64.3%	593	431
Earnings per share basic/diluted (SEK)	1.80	1.53	17.6%	3.92	2.39	63.8%	5.62	4.09
Free cash flow ³	246	107	129.9%	775	245	216.3%	1 335	805
Number of children and students ²	89,691	82,940	8.1%	87,087	82,245	5.9%	-	82,433
Number of FTEs	13,767	12,759	7.9%	13,236	12,668	4.5%	n.m.	12,686

¹ The key performance indicators Adjusted EBITDA and Adjusted EBIT are performance measures adjusted for items affecting comparability and with lease agreements reported as it was applied in previous accounting periods (IAS 17). This means that real estate leases are recognised as rent and not as finance leases. ² Excl. Adult Education. ³ The key indicator was calculated applying IAS 17 ie excluding effects from implementing IFRS 16. See definitions on pages 33 to 34.



From our CEO

The third quarter of the financial year developed in line with previous periods, with continued high demand for adult education and good student growth in the school segments. Group turnover increased by 9.3 percent, of which acquisitions contributed 3.1 percentage points. Margins increased in all segments. During the quarter, we also continued to develop our digital strategy and a small EdTech acquisition was completed in early April.

The acquisition of Swedish Education Group (Segab) in January increased the number of students by approximately 2,500 and contributed to the increase in net sales. The organic growth in net sales was 7.3 percent. The increase in the margin for compulsory schools and upper secondary schools was mainly the result of more children and students, but also of good cost control and lower costs, as activities had to be cancelled or postponed because of the pandemic.

Campus strategy continues in the Upper Secondary School Segment

During the spring, it was decided that we will establish a new upper secondary school campus, Campus Södermalm, in Stockholm. In autumn 2022, four of our existing schools will move into the campus with room for more than 2,300 students, an increase of 1,400 places compared to today. The shortage of upper secondary school places is increasing, and from 2020 to 2027 Stockholm and its surrounding municipalities will need to create almost 15,000 additional upper secondary school places. We are pleased to be able to help ensure that a good education can be provided to the growing number of students. AcadeMedia already has smaller campuses in Uppsala, Solna and Nacka, which have proven to be very successful.

The campus strategy will provide students and staff with newly renovated premises with large common areas such as libraries, dining halls and sports facilities. Areas such as laboratories can be upgraded to a higher standard. We can make larger rental commitments and investments with reduced risk, as several schools, often with different focus, share the cost. As with opening new units, the investments we are now making in the Upper Secondary School Segment will negatively impact the segment's margin over the initial two-year period.

EdTech – a new business opportunity

For many years, AcadeMedia has actively worked to increase the digitalisation of our operation, as we consider digitalisation to be an opportunity to improve the quality of education and to make administrative processes more efficient. Many of these processes are closely associated with teaching and are often an important tool in enabling teachers to dedicate more of their time to teaching. We have always seen digitalisation as a way to invest in our own business and we have developed everything from learning platforms (Omniway, Novo) to digital services, (snackamedsyv.se, snackaomlaxan.se, and bytagymnasium.se). Approximately 50,000 adult participants are currently studying using our in-house learning platforms.

Until now, digitalisation was seen mainly as an internal focus area where we streamlined work and improved

quality using smart solutions, however we are now seeing digital education services as a business opportunity. Our aim is for a number of these products and services to begin a growth journey, but in terms of AcadeMedia as a whole, this is in its infancy.

The acquisition of studier.se in April 2021 is the latest example of expansion in EdTech. It is a marketplace for education and courses with around 50,000 unique users per month and fits well with our existing portfolio of digital training services. EdTech is a big area, and we turn our focus to this market with great excitement.

The pandemic is impacting our German preschools

Our German preschools have been under pressure for the last year, as a result of varying degrees of lockdowns due to the pandemic. The financial development has been affected and several factors combined make the situation difficult. Some parents have been cautious to start a new preschool place, while others who have a place but have not been able to attend, are unwilling to pay the full parental fee. It has also taken longer to fill new preschools and on-board children to existing preschools due to the enforcement of strict schooling in rules allowing only one child at a time. In addition, our new establishments have been delayed and it has been more difficult to recruit staff, as many people are cautious about changing jobs. All in all, this has resulted in lower capacity utilisation, at 89.5 percent (90.5), and slightly reduced parental fees.

As long as society remains partially closed, this situation will continue. However, the underlying need for new preschool places remains high and we hope that the vaccines will reduce the spread of infection and give parents, children and our employees a better situation. Once that happens, we expect a gradual return to normal schooling in routines and fee levels. The plan is to open about 15 new preschools during the next financial year.

Adult education important for the development of the skills of Sweden's workforce

Swedish higher vocational education colleges have undergone a major expansion, doubling their number of places since 2014. The planned level of 50,000 annual places has now been reached, and it is expected that this level will maintain in 2022. No further expansion is planned, which means that the allocation in January 2022 will be lower than the previous year's allocations. Considering Sweden's current situation, with historically high levels of unemployment, it would be unfortunate if the Swedish authority for higher vocational education were not allocated additional resources to continue the expansion. Higher vocational education has proven to work very well, as students get jobs and businesses get skills that boost their competitiveness.

A reform of the Swedish Public Employment Agency is currently ongoing and will be completed in 2022. According to the Swedish Public Employment Agency's forecasts, the market for matching services will grow significantly in the coming years. The expansion of the new matching service "Rusta och matcha" is happening gradually. We are already one of the leading suppliers

of this service and with our experience we are well placed to scale relevant operations up.

Satisfied students and staff despite the pandemic

AcadeMedia's two annual surveys were conducted in January. One of them is for staff and the other is for students, guardians, and participants in our adult education programmes. We expected the Covid-19 pandemic to affect the surveys, but it was difficult to know in advance in what way. The year has been stressful for both individuals and the organisation, while at the same time we have witnessed great efforts from

all groups to manage the situation in the best possible way.

These efforts were clearly and gratifyingly rewarded when the results of the survey came in and we saw improved results in both surveys. It is pleasing, and it is with pride, that we present the results in more detail on page 12 of this Interim Report.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)



Development in the third quarter (January 2021 to March 2021)

Impact following the corona pandemic

The corona pandemic continues to impact operations. Rising unemployment continues to drive strong demand for adult education, contributing to a substantial volume increase for all business areas in the Adult Education Segment. Cancelled or postponed activities reduced cost with approximately SEK 15 million in the school segments and group overhead. The Preschool Segment has been negatively affected in Germany where delayed new openings slowed growth in number of children down and lower capacity utilization impacted operating profit.

Volume development and net sales

Net sales in the third quarter increased by 9.3 percent to SEK 3,591 million (3,284). Organic growth, including bolt-on acquisitions and adjusted for fx-effects, was 7.3 percent. The acquisition of Segab contributed with 3.1 percentage points. The average number of children and students, excluding the Adult Education Segment, increased by 8.1 percent to 89,691 (82,940).

Adjusted EBIT and operating profit (EBIT)

Adjusted EBIT was SEK 278 million (224) with an adjusted EBIT margin of 7.7 percent (6.8). Operating profit (EBIT) was SEK 345 million (309) with an EBIT margin of 9.6 percent (9.4). Segab contributed with approximately SEK 10 million to the improvement.

All segments contributed to the earnings and profitability improvement, mainly due to more adult education participants, children, and students. The most significant improvement was in the Adult Education Segment. Cancelled or postponed activities due to the pandemic, lowered expenses by approximately SEK 15 million in the school segments and group functions. In the Preschool Segment, growth in number of children slowed down due to delayed new openings in Germany, which also had a negative impact on operating profit.

Group overhead expenses decreased as an effect of cost reduction initiatives during last year, but also due to cancelled and postponed activities.

Net financial items

Net financial items amounted to SEK -98 million (-101) of which interest expense from property related lease liabilities was SEK -91 million (-91). Other financial expenses amounted to SEK -10 million (-14).

Third quarter in summary by segment

	Number of students (average)		Net sales, SEK m.		Adjusted operating profit/loss (EBIT), SEK m.		Adj. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Preschool	21,891	21,310	1,020	1,007	71	68	7.0%	6.8%	71	121	7.0%	12.0%
Compulsory School	27,046	25,339	877	801	50	40	5.7%	5.0%	50	40	5.7%	5.0%
Upper Secondary School	40,753	36,291	1,202	1,064	116	98	9.7%	9.2%	122	109	10.1%	10.2%
Adult Education	- ¹	- ¹	488	410	64	43	13.1%	10.5%	64	43	13.1%	10.5%
Group adj., Parent Company	-	-	4	3	-23	-26	-	-	-23	-54	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	61	50	-	-
Total	89,691	82,940	3,591	3,284	278	224	7.7%	6.8%	345	309	9.6%	9.4%

¹ Adult education volume is not measured by the number of participants as the length of the programmes varies from single occasions to academic years.

² Please see note 2 for information on how application of IFRS 16 impact the financial reports.

Profit and comprehensive income for the period

Profit after tax increased to SEK 190 million (161). Tax expense for the third quarter was SEK -58 million (-47), representing an effective tax rate of 23.3 percent (22.7). Comprehensive income was SEK 269 million (115) and was impacted by actuarial gains of SEK 36 million (-5) relating to defined benefit pension plans in Norway, following higher interest rates, as well as translation differences SEK 44 million (-41).

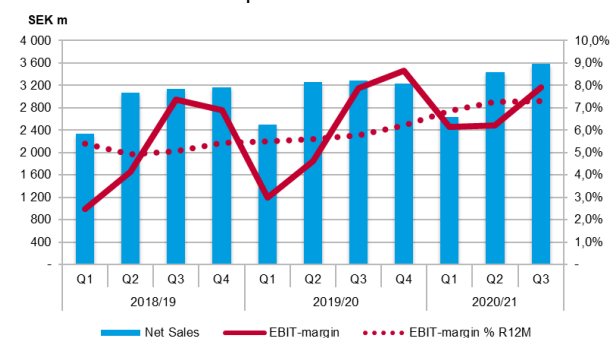
Adjusted for property related lease expenses, profit for the period increased to SEK 213 million (193) and comprehensive income was SEK 293 million (147).

Items affecting comparability

Items affecting comparability	Third quarter	
	2020/21	2019/20
SEK m		
Retroactive revenue from previous years	11	11
Restructuring expenses	-5	-11
Write down of assets	-	-17
Pension change Norway	-	53
Total	6	36

Acquisitions, divestments, new establishments, and discontinued operations

In December, Swedish Education Group (Segab) was acquired and is included in the segment reporting as of the third quarter with six units and approximately 2,500 children and students. Stockholms internationella montessoriskola (Stims), a compulsory school with approximately 800 children was also acquired in the period. The expansion in Germany has continued with three new units in the period.



In the graph, the EBIT-margin is presented excl. IFRS 16.



Development in the first nine months (July 2020 to March 2021)

Volume development and net sales

Net sales increased by 6.9 percent and amounted to SEK 9,668 million (9,044). The organic growth, including bolt-on acquisitions and adjusted for fx-changes, was 7.3 percent. Acquisition of Segab contributed with 1.1 percentage points. The average number of students, excluding the Adult Education Segment, increased by 5.9 percent to 87,087 (82,245).

Operating profit (EBIT) and adjusted EBIT

Adjusted EBIT for the first nine months increased to SEK 653 million (449) with an adjusted EBIT margin of 6.8 percent (5.0). Operating profit (EBIT) was SEK 840 million (639), EBIT margin was 8.7 percent (7.1).

Higher earnings and margin were mainly attributable to the Adult Education Segment with more participants in all business areas and increased capacity utilisation. The Compulsory School and Upper Secondary School Segments also showed higher earnings and margin driven by an increased number of children and students, but also positively affected by employees taking more vacation days in the first quarter lowering personnel costs. Cancelled and postponed activities due to the pandemic, led to lower expenses estimated at approximately SEK 35 million in the school segments and group functions.

Delayed new openings and difficulties to recruit staff in Germany due to the pandemic has affected the number of children in the Preschool Segment. Staff planning in Sweden has mitigated the lower capacity utilisation in Germany.

Group overhead expenses decreased as an effect of cost reduction initiatives last year but also due to cancelled and postponed activities caused by the pandemic.

Net financial items

Net financial items for the first nine months amounted to SEK -302 million (-312) of which interest expense from property related lease liabilities was SEK -274 million

(-271). Other financial expenses were lower than last year SEK -31 million (-45).

Profit and comprehensive income for the period

Profit after tax increased and was SEK 414 million (252). Tax expense for the first nine months was SEK -124 million (-75), representing an effective tax rate of 23.0 percent (23.0). Comprehensive income was SEK 493 million (188) impacted by actuarial gains of SEK 47 million (-5) relating to defined benefit pension plans in Norway, following higher interest rates, as well as translation differences SEK 32 million (-59).

Adjusted for property related lease expenses, profit for the period increased to SEK 488 million (343) and comprehensive income was SEK 567 million (279).

Items affecting comparability

Items affecting comparability SEK m	Nine months	
	2020/21	2019/20
Integration expenses, SEG	-8	-
Acquisition-related expenses	-2	-
Retroactive revenue from previous years	22	11
Restructuring expenses	-5	-11
Write down of assets	-	-17
Pension change Norway	-	53
Total	7	36

Acquisitions, divestments, new establishments and discontinued operations

In December Segab was acquired and is included in the segment reporting as of the third quarter with six units and approximately 2,500 children and students. Stims, a compulsory school with approximately 800 children was acquired in the third quarter.

During the first nine months 15 new units opened, four upper secondary units, ten preschools, and one compulsory school opened in new larger premises and expanded its operation with an integrated preschool. In addition, two upper secondary schools were merged into one and two preschools were closed.

First nine months in summary by segment

	Student enrolment (average)		Net sales, SEK m.		Adjusted operating profit/loss (EBIT), SEK m.		ADJ. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Preschool	21,175	20,670	2,732	2,743	97	93	3.6%	3.4%	97	146	3.6%	5.3%
Compulsory School	26,470	25,004	2,372	2,196	135	101	5.7%	4.6%	138	101	5.8%	4.6%
Upper Secondary School	39,442	36,570	3,201	2,950	286	234	8.9%	7.9%	299	245	9.3%	8.3%
Adult Education	-*	-*	1,358	1,152	196	96	14.4%	8.3%	196	96	14.4%	8.3%
Group adj., Parent Company	-	-	6	3	-60	-75	-	-	-70	-103	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	179	155	-	-
Total	87,087	82,245	9,668	9,044	653	449	6.8%	5.0%	840	639	8.7%	7.1%

¹ The volume of Adult Education is not measured based on the number of participants since the length of the programmes varies from individual occasions to academic years. ² Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Cash flow and financial position

In the cash flow analysis below, lease payments attributable to property leasing are reported within operating activities. According to IFRS 16, lease payments are reported within financing activities. Please see note 2 for reconciliation to the financial reports.

Cash flow adjusted for lease payments

(SEK m)	Third quarter		Nine months		Rolling 12 Months	Full year
	2020/21	2019/20	2020/21	2019/20	Apr 20 - Mar 21	2019/20
Cash flow from operating activities before changes in working capital	309	250	845	579	1,192	926
Cash flow from changes in working capital	-34	-112	78	-144	365	142
Cash flow from operating activities	275	139	922	435	1,556	1,069
Investments related to existing operations ¹	-29	-32	-147	-190	-221	-264
Investments related to expansion ²	-31	-7	-162	-88	-185	-111
Cash flow from investing activities	-61	-38	-309	-278	-406	-375
Cash flow from financing activities	-256	-161	-393	-269	-801	-678
CASH FLOW FOR THE PERIOD	-41	-60	221	-113	349	16
<i>Free cash flow before expansion investments³</i>	246	107	775	245	1,335	805

Cash flow from operating activities for the third quarter amounted to SEK 275 million (139). The increase in cash flow was due to higher operating profit and a lower net working capital increase compared to last year, SEK -34 million (-112), primarily due to higher prepaid income in Norway of SEK +100 million.

Investments in existing operations¹ was somewhat lower compared to last year and amounted to SEK -29 million (-32), contributing to a free cash flow³ of SEK 246 million (107). Expansion investments² in the period were SEK -31 million (-7) and related to acquisitions. In total, cash flow from investing activities amounted to SEK -61 million (-38). Cash flow from financing activities totalled SEK -256 million (-161). All in all, cash flow for the quarter amounted to SEK -41 million (-60).

In the first nine months, cash flow from operating activities amounted to SEK 922 million (435). The increase was due to the improved profit and improvement in net working capital development, SEK +78 million (-144). The positive net working capital development is mainly due to calendar effects with higher prepaid income in Norway.

Investments in existing operations¹ during the first nine months was lower compared to last year and amounted to SEK -147 million (-190) contributing to a free cash flow³ of SEK 775 million (245). Expansion investments² in the period were SEK -162 million (-88) of which the acquisition of Swedish Education Group and Stockholms internationella montessoriskola affected cash flow with SEK -199 million. Expansion investments were also affected by the sales proceeds received during the first quarter 2020/21, originating from the divestment of one property in Oslo in the fourth quarter 2019/20, SEK +62 million. In total, cash flow from investing activities amounted to SEK -309 million (-278). Cash flow from financing activities totalled SEK -393 million (-269) and consisted, among other things, of dividend to shareholders of SEK -158 million (-132). All in all, cash flow from the first nine months amounted to SEK 221 million (-113).

¹ Investments related to existing operations include leasehold improvements, investments in equipment, investments in intangible non-current assets, investments in non-current financial assets, and divestment of non-current financial assets.

² Expansion investments include investments in owned preschool buildings in Norway, as well as acquisitions and divestments.

³ Free cash flow before expansion investments consist of cash flow from operating activities less investments relating to existing operations.



Financial position

The comments on financial position below excludes the effect from application of IFRS 16. See note 2 for reconciliation of the IFRS 16 effects on the financial reports.

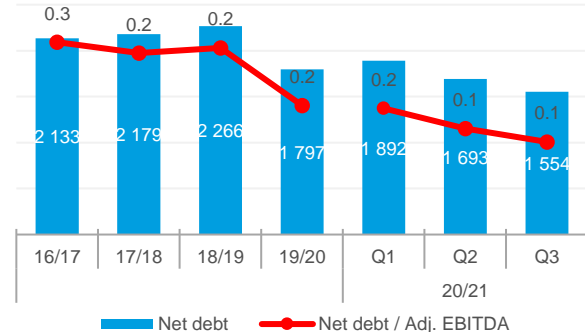
Equity as per the 31 December amounted to SEK 5,335 million (4,741) and the equity/asset ratio increased to 52.1 percent (49.6).

Interest-bearing net debt¹ excluding property related lease liabilities amounted to SEK 1,554 million (2,320). The lower net debt over the past 12 months is due to improved earnings and consequently a strong cash flow.

Excluding real estate loans, adjusted net debt¹ amounted to SEK 836 million (1,623). The property loans, which consist of non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, have increased by SEK 21 million over the past 12 months to SEK 718 million (697). Currency effects were SEK +35 million.

Buildings decreased during the period by SEK 6 million to SEK 1,060 million (1,066) following depreciation and sale of one property to the Municipality of Oslo in June 2020.

Net debt in relation to adjusted EBITDA¹ (rolling 12 months) amounted to 1.2 (2.3), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Property-adjusted net debt divided by adjusted EBITDA¹ (12m) was 0.7 (1.6).



Buildings decreased during the period by SEK 6 million to SEK 1,060 million (1,066) following depreciation and sale of one property to the Municipality of Oslo in June 2020.

School voucher development 2021

The average voucher increase for AcadeMedia's Swedish preschools is estimated to 1.9 (1.4) percent. The average voucher increase has been calculated based on voucher notifications for 98 percent of the children weighted by child and municipality mix. In addition to voucher payments, the preschools receive around 3.7 (3.5) percent of revenues from parental fees according to the maximum fee regulation. The maximum parental fee is adjusted annually by the National Agency for Education. For 2021, the increase was 2.2 (3.7) percent.

In Norway, the municipal contributions to preschools have increased on average by 4.4 (3.7) percent, weighted by child and municipality mix. The relatively high increase is an effect of the higher expenses attributable to the staff density norm which now begins to be reflected in the voucher. There is also a maximum parental fee system in Norway. The parental fees in Norway amounts to about 16 percent of revenue and are adjusted annually with an index, which was set to 3.0 (4.1) percent for 2021.

The average voucher increase for Compulsory School Segment is estimated to 2.6 (2.3) percent. The average voucher increase has been calculated based on voucher notifications for 96 percent of the children and is weighted by child and municipality mix. The growth calculation only reflects the compulsory school voucher and does not take into account changes in the voucher related to before- and after school care, nor does it consider socio-economic compensation.

The voucher increase for the Upper Secondary School Segment amounts to 1.0 (2.3) percent on average. Voucher increases have been calculated based on received voucher notifications for 96 percent of the students weighted with AcadeMedia's student and program mix. The growth calculation only reflects the basic reimbursement and does not take price changes on introduction programs nor socio-economic compensation into consideration.

In summary, the school voucher increase for AcadeMedia's Swedish school operation is estimated at 1.7 (2.1) percent for 2021 based on close to 96 percent of the student population. The result has been calculated based on voucher notifications received and is weighted by child and student mix. The increase in Sweden is in line with the figures provided in AcadeMedia's quarterly report as per 31 December 2020.

¹ Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. By excluding the effects of IFRS 16, continuity is achieved in the KPIs above. See pages 33 to 34 for definitions.



Preschool

- The number of children increased by 2.7 percent to 21,891 (21,310) in the third quarter compared with last year.
- Sales increased by 1.3 percent to SEK 1,020 million (1,007). Adjusted for fx-effects, net sales increased by 4.5 percent.
- Adjusted operating profit (adj. EBIT) increased to SEK 71 million (68).

AcadeMedia's Preschool Segment runs preschools in Sweden, Norway, and Germany. In Sweden, the business is conducted in many municipalities with a total of 109 units. In Norway, Espira is the third largest preschool provider with 105 units. In Germany we operate preschools at 56 units. The segment had a total of 270 units during the quarter.

Impact following the corona pandemic

All preschools in the three countries were open during the quarter except for temporary closures due to local outbreaks. In some cases, opening hours were reduced when sick leave among staff increased. The financial effect was limited to Germany, where the growth in number of children slowed down as parents delay the preschool start for their children leading to lower capacity utilisation.

Outcome for the third quarter

The average number of children increased by 2.7 percent compared with the previous year and amounted to 21,891 (21,310). The increase was driven by new establishments in Germany. Sales increased by 1.3 percent to SEK 1,020 million (1,007). Adjusted for negative currency effects, SEK -31 million, net sales increased by 4.5 percent. The average voucher increase for AcadeMedia's Swedish and Norwegian preschools are estimated to 1.9 (1.4) percent and 4.4 (3.7) percent, respectively.

Adjusted operating profit increased to SEK 71 million (68) with a margin of 7.0 percent (6.8). The earning and margin improvement relates to the Swedish operation following more efficient staff planning, but also higher school voucher in Norway. The German operation continue to have a lower capacity utilisation due to the pandemic. Operating profit (EBIT) was SEK 71 million (121) and the margin was 7.0 percent (12.0). Operating

profit last year was affected by a non-recurring curtailment gain of SEK 53 million.

Outcome for the first nine months

The average number of children increased by 2.4 percent and amounted to 21,175 (20,670). Net sales decreased by 0.4 percent and amounted to SEK 2,732 million (2,743). Adjusted for negative currency effects of SEK -128 million, net sales increased by 4.5 percent.

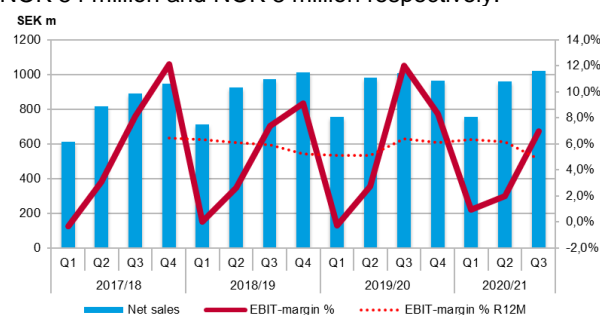
Adjusted operating profit (EBIT) decreased and amounted to 97 MSEK (93) and adjusted operating margin was 3.6% (3.4). Operating profit (EBIT) for the first nine months was SEK 97 million (146), with an operating margin of 3.6 percent (5.3). The result was positively affected by more efficient staff planning in Sweden but was dampened by lower capacity utilization in Germany following the pandemic.

Operational changes

In the third quarter, three new preschools opened in Germany. Two more units are planned to open during next quarter. Consequently, the target to open 11 units during 20/21 is revised down to nine.

During the first nine months 10 units opened in total, seven in Germany, one in Norway and two in Sweden. Also, two preschools in Sweden were closed, affecting the unit portfolio in the second quarter.

For the fiscal year 2021/22, the plan is to open 15 new units in Germany. In Oslo, two units with approximately 310 children are operated on behalf of the municipality. The municipality has decided to not extend the contract, which will impact net sales and EBIT negatively with NOK 54 million and NOK 8 million respectively.



SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Apr 20 - Mar 21	2019/20
Net sales	1,020	1,007	1.3%	2,732	2,743	-0.4%	3,696	3,707
EBITDA	93	142	-34.5%	161	211	-23.7%	260	310
EBITDA margin, %	9.1%	14.1%	-5 p.p.	5.9%	7.7%	-1.8 p.p.	7.0%	8.4%
Depreciation/amortization	-22	-22	-	-64	-64	-	-83	-83
Operating profit (EBIT)	71	121	-41.3%	97	146	-33.6%	177	226
EBIT margin, %	7.0%	12.0%	-5 p.p.	3.6%	5.3%	-1.7 p.p.	4.8%	6.1%
Items affecting comparability	-	53	n.a.	-	53	n.a.	-	53
Adjusted operating profit (EBIT)	71	68	4.4%	97	93	4.3%	177	174
Adjusted EBIT margin, %	7.0%	6.8%	0.2 p.p.	3.6%	3.4%	0.2 p.p.	4.8%	4.7%
Number of children and students	21,891	21,310	2.7%	21,175	20,670	2.4%	n.m.	20,854
Number of units	270	260	3.8%	268	257	4.3%	n.m.	259

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Compulsory School

- The number of students increased by 6.7 percent to 27,046 (25,339) compared to last year.
- Sales increased by 9.5 percent to SEK 877 million (801).
- Adjusted operating profit (adj. EBIT) increased to SEK 50 million (40).

AcadeMedia's Compulsory School segment runs compulsory schools and integrated preschools in many municipalities in Sweden under eight brands. Operations are based entirely on the school voucher system. The segment had 116 units during the quarter, where of 38 integrated preschools.

Impact following the corona pandemic

The pandemic has had a limited effect on operations during the quarter. A few of schools implemented distance education temporarily, following significant spread of infection among students. Cancelled and postponed activities lead to lower cost of about SEK 2 million in the quarter.

Outcome for the third quarter

The average number of students increased by 6.7 percent compared with the previous year and amounted to 27,046 (25,339). The acquisition of Segab contributed with 0.9 percentage points. In addition, growth came from the acquisition of Stims, two smaller acquisitions last year and from growth in existing units. Net sales increased by 9.5 percent and amounted to SEK 877 million (801) following a higher number of students and the annual adjustment of school vouchers which is estimated to 2.6 (2.3) percent in 2021.

Adjusted operating profit was SEK 50 million (40) with a margin of 5.7 percent (5.0). Result and margin were affected by higher number of students and somewhat lower cost following cancelled or postponed activities due to the pandemic. Operating profit (EBIT) increased to SEK 50 million (40). This gave an operating margin of 5.7 percent (5.0).

Outcome for the first nine months

The average number of students increased by 5.9 percent and amounted to 26,470 (25,004). Net sales

increased by 8.0 percent and amounted to SEK 2,372 million (2,196) following the volume increase and the annual adjustment of school vouchers.

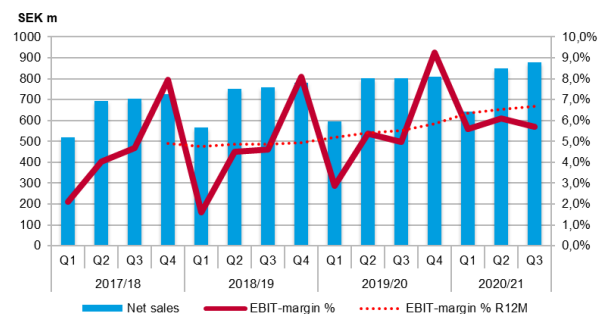
Adjusted operating profit was higher than last year, SEK 135 million (101), positively affected by more students, insurance compensation of SEK 9 million, lower cost following cancelled or postponed activities of about SEK 5 million, and more vacation days in the first quarter. Expenses relating to the insurance cases were reported throughout the previous fiscal year.

Items affecting comparability amounted to SEK 3 million relating to retroactive revenue from previous years. Operating profit (EBIT) amounted to SEK 138 million (101), and the operating margin was 5.8 percent (4.6).

Operational changes

In the quarter, four new units were added relating to the acquisition of Segab, which include two compulsory schools, and the acquisition of Stims with one compulsory school and one integrated preschool. Stims is one of Sweden's most prominent Montessori schools. Together they contributed with approximately 1,030 students and children.

During the first six months, the Compulsory School Segment launched two new educational profiles, Noblaskolan and Montessori Mondial, clarifying the different pedagogical offerings. In addition, one compulsory school expanded with an integrated preschool.



SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Apr 20 - Mar 21	2019/20
Net sales	877	801	9.5%	2,372	2,196	8.0%	3,181	3,005
EBITDA	68	58	17.2%	190	150	26.7%	281	242
EBITDA margin	7.8%	7.2%	0.6 p.p.	8.0%	6.8%	1.2 p.p.	8.8%	8.1%
Depreciation/amortization	-18	-17	-5.9%	-52	-49	-6.1%	-69	-66
Operating profit (EBIT)	50	40	25.0%	138	101	36.6%	213	176
EBIT margin. %	5.7%	5.0%	0.7 p.p.	5.8%	4.6%	1.2 p.p.	6.7%	5.9%
Items affecting comparability	-	-	n.a.	3	-	n.a.	3	-
Adjusted operating profit (EBIT)	50	40	25.0%	135	101	33.7%	210	176
Adjusted EBIT margin, %	5.7%	5.0%	0.7 p.p.	5.7%	4.6%	1.1 p.p.	6.6%	5.9%
Number of children and students	27,046	25,339	6.7%	26,470	25,004	5.9%	n.m.	25,179
Number of units	116	109	6.4%	113	109	3.7%	n.m.	109

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Upper Secondary School

- The number of students increased by 12.3 percent in the third quarter, amounting to 40,753 (36,291).
- Sales increased 13.0 percent to SEK 1,202 million (1,064).
- Adjusted operating profit (adj. EBIT) increased to SEK 116 million (98).

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 150 units during the quarter.

Impact following the corona pandemic

The upper secondary schools have for almost three quarters conducted distance education, in part or in full. At AcadeMedia's upper secondary schools, non-essential activities were cancelled or postponed, leading to lower expenses of about SEK 10 million in the quarter. The national recommendation on distance education ended 1 April 2021, from that date it is at the principal organiser's decision. Our decisions regarding distance education are based on local and regional outlook at every given point.

Outcome for the third quarter

The number of students increased by 12.3 percent compared with the previous year, to 40,753 (36,291). Growth was mainly attributable to the acquisition of Segab, 6.4 percentage points. The 18 new establishments opened since 2017 have in total admitted almost 1,000 additional students compared to last year. Net sales increased by 13.0 percent to SEK 1,202 million (1,064), a result of the higher number of students. The voucher increase for the Upper Secondary School Segment amounts to 1.0 (2.3) percent on average for 2021.

Adjusted operating profit was SEK 116 million (98), representing a margin of 9.7 percent (9.2). Result and margin were affected by higher student numbers and about SEK 10 million in lower costs as certain activities were cancelled or postponed due to the pandemic. Operating profit (EBIT) increased and amounted to SEK 122 million (109) and the margin was 10.1 percent (10.2). Items affecting comparability amounted to SEK

6 million (11), attributable to retroactive revenue from previous years SEK 11 million and restructuring expenses SEK -5 million.

Outcome for the first nine months

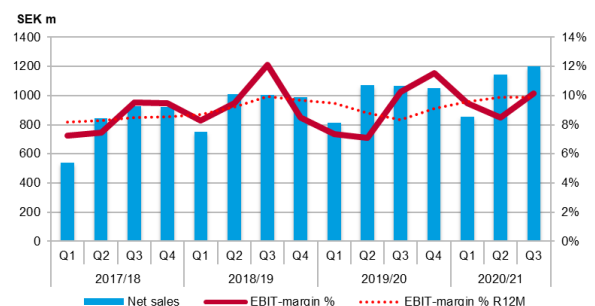
The number of students increased by 7.9 percent to 39,442 (36,570) and net sales increased by 8.5 percent to SEK 3,201 million (2,950). The growth was attributable to more students in existing units, new units, and higher school vouchers.

Adjusted operating profit was SEK 286 million (234), representing a margin of 8.9 percent (7.9). Result and margin were affected by more students, employees taking more vacation days in the first quarter generating a positive effect of SEK 10 million, and SEK 25 million in lower costs as activities were cancelled or postponed due to the pandemic. The effect from more vacation days is expected to even out in the coming quarter with higher expenses compared to last year.

Items affecting comparability amounted to SEK 14 million (11) relating to retroactive revenue from previous years and restructuring expenses. Operating profit (EBIT) was SEK 299 million (245) and the margin was 9.3 percent (8.3).

Operational changes

At the start of the autumn term in 2020, four new upper secondary schools opened in Lund, Malmö, Nacka, and Uppsala. These schools have admitted just over 300 students. The acquisition of Segab has added four new units and 2,300 students. Three new openings are planned to start in the autumn 2021, located in Malmö, Västerås, and Norrköping.



SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Apr 20 - Mar 21	2019/20
Net sales	1,202	1,064	13.0%	3,201	2,950	8.5%	4,249	3,999
EBITDA	170	153	11.1%	435	367	18.5%	598	530
EBITDA margin	14.1%	14.4%	-0.3 p.p.	13.6%	12.4%	1.2 p.p.	14.1%	13.3%
Depreciation/amortization	-48	-44	-9.1%	-135	-123	9.8%	-178	-165
Operating profit (EBIT)	122	109	11.9%	299	245	22.0%	420	365
EBIT margin, %	10.1%	10.2%	-0.1 p.p.	9.3%	8.3%	1 p.p.	9.9%	9.1%
Items affecting comparability	6	11	n.a.	14	11	n.a.	14	11
Adjusted operating profit (EBIT)	116	98	18.4%	286	234	22.2%	406	354
Adjusted EBIT margin, %	9.7%	9.2%	0.5 p.p.	8.9%	7.9%	1 p.p.	9.6%	8.9%
Number of children and students	40,753	36,291	12.3%	39,442	36,570	7.9%	n.m.	36,400
Number of units	150	143	4.9%	148	143	3.5%	n.m.	143

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Adult Education

- Sales increased 19.0 percent to SEK 488 million (410).
- Operating profit (EBIT) was SEK 64 million (43).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education with a presence in about 150 locations in the country. The segment works in three main customer groups: Municipal Higher Education (60 percent of net sales), Higher Vocational Education (26 percent), and Labour Market Services (14 percent).

Impact following the corona pandemic

The situation remains unchanged compared to the previous quarter. The extensive spread of the virus in Sweden required education to take place both as distance education and when on site in smaller groups. Experienced teachers and a solid digital infrastructure have enabled a continued well-functioning operation.

Outcome for the third quarter

Net sales increased by 19.0 percent to SEK 488 million (410). The acquisition of Segab contributed with 5.2 percentage points to the increase. Operating profit was SEK 64 million (43), corresponding to a margin of 13.1 percent (10.5). The improvement continues to be attributable to more participants in all business areas, driven by high unemployment, and increased capacity utilisation, but also to the acquisition of Segab.

Demand for AcadeMedia's Higher Vocational Education remains high. The number of students that drop out is low, an effect of the operation's efforts to enhance quality but also the general economic situation.

The Municipal Adult Education business continued its positive development with growth in both net sales and earnings. The contract portfolio covers many of the areas with increased demand due to higher unemployment.

The volume development within AcadeMedias Labour Market Services has been good and volumes are now at the same level as before the termination of the Vocational and Preparatory modules (YSM) contract in October 2020. The increase is a consequence of The Swedish Public Employment Services allocating more jobseekers to the matching services.

Outcome for the first nine months

Net sales increased by 17.9 percent and amounted to SEK 1,358 million (1,152). Operating profit (EBIT) increased to SEK 196 million (96), and the margin was 14.4 percent (8.3). Increased number of participants in all business areas and higher capacity utilisation contributed to the high margin. Expectation is still that EBIT margin in the Adult Education Segment over time should be 9–11 percent.

Operational changes

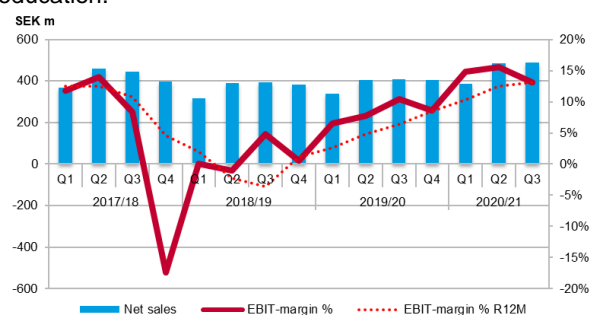
Hermods have signed a contract with the municipality of Uppsala and will provide municipal adult education for four further years. The contract was awarded based on quality. The current contract has an annual turnover of approximately SEK 25 million and the new contract SEK 40 million.

Market development

The labour market is showing signs of improvement, however unemployment remains high and long-term unemployed is still rising. The government's 2021 spring budget focus on unemployment with additional resources to adult education.

The Swedish Public Employment Agency's gradual implementation of the matching service "Rusta och matcha" will start in May 2021. The service is tested in a few municipalities since March 2020. AcadeMedia is one of the leading suppliers and now prepare to participate in the coming procurements.

AcadeMedia, with a broad contract portfolio and solid experience, is well positioned to meet the increasing demand for flexible education forms and digital education.



SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Apr 20 - Mar 21	2019/20
Net sales	488	410	19.0%	1,358	1,152	17.9%	1,762	1,557
EBITDA	68	47	44.7%	208	107	94.4%	247	146
EBITDA margin	13.9%	11.5%	2.4 p.p.	15.3%	9.3%	6 p.p.	14.0%	9.4%
Depreciation/amortization	-4	-4	-	-12	-11	9.1%	-16	-15
Operating profit (EBIT)	64	43	48.8%	196	96	104.2%	231	131
EBIT margin, %	13.1%	10.5%	2.6 p.p.	14.4%	8.3%	6.1 p.p.	13.1%	8.4%
Items affecting comparability	-	-	n.a.	-	-	n.a.	-	-
Adjusted operating profit (EBIT)	64	43	48.8%	196	96	104.2%	231	131
Adjusted EBIT margin, %	13.1%	10.5%	2.6 p.p.	14.4%	8.3%	6.1 p.p.	13.1%	8.4%

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Quality

AcadeMedia's vision is to lead the development of education for the future. One of our goals in achieving this is to be a leader in learning, where the main indicator is '100% – everyone should achieve their educational objectives'. We can only accomplish this by providing the highest quality education in the areas in which the Group operates. To attain our goal, AcadeMedia maintains strong focus on systematic quality enhancing work. We have a group-wide quality management model, and our size enables us to pursue development initiatives and find ways for the structured exchange of experiences on a large scale. We are constantly developing as a learning organisation.

"By offering a superior learning environment, AcadeMedia helps people and communities develop and grow. All students have the same right to a quality education, regardless of place of residence or background. A good atmosphere for learning is also about determining the needs of and opportunities for each individual student. We will also be a learning organisation, where both employees and leaders can develop professionally." AcadeMedia's sustainability report.

Survey results from guardians and students

During the third quarter, survey results from guardians and students were compiled.

In Sweden, the annual survey targets all preschools, compulsory schools, and upper secondary schools in the Group and aims to emulate the satisfaction, teaching and learning environment in our schools. The survey also evaluates the extent to which students, guardians and adult education participants are prepared to recommend their school or place of learning to others. Despite the new situation with an ongoing pandemic, AcadeMedia decided to conduct the surveys. The results show an improvement compared to previous years. Analysis is underway to investigate the extent to which the pandemic and distance education / distance learning have affected the results. Comparisons with previous years therefore need to be made with caution. A more detailed presentation of the outcome per school form is presented below. The percentages reflect the share of respondents that have selected one of the more positive response ranges (7-10).

In Norway, The Norwegian Directorate for Education and Training (Utdanningsdirektoratet¹) has presented the annual national Norwegian customer survey. The survey targets all guardians with children at Norwegian preschools, public as well as private. The annual survey in Germany was conducted during the third quarter, the results were not available at the time of publication of this report.

Preschool

The survey results show that customer satisfaction in our Swedish preschools has improved compared to last year. 88 (86) percent of parents would recommend their child's preschool and 93 (92) percent replied that their child is happy at the preschool. In response to the question "I am satisfied with the operations at my child's preschool" 87 (84) percent of parents selected one of the highest response options.

The results from the annual national Norwegian customer survey, performed by The Norwegian Directorate for Education and Training, show that parents of children at AcadeMedia's preschools in Norway are equally satisfied with the operation as the national average (4.5 percent on a 5-point scale). This result is in line with the past three years and continues to be above the municipal preschool's average (4.4) and slightly below the results of private preschools (4.6).

Compulsory School

Compulsory schools saw a substantial increase in customer satisfaction. 70 (68) percent of the students would recommend their school, and the corresponding result among parents was 81 (78) percent. The degree of student satisfaction increased to 79 (78) percent, and also among parents, 85 (83) percent. The proportion of students and parents who were satisfied with the education were 74 (72) and 82 (78) percent respectively.

Upper Secondary School

This year, AcadeMedia's upper secondary school students are more satisfied with their school compared to last year, 76 (69) percent would recommend their school to others and 79 (72) percent respond that they are satisfied with their school. Also, the degree of satisfaction among students improved compared to last year, 83 (78) percent. In response to the question "I am satisfied with the education at my school" 78 (72) percent of the students selected rated one of the highest response options. However, it should be noted that there were large variations in results across the upper secondary schools.

Adult Education

The Adult Education's participant surveys are conducted at another point in time than the schooling segments. These were presented in the interim report for the second quarter. However, the knowledge assessment results from 2020 for the various business areas within AcadeMedia's Adult Education Segment have been compiled. Among these, it can be mentioned that the grade scores in basic adult education as measured by the percentage of students who achieved passing grades increased slightly to 87.6 (87.3) percent (the national average for 2019 was 88.7 percent). The

¹ The Norwegian equivalent of The Swedish national agency for education



percentage of students who achieved passing grades in upper secondary level adult education improved to 85.0 (83.9) percent (the national average for 2019 was 88.7 percent). It is important to note that AcadeMedia has significantly more students who read at a distance (48 percent) compared to national average (approximately 14 percent in 2019) and if the results are divided between distance education and in classroom teaching, AcadeMedia's results are at or above previous years' national average. The percentage of students who completed their education with a diploma in higher vocational education increased to 68 (66) percent (the national average for 2019 was 71 percent according to the Swedish National Agency for Higher Vocational Education's statistical annual report for 2020).

Employees

Each year AcadeMedia conducts an employee satisfaction survey in order to analyse strengths and identify areas for improvement. This year's employee survey had a response rate of 81 (80) percent. The survey has shown consistent and positive results in the employee satisfaction index since 2013. Moreover, it showed that 87 (84) percent of employees were proud of their workplace, and three out of four see good opportunities for professional development. Managers at AcadeMedia continue to receive good ratings, where 86 (83) percent of employees responded that they have strong confidence in their manager. 84 (81) percent of employees responded that they would recommend their workplace to others. As of 2021, a question is included about AcadeMedia's vision, three out of four responded that AcadeMedia lead the development of tomorrow's education.

In Espira, a corresponding employee satisfaction survey was conducted in January 2021. The employee satisfaction index for the year was 4.4 on a 5-point scale, an improvement from 4.3 last year. 83 (78) percent of employees responded that they would recommend their workplace to others and 93 (92) percent feel valued by their manager and enjoy their work tasks. The responses from the pedagogical leaders show that 83 (81) percent would recommend their workplace to others. Both employees and pedagogical leaders are proud to work at Espira with an average of 6.3 (6.2) and 6.2 (6.1) respectively on a 7-point scale).

The German business will conduct their employee satisfaction survey during Q4.

The average number of full-time employees in the quarter was 13,767 (12,759) which represents an increase of 7.9 percent. The proportion of women in the Swedish operation was 67.4 percent (67.1) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 12.1 percent aggregated over the nine-month July – March period, compared with 15.8 percent aggregated over the corresponding period in the previous year. Absence due to illness for AcadeMedia employees in Sweden (aggregated average short-term absence <90 days) was 4.9 percent (4.5) during the first nine months.

Parent Company

Revenues during the first nine months amounted to SEK 8 million (6). Operating profit (EBIT) for the first nine months amounted to SEK -8 million (-12) and profit after tax was SEK -5 million (-20). The Parent Company's assets essentially consist of participations in subsidiaries and intercompany receivables. Operations are funded by equity, bank loans, and intra group loans. Equity in the Parent Company as of 31 March 2021 was SEK 2,562 million (2,591). The Parent Company's external interest-bearing debt as of 31 March 2021 was SEK 878 million (1,274).

Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 31 March 2021, share capital was SEK 105,558,345 and the number of shares amounted to a total of 105,558,345 shares distributed among 105,352,440 ordinary shares and 205,905 Class C shares, where the C-shares are owned by AcadeMedia AB. The total number of votes in the company is 105,373,030.5. Mellby Gård AB is the largest shareholder in AcadeMedia with 21.1 percent of the capital as of 31 March 2021. The quota value is SEK 1.00 per share.

AcadeMedia has during the third quarter fulfilled its obligations in accordance with two incentive programs, the share-based incentive program and the warrant program, both adopted 2017. Together, 42,337 C-shares were converted to ordinary shares and 10,000 ordinary shares were subscribed in connection with the first subscription period. In total, the number of shares and votes increased by 10,000 shares and 48,103.3 votes. Ahead of the warrant program's second and final subscription period, 230,500 warrants are outstanding. Subscription of shares may take place during two weeks from the day after publication of this interim report.

Significant events after the end of the reporting period

AcadeMedia had no significant events to report after the end of the reporting period.



Other

Risks and uncertainties

AcadeMedia categorises risks as operating, external and financial and they are described in detail in AcadeMedia AB's 2019/20 Annual Report. Operational risks are the most significant risks for AcadeMedia and include variations in demand and number of students and participants, risks relating to the supply of qualified employees and payroll expenses, risks relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk. With declining demand in a specific unit, fixed expenses and thus rental costs are a risk.

The spread of the coronavirus had a significant impact on AcadeMedia's operations during spring 2020 as a result of decisions made by the governments in the countries where AcadeMedia operates. However, the financial impact during the 2019/20 fiscal year was limited. Since the start of the semester, all segments returned to ordinary activities, but during the second wave of the pandemic during the autumn certain operations have returned to distance education. Also activities have been cancelled or postponed for future periods and new establishments delayed even though full close-down of operations were limited. Depending on how the spread of the infection develop, it is uncertain how this pandemic will impact moving forward. There is a risk that operations again will close for periods, that new openings will be delayed, and that the future school voucher development is negatively affected following weaker economies in the municipalities.

Seasonal variations

AcadeMedia's four segments have different seasonal variations. The three school segments show a stable seasonal variation, while the Adult Education segment has a more irregular seasonal variation. The seasonal variations are described in detail in AcadeMedia AB's 2019/20 Annual Report.

The winter break, spring break and summer holiday periods have a major impact on the three school segments. Activity and revenue are lower during these periods. Leave has the greatest impact on the first quarter. Moreover, salary review for most teachers in Sweden takes place on 1 September and this also negatively impacts second quarter margins. School vouchers are adjusted at the beginning of each calendar year in Sweden, Norway, and Germany, which has a positive impact on revenue while costs remain relatively unchanged. Taken together, there is a fairly stable seasonal trend with lower earnings levels during the first six months of the year, followed by much stronger figures in the third and fourth quarters. The corona pandemic has resulted in activities which are not necessary have been cancelled or postponed. This might have an impact on the otherwise stable seasonal variations.

Adult education does not have recurring seasonal patterns in the same way as the school segments. Seasonal variation is influenced primarily by the contract portfolio and public spending. The number of working days or education days in the period may have some effect.

Praktiska Sverige AB, settlement of dispute did not affect the group's financial position

AcadeMedia acquired Praktiska Sverige AB in November 2017. In May 2018, the Swedish National Agency for Education demanded that Praktiska Sverige AB should repay SEK 28 million with reference to the lacking documentation for the apprentice subsidies. In September 2019, the Swedish National Agency for Education filed a lawsuit. Praktiska Sverige AB opposed the repayment obligation. As previously communicated, AcadeMedia had customary terms in the share purchase agreement regarding this risk. On 1 March 2021, the Swedish National Agency for Education reached a settlement with Praktiska Sverige AB to pay SEK 9 million, which Praktiska Sverige AB did during the third quarter 2020/21 and has since received compensation from FSN, including compensation for expenses associated with the legal proceedings. Thus, this has not had an impact on the Group's financial position.

Outlook

AcadeMedia does not publish any forecasts.



Calendar

31 August 2021	Year-end Report
29 October 2021	Interim report Q1
29 October 2021	Annual report 2020/21
30 November 2021	Annual General Meeting 2021

For further information, please visit <https://corporate.academedias.se>

Stockholm 6 May 2021

Marcus Strömberg
Chief Executive Officer

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This report has not been reviewed by the company's auditors.

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This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CEST on 6 May 2021.



Report of Review (Translation of Swedish Original)

Review report of the Interim Financial Statements (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed this report for the period July 1, 2020 to March 31, 2021 for AcadeMedia AB. The board of directors and the managing director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, May 6, 2021

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

Eva Medbrant
Authorized Public Accountant



Consolidated statement of comprehensive income

SEK m	Note	Third quarter		Nine months		Rolling 12 m	Full year
		2020/21	2019/20	2020/21	2019/20	Apr 20 - Mar 21	2019/20
Net Sales	3	3,591	3,284	9,668	9,044	12,896	12,271
Cost of services		-280	-259	-804	-776	-1,022	-993
Other external expenses		-354	-297	-943	-887	-1,293	-1,237
Personnel expenses		-2,213	-2,064	-5,914	-5,644	-7,861	-7,591
Depreciation/amortization		-405	-391	-1,175	-1,134	-1,554	-1,513
Items affecting comparability ¹⁾		6	36	7	36	7	36
TOTAL OPERATING EXPENSES		-3,246	-2,975	-8,829	-8,405	-11,723	-11,299
OPERATING INCOME		345	309	840	639	1 173	973
Interest income and similar profit/loss items		3	4	3	4	3	4
Interest expense and similar profit/loss items	6	-101	-105	-305	-316	-411	-421
Net financial items		-98	-101	-302	-312	-407	-417
INCOME BEFORE TAX		247	208	538	328	766	556
Tax		-58	-47	-124	-75	-173	-125
PROFIT/LOSS FOR THE PERIOD		190	161	414	252	593	431
Other comprehensive income							
<i>Items that will not be reclassified to profit/loss</i>							
Remeasurement of defined benefit pension plans		46	-7	60	-7	49	-18
Deferred tax relating to defined benefit pension plans		-10	1	-13	1	-11	4
		36	-5	47	-5	38	-14
<i>Items that may be reclassified to profit/loss</i>							
Translation differences		44	-41	32	-59	19	-72
Other comprehensive income for the period		80	-46	79	-64	57	-86
COMPREHENSIVE INCOME FOR THE PERIOD		269	115	493	188	650	345
Profit for the period attributable to:							
Stockholders of the parent company		190	161	414	252	593	431
Comprehensive income for the period attributable to:							
Stockholders of the parent company		269	115	493	188	650	345
Earnings per share basic (SEK)		1.80	1.53	3.93	2.40	5.63	4.09
Diluted earnings per share (SEK)		1.80	1.53	3.92	2.39	5.62	4.09
Earnings per share based on number of shares outstanding (SEK)		1.80	1.53	3.93	2.39	5.63	4.09

¹⁾ Items affecting comparability are specified on page 4 and 5. Key performance indicator definitions are on pages 33-34. Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Consolidated statement of financial position in summary

SEK m	Note	Mar 31, 2021	Mar 31, 2020	June 30, 2020
ASSETS				
Intangible non-current assets		6,424	6,171	6,191
Buildings		1,061	1,066	1,001
Right-of-use assets ¹		7,565	7,406	7,347
Other property, plant, and equipment ¹		758	704	713
Other non-current assets		77	49	34
Total non-current assets		15,885	15,396	15,285
Current receivables		768	765	704
Cash and cash equivalents ²		760	402	528
Total current assets		1,528	1,167	1,232
TOTAL ASSETS		17,412	16,563	16,518
EQUITY AND LIABILITIES				
Total equity		5,144	4,650	4,807
Non-current liabilities to credit institutions		1,934	1,980	1,890
Long-term lease liability ¹		6,601	6,378	6,346
Provisions and other non-current liabilities ¹		210	223	231
Total non-current liabilities		8,745	8,580	8,466
Current interest-bearing liabilities ¹		184	551	270
Short-term lease liability ¹		1,031	981	1,010
Other current liabilities		2,308	1,801	1,965
Total current liabilities		3,524	3,332	3,244
TOTAL EQUITY AND LIABILITIES		17,412	16,563	16,518

¹ Right-of-use assets have increased by SEK 166 million as per 31 March 2020 compared to the interim report 2019/20, following a reclassification of inventories that are financed with financial leasing from Other property, plant and equipment to Right-of-use assets. Corresponding lease liability of SEK 168 million is reclassified as Lease liability. Please see note 2 for information on how application of IFRS 16 impact the financial reports.

² Cash includes Cash related to payroll tax withholdings with SEK 32 million (SEK 27 million per 31 Mar 2020 and SEK 29 million per 30 June 2020.)

Consolidated statement of changes in equity in summary

Total equity attributable to owners of the Parent Company

SEK m	Jul-Mar 2020/2021	Jul-Mar 2019/2020	Jul-Jun 2019/2020
Opening balance	4,807	4,589	4,589
Profit/loss for the period	414	252	431
Other comprehensive income for the period	79	-64	-86
Consolidated statement of comprehensive income	493	188	345
Dividend paid	-158	-132	-132
Other transactions with owners ¹	1	4	4
Closing balance	5,144	4,650	4,807

¹ Other transactions with owners in the current year includes new share issue connected to warrants SEK +0.7 million and a share-matching program of SEK +0.2 million. Transactions with owners in the previous year includes new share issue connected to warrants SEK 4,1 million and share-matching program of SEK 0.4 million.



Consolidated cash flow statement

MSEK	Third quarter		Nine months		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Operating profit/loss (EBIT)	345	309	840	639	973
Depreciation/amortisation	405	391	1,174	1,134	1,513
Adjustment for items affecting cash flow	6	-72	28	-86	-55
Tax paid	-76	-26	-113	-73	-120
Cash flow from operating activities before changes in working capital	680	602	1,929	1,613	2,311
Cash flow from changes in working capital	31	-22	114	-55	211
Cash flow from operating activities	711	580	2,043	1,558	2,521
Acquisition of subsidiaries	-28	-1	-199	-28	-51
Investments in buildings	-3	-5	-25	-60	-60
Leasehold improvements	-6	-15	-52	-95	-134
Investments in equipment	-19	-18	-87	-83	-115
Investments in intangible non-current assets	0	-2	-1	-16	-17
Divestment of tangible non-current assets	-	-	62	-	-
Investments in non-current financial assets	-4	-	-7	0	0
Divestment of non-current assets	-	3	-	3	3
Cash flow from investing activities	-61	-38	-309	-278	-375
Interest received (+) and paid (-)	-6	-7	-23	-31	-44
Interest paid, lease liabilities	-91	-92	-277	-275	-365
Dividend paid	-	-	-158	-132	-132
New share issue	1	-	1	4	4
Increase (+)/decrease (-) of interest-bearing liabilities	-214	-119	-111	-14	-378
Repayment of lease liabilities	-381	-384	-945	-945	-1,215
Cash flow from financing activities	-692	-602	-1,513	-1,393	-2,130
CASH FLOW FOR THE PERIOD	-41	-60	220	-113	16
Cash and cash equivalents at beginning of period	787	470	528	527	527
Exchange-rate differences in cash and cash equivalents	14	-8	11	-12	-15
Cash and cash equivalents at end of period	760	402	760	402	528

Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Parent company income statement in summary

SEK m	Third quarter		Nine months		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Net sales	3	2	8	6	8
Operation expenses	-5	-6	-16	-18	-25
OPERATING PROFIT/LOSS	-2	-4	-8	-12	-17
Interest income and similar profit/loss items	4	6	14	9	12
Interest expense and similar profit/loss items	-2	-7	-11	-22	-31
Net financial items	2	-2	2	-14	-19
Year-end appropriations	-	-	-	-	100
PROFIT/LOSS BEFORE TAX	0	-6	-6	-25	64
Tax	0	1	1	6	-14
PROFIT/LOSS FOR THE PERIOD	0	-4	-5	-20	50

Parent company other comprehensive income

SEK m	Third quarter		Nine months		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Profit/Loss for the period	0	-4	-5	-20	50
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	0	-4	-5	-20	50

Parent company balance sheet in summary

SEK m	Mar 31 2021	Mar 31 2020	June 30 2020
ASSETS			
Participations in Group companies	3,261	2,247	3,261
Total non-current assets	3,261	2,247	3,261
Current receivables	2,936	3,788	2,840
Cash and cash equivalents	421	259	303
Total current assets	3,357	4,047	3,143
TOTAL ASSETS	6,618	6,295	6,405
EQUITY AND LIABILITIES			
Restricted equity	106	106	106
Non-restricted equity	2,456	2,486	2,618
Total equity	2,562	2,591	2,723
Non-current liabilities	878	1,024	951
Current liabilities	3,179	2,679	2,730
TOTAL EQUITY AND LIABILITIES	6,618	6,295	6,405



Parent Company statement of changes in equity

SEK m	Jul-Mar 2020/2021	Jul-Mar 2019/2020	Jul-Jun 2019/2020
Opening balance	2,723	2,738	2,738
Profit/loss for the period	-5	-20	51
Other comprehensive income for the period	-	-	-
Total profit/loss for the group	-5	-20	51
Merger related effects	-	-	62
Dividend	-158	-132	-132
Other transactions with owners ¹	1	4	4
Closing balance	2,562	2,591	2,723

¹ Other transactions with owners in the current year includes new share issue connected to warrants SEK +0.7 million and a share-matching program of SEK +0.2 million. Transactions with owners in the previous year includes new share issue connected to warrants SEK 4,1 million and share-matching program of SEK 0.4 million.



Notes and accounting policies

The interim report includes pages 1 to 34 and pages 1 to 15 are an integrated part of this financial report.

Significant events after the end of the reporting period are presented on page 13. Segment reporting is presented on pages 8 to 11. Disclosures about risk factors and seasonality are presented on pages 13 to 14.

Note 1: Accounting policies

This Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as applicable stipulations in the Annual Accounts Act. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act.

The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2019/20 Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

New and amended accounting standards from 1 July 2020

New and amended standards and interpretations applicable from 1 July 2020 have not and will not have any significant effect on the financial reports.



Note 2: Financial reports disclosing the impact from implementation of IFRS 16

Below, the effects on the financial reports following the implementation of IFRS 16 Leases are disclosed.

Consolidated statement of comprehensive income

SEK m	Third quarter 20/21			Nine months 20/21			Full year 19/20		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Net Sales	3,591	-	3,591	9,668	-	9,668	12,271	-	12,271
Cost of services	-280	-	-280	-804	-	-804	-993	-	-993
Other external expenses	-354	371	-725	-943	1,084	-2,028	-1,237	1,384	-2,621
Personnel expenses	-2,213	-	-2,213	-5,914	-	-5,914	-7,591	-	-7,591
Depreciation/amortization	-405	-311	-95	-1,175	-905	-270	-1,513	-1,175	-338
Items affecting comparability	6	-	6	7	-	7	36	-	36
TOTAL OPERATING EXPENSES	-3,246	61	-3,307	-8,829	179	-9,008	-11,299	209	-11,509
OPERATING INCOME	345	61	284	840	179	660	973	209	763
Interest income and similar profit/loss items	3	-	3	3	-	3	4	-	4
Interest expense and similar profit/loss items	-101	-91	-10	-305	-274	-31	-421	-360	-61
Net financial items	-98	-91	-7	-302	-274	-28	-417	-360	-56
INCOME BEFORE TAX	247	-30	277	538	-95	632	556	-151	707
Tax	-58	7	-64	-124	21	-145	-125	33	-159
PROFIT/LOSS FOR THE PERIOD	190	-23	213	414	-74	488	431	-117	548
Other comprehensive income for the period	80	-	80	79	-	79	-86	-	-86
COMPREHENSIVE INCOME FOR THE PERIOD	269	-23	293	493	-74	567	345	-117	462
Earnings per share basic (SEK)	1.80	-0.22	2.02	3.93	-0.70	4.63	4.09	-1.12	5.21
Earnings per share basic/diluted (SEK)	1.80	-0.22	2.02	3.92	-0.70	4.62	4.09	-1.12	5.21
Earnings per share based on number of shares outstanding (SEK)	1.80	-0.22	2.02	3.93	-0.70	4.63	4.09	-1.12	5.21



Consolidated cash flow statement

SEK m	Third quarter 20/21			Nine months 20/21		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	345	61	284	840	179	660
Depreciation/amortisation	405	311	95	1,174	905	269
Adjustment for items affecting cash flow	6	-	6	28	-	28
Tax paid	-76	-0	-75	-113	-0	-113
Cash flow from operating activities before changes in working capital	680	371	309	1,929	1,084	845
Cash flow from changes in working capital	31	65	-34	114	36	78
Cash flow from operating activities	711	436	275	2,043	1,120	922
Cash flow from investing activities	-61	-	-61	-309	-	-309
Cash flow from financing activities	-692	-436	-256	-1,513	-1,121	-393
CASH FLOW FOR THE PERIOD	-41	-0	-41	220	-0	221

Consolidated statement of financial position in summary

SEK m	31 Mar 2021			31 Mar 2020		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
ASSETS						
Intangible non-current assets	6,424	-	6,424	6,171	-	6,171
Buildings	1,061	-	1,061	1,066	-	1,066
Right-of-use assets	7,565	7,396	168	7,406	7,240	166
Other property, plant, and equipment	758	-	758	704	-	704
Other non-current assets	77	54	23	49	25	24
Total non-current assets	15,885	7,451	8,434	15,396	7,265	8,131
Current receivables	768	-286	1,054	765	-262	1,027
Cash and cash equivalents	760	-	760	402	-	402
Total current assets	1,528	-286	1,813	1,167	-262	1,429
TOTAL ASSETS	17,412	7,165	10,247	16,563	7,003	9,560
EQUITY AND LIABILITIES						
Total equity	5,144	-191	5,335	4,650	-90	4,741
Non-current liabilities to credit institutions	1,934	-	1,934	1,980	-	1,980
Long-term lease liability	6,601	6,535	66	6,378	6,312	65
Provisions and other non-current liabilities	210	-	210	223	-	223
Total non-current liabilities	8,745	6,535	2,210	8,580	6,312	2,268
Current interest-bearing liabilities	184	-	184	551	-	551
Short-term lease liability	1,031	927	105	981	878	103
Other current liabilities	2,308	-106	2,414	1,801	-96	1,897
Total current liabilities	3,524	821	2,702	3,332	781	2,551
TOTAL EQUITY AND LIABILITIES	17,412	7,165	10,247	16,563	7,003	9,560



Note 3: Revenue

SEK m	Third quarter		Nine months		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Education-related income	3,508	3,194	9,416	8,784	11,939
State subsidies	42	42	124	135	176
Other income	42	48	128	124	157
Net Sales	3,591	3,284	9,668	9,044	12,271

Income related to education consists of school vouchers and participant fees. Tuition fees are recognised 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 learning. Revenue for preschool operations is recognised based on the same fundamental principle. Revenue for services sold is recognised upon delivery to students. Revenue in the adult education operation is based on the same fundamental principles, but also takes into account the empirical estimate of the number of participants not completing the programme started, as well as estimates of compensation received based on the number of participants completing the programme.

State subsidies include State subsidies for the primary school initiative, smaller classes, skills development and before and after school care initiatives. State subsidies are recognised 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. Subsidies received to cover costs are recognised as an expense reduction for the relevant expense item, for example teacher salary premiums, head teacher premiums and other salary subsidies.

Other income refers to income not directly related to education.

Note 4: Related-party transactions

AcadeMedia acquired additional shares in Hypocampus AB in January 2021 and now owns 27% of the total number of shares. Hypocampus AB is now an associated company. AcadeMedias share of profit in the quarter was zero.

Related party transactions are described in detail in the 2019/20 Annual Report. Related party transactions take place at an arm's length basis. During the first nine months no significant related-party transactions took place.

Note 5: Acquisitions

Acquiring company	Acquired company	Acquisition date	Segment
ACM 2001 AB	RE Skolor AB ¹	17-Dec-20	Adult/Upper. Sec./Comp. S.
ACM 2001 AB	International Montessori School Sweden AB	01-Feb-21	Compulsory School

The purchase price allocations are preliminary one year from the acquisition date.

The acquisitions above represent a combined value of less than 5 percent of the Group. Voting rights amount to 100 percent.

The purchase consideration was in the form of cash.

Details of the net assets acquired and goodwill are given below. Goodwill attributed to company value exceeding net assets is not tax deductible.

Acquisition effects of acquisitions made (SEK m)	Total
Purchase consideration including transaction expenses and interest compensation	279
Purchase consideration excluding transaction expenses and including interest	276
Fair value of acquired net assets excluding goodwill	-73
Total goodwill	203

¹ RE Skolor AB owns 100% of the shares in Swedish Education Group AB.



Fair values acquired (SEK m)	Total
Intangible non-current assets	0
Property, plant and equipment	30
Right-of-use assets	385
Financial non-current assets	20
Current assets	31
Cash and cash equivalents	65
Interest bearing liabilities	-2
Interest bearing liabilities - IFRS 16	-385
Non-interest bearing liabilities	-69
Current tax liability	-2
Deferred tax liability	0
Net assets acquired	73

Goodwill that has arisen in connection with acquisitions consists of synergies with existing businesses, resources such as personnel, recruitment and personnel development and service organisation, which can be streamlined as a result of the acquisitions.

Impact of the acquisitions on the Group's cash and cash equivalents (SEK m)	Total
Purchase consideration excluding transaction expenses and including interest	276
Less purchase consideration that has not been settled in cash as of period end	-12
Cash and cash equivalents at time of acquisition	-65
Impact on the Group's cash and cash equivalents	199

Contribution of acquisitions to consolidated profit (SEK m)	Total
Net sales	99
Operating profit (EBIT)	7

If the units had been included in consolidated profit from July 1, 2020 the contribution would have been (SEK m)	Total
Net sales	353
Operating profit (EBIT)	27

Note 6: Specification of financial income and expenses

SEK m	Third quarter		Nine months		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Interest expense and similar profit/loss items					
Interest expense	-7	-8	-22	-29	-41
Borrowing costs *	-1	-2	-2	-5	-7
Interest expense on the lease liability	-92	-92	-278	-275	-365
Exchange rate losses	-	-2	-0	-3	-3
Other	-1	-1	-3	-4	-5
Interest expense and similar profit/loss items	-101	-105	-305	-316	-421
<i>Interest expense on property related lease liability</i>	-91	-91	-274	-271	-360

* Setup charges for new loans are expensed over the term of the loan.

Note 7: Financial instruments

AcadeMedia's financial instruments consist of accounts receivable, other receivables, accrued income, cash and cash equivalents, accounts payable, accrued trade payables, interest-bearing liabilities, and deferred consideration. Since loans to credit institutions are at variable interest, which essentially are deemed to correspond to current market interest rates, the book value excluding loan expenses is considered to correspond to fair value. Other financial assets and liabilities have short terms. It is therefore deemed that the fair values of all of the financial instruments are approximately equal to their book values.



Multi-year review

SEK million, unless otherwise stated	Third quarter		Nine months			Full year				
	2020/21	2019/20	2020/21	2019/20	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹	2015/16 ¹	
Profit/loss items, SEK m										
Net sales	3,591	3,284	9,668	9,044	12,271	11,715	10,810	9,520	8,611	
Items affecting comparability	6	36	7	36	36	1	-48	-23	-32	
EBITDA	750	700	2,014	1,773	2,486	931	872	827	722	
Depreciation/amortization	-405	-391	-1,175	-1,134	-1,513	-296	-250	-212	-186	
Operating profit/loss (EBIT)	345	309	840	639	973	635	622	615	535	
Net financial items	-98	-101	-302	-312	-417	-69	-68	-80	-127	
Profit/loss for the period before tax	247	208	538	328	556	566	555	535	408	
Profit/loss for the period after tax	190	161	414	252	431	431	430	416	319	
Balance sheet items, SEK m										
Non-current assets	15,885	15,396	15,885	15,396	15,285	8,218	7,823	6,574	6,141	
Current receivables and inventories	768	765	768	765	704	976	860	695	697	
Cash and cash equivalents	760	402	760	402	528	527	699	579	331	
Non-current interest-bearing liabilities	1,959	2,004	1,959	2,004	1,914	2,205	2,209	2,200	2,116	
Long-term lease liability	6,601	6,378	6,601	6,378	6,346	-	-	-	-	
Non-current non-interest-bearing liabilities	185	199	185	199	207	305	135	114	113	
Current interest-bearing liabilities	184	551	184	551	270	592	673	516	568	
Short-term lease liability	1,031	981	1,031	981	1,010	-	-	-	-	
Current non-interest-bearing liabilities	2,308	1,801	2,308	1,801	1,965	2,030	2,103	1,577	1,382	
Equity	5,144	4,650	5,144	4,650	4,807	4,589	4,262	3,443	2,990	
Total assets	17,412	16,563	17,412	16,563	16,518	9,720	9,383	7,849	7,169	
Capital employed*	7,649	7,463	7,649	7,463	7,250	7,386	7,144	6,158	5,674	
Net debt*	1,554	2,320	1,554	2,320	1,797	2,266	2,179	2,133	2,342	
Property adjusted net debt*	836	1,623	836	1,623	1,138	1,533	1,528	1,550	1,866	
Key ratios										
Net sales, SEK m	3,591	3,284	9,668	9,044	12,271	11,715	10,810	9,520	8,611	
Organic growth incl. Bolt-on acquisitions, %	7.3%	5.3%	7.3%	6.0%	5.4%	4.4%	5.8%	9.0%	6.4%	
Acquired growth, larger acquisitions, %	3.1%	-	1.1%	-	-	3.2%	7.9%	0.8%	0.4%	
Change in currency, %	-1.0%	-0.6%	-1.5%	-0.2%	-0.7%	0.8%	-0.1%	0.8%	-1.3%	
Operating margin (EBIT), %	9.6%	9.4%	8.7%	7.1%	7.9%	5.4%	5.8%	6.5%	6.2%	
Adjusted EBIT, SEK m	278	224	653	449	728	634	670	638	567	
Adjusted EBIT margin, %	7.7%	6.8%	6.8%	5.0%	5.9%	5.4%	6.2%	6.7%	6.6%	
Adjusted EBITDA, SEK m	373	313	923	704	1,066	930	920	850	754	
Adjusted EBIT margin, %	10.4%	9.5%	9.5%	7.8%	8.7%	7.9%	8.5%	8.9%	8.8%	
Return on capital employed, %, (12 months)*	12.3%	9.3%	12.3%	9.3%	10.0%	8.7%	10.1%	10.9%	10.1%	
Return on equity, %(12 months)*	13.8%	10.7%	13.8%	10.7%	11.4%	9.7%	11.2%	12.9%	12.1%	
Equity/assets ratio, %*	52.1%	49.6%	52.1%	49.6%	51.5%	47.2%	45.4%	43.9%	41.7%	
Interest coverage ratio, times*	23.4	15.3	23.4	15.3	15.9	12.5	10.9	9.4	4.8	
Net debt/Adjusted EBITDA (12 months)*	1.2	2.3	1.2	2.3	1.7	2.4	2.4	2.5	3.1	
Adjusted net debt/adjusted EBITDA (12 months)*	0.7	1.6	0.7	1.6	1.1	1.6	1.7	1.8	2.5	
Free cash flow	246	107	775	245	805	356	688	658	394	
Cash flow from investing activities	-61	-38	-309	-278	-375	-559	-970	-374	-386	
Number of full-time employees	13,767	12,759	13,236	12,668	12,686	12,405	11,863	10,564	9,714	

¹ Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases. Key performance indicator definitions are on pages 33 to 34.



Quarterly data, Group

Quarterly data SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,591	3,436	2,641	3,227	3,284	3,258	2,502	3,162	3,135	3,076	2,343
EBITDA	750	661	603	713	700	565	508	290	310	205	126
Depreciation/amortization	-405	-387	-382	-379	-391	-364	-379	-72	-80	-77	-68
Items affecting comparability	6	-9	10	-	36	-	-	-14	20	-11	5
Operating income (EBIT)	345	273	221	334	309	201	129	218	231	128	58
Total financial items	-98	-100	-104	-105	-101	-103	-108	-14	-14	-23	-17
Income before taxes	247	173	117	229	208	98	22	204	216	105	41
Tax for the current period	-58	-40	-26	-50	-47	-23	-5	-56	-45	-25	-10
Profit/loss for the period	190	133	91	179	161	75	16	148	172	79	31
Number of children/students, schools	89,691	85,927	85,642	82,999	82,940	82,325	81,468	79,994	79,873	79,335	78,770
Number of full-time employees	13,767	13,127	12,814	12,738	12,759	12,723	12,524	12,487	12,605	12,473	12,055
Number of education units	536	525	525	516	512	511	504	511	507	505	505
Key ratios											
Operating margin (EBIT), %	9.6%	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%	6.9%	7.4%	4.2%	2.5%
Adjusted EBIT	278	224	151	279	224	150	75	232	210	139	52
Adjusted EBIT, %	7.7%	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%	7.3%	6.7%	4.5%	2.2%
Adjusted EBITDA	373	315	235	363	313	237	153	304	290	216	120
Adjusted EBITDA, %	10.4%	9.2%	8.9%	11.2%	9.5%	7.3%	6.1%	9.6%	9.3%	7.0%	5.1%
Net margin, %	5.3%	3.9%	3.4%	5.5%	4.9%	2.3%	0.6%	4.7%	5.5%	2.6%	1.3%
Return on equity, % (12 months) ¹	13.8%	14.0%	12.8%	11.5%	10.7%	10.6%	10.0%	9.7%	9.1%	9.0%	10.6%
Return on capital employed, % (12 Months) ¹	12.3%	11.7%	10.8%	10.0%	9.3%	9.1%	8.8%	8.7%	8.5%	8.8%	9.5%
Equity/assets ratio, % ¹	52.1%	50.3%	51.5%	51.5%	49.6%	47.0%	46.9%	47.2%	46.8%	45.6%	44.3%
Net debt/Adjusted EBITDA (12 months) ¹	1.2	1.4	1.6	1.7	2.3	2.5	2.6	2.4	2.8	2.7	2.9
Interest coverage ratio ¹	23.4	21.5	18.4	15.9	15.3	13.9	13.3	12.5	10.8	10.3	10.6
Other											
Free cash flow	246	572	-42	560	107	260	-122	362	21	270	-296
Cash flow from operating activities	275	621	26	634	139	325	326	425	129	348	-219
Cash flow from investing activities	-61	-236	-12	-97	-38	-112	-128	-130	-170	-103	-156

¹ Net debt/EBITDA and interest coverage ratio are important key performance indicators in AcadeMedia's business which from 1 July 2019 are calculated adjusted for the effect of IFRS 16 Leases to reflect a comparable measure to key performance indicators from previous periods.



Quarterly data, segment

SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Preschool Segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children (average)	21,891	20,969	20,664	21,404	21,310	20,686	20,015	21,319	20,975	20,267	19,741
Net sales	1,020	958	755	964	1,007	981	755	1,009	974	924	712
Net sales Sweden	343	328	247	338	332	329	242	356	348	336	251
Net sales Norway	524	481	364	499	533	514	389	544	519	490	369
Net sales Germany	153	149	144	127	142	137	123	108	107	99	91
EBITDA	93	40	28	99	142	49	19	106	92	44	20
EBITDA margin, %	9.1%	4.2%	3.7%	10.3%	14.1%	5.0%	2.5%	10.5%	9.4%	4.8%	2.8%
Depreciation/amortization	-22	-20	-22	-19	-22	-22	-21	-14	-20	-20	-19
Operating profit/loss (EBIT)	71	19	7	80	121	27	-2	92	72	24	0
EBIT margin, %	7.0%	2.0%	0.9%	8.3%	12.0%	2.8%	-0.3%	9.1%	7.4%	2.6%	-
Items affecting comparability	-	-	-	-	53	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	71	19	7	80	68	27	-2	92	72	24	0
Adjusted EBIT margin, %	7.0%	2.0%	0.9%	8.3%	6.8%	2.8%	-0.3%	9.1%	7.4%	2.6%	-
Number of preschool units	270	267	266	262	260	259	253	257	254	252	252

SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Compulsory School Segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	27,046	26,193	26,170	25,706	25,339	24,983	24,689	24,482	24,417	24,195	23,964
Net sales	877	851	644	809	801	801	594	780	760	752	565
EBITDA	68	69	52	92	58	60	33	79	51	50	23
EBITDA margin, %	7.8%	8.1%	8.1%	11.4%	7.2%	7.5%	5.6%	10.1%	6.7%	6.6%	4.1%
Depreciation/amortization	-18	-18	-16	-17	-17	-17	-15	-16	-16	-16	-14
Operating profit/loss (EBIT)	50	52	36	75	40	43	17	63	35	34	9
EBIT margin, %	5.7%	6.1%	5.6%	9.3%	5.0%	5.4%	2.9%	8.1%	4.6%	4.5%	1.6%
Items affecting comparability	-	-	3	-	-	-	-	-8	-	4	-
Adjusted operating profit/loss (EBIT)	50	52	33	75	40	43	17	71	35	30	9
Adjusted EBIT margin, %	5.7%	6.1%	5.1%	9.3%	5.0%	5.4%	2.9%	9.1%	4.6%	4.0%	1.6%
Number of education units	116	112	112	111	109	109	108	110	110	110	110

SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Upper Secondary School Segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	40,753	38,765	38,808	35,889	36,291	36,656	36,764	34,194	34,481	34,873	35,065
Net sales	1,202	1,142	856	1,049	1,064	1,072	814	990	1,006	1,011	750
EBITDA	170	144	121	163	153	119	95	121	160	133	92
EBITDA margin, %	14.1%	12.6%	14.1%	15.5%	14.4%	11.1%	11.7%	12.2%	15.9%	13.2%	12.3%
Depreciation/amortization	-48	-47	-40	-42	-44	-43	-36	-37	-39	-37	-30
Operating profit/loss (EBIT)	122	97	81	121	109	76	60	84	122	96	62
EBIT margin, %	10.1%	8.5%	9.5%	11.5%	10.2%	7.1%	7.4%	8.5%	12.1%	9.5%	8.3%
Items affecting comparability	6	-	8	-	11	-	-	-6	20	-	5
Adjusted operating profit/loss (EBIT)	116	97	73	121	98	76	60	90	102	96	56
Adjusted EBIT margin, %	9.7%	8.5%	8.5%	11.5%	9.2%	7.1%	7.4%	9.1%	10.1%	9.5%	7.5%
Number of education units	150	146	147	143	143	143	143	144	143	143	143



SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Adult Education Segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	488	484	385	405	410	403	339	382	392	388	315
EBITDA	68	79	61	39	47	34	26	6	22	-1	4
EBITDA margin, %	13.9%	16.3%	15.8%	9.6%	11.5%	8.4%	7.7%	1.6%	5.6%	-0.3%	1.3%
Depreciation/amortization	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	64	75	57	35	43	31	22	2	19	-4	0
EBIT margin, %	13.1%	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%	0.5%	4.8%	-1.0%	-
Items affecting comparability	-	-	-	-	-	-	-	-	-	-15	-
Adjusted operating profit/loss (EBIT)	64	75	57	35	43	31	22	2	19	11	0
Adjusted EBIT margin, %	13.1%	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%	0.5%	4.8%	2.8%	-

SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Group-OH and adjustments	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4	1	1	1	3	0	0	0	4	0	0
EBITDA	351	329	342	320	300	302	335	-22	-15	-21	-13
Depreciation/amortization	-313	-298	-301	-298	-305	-279	-303	-2	-1	-1	-1
Operating profit/loss (EBIT)	38	31	41	23	-4	23	32	-24	-16	-22	-14
Items affecting comparability	-	-9	-	-	-28	-	-	-	-	-0	-
Adjusted operating profit/loss (EBIT)	-23	-19	-18	-32	-26	-27	-22	-24	-16	-22	-14

SEK million, unless otherwise stated	2020/21			2019/20				2018/19			
Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	89,691	85,927	85,642	82,999	82,940	82,325	81,468	79,994	79,873	79,335	78,770
Net sales	3,591	3,436	2,641	3,227	3,284	3,258	2,502	3,162	3,135	3,076	2,343
EBITDA	750	661	603	713	700	565	508	290	310	205	126
EBITDA margin, %	20.9%	19.2%	22.8%	22.1%	21.3%	17.3%	20.3%	9.2%	9.9%	6.7%	5.4%
Depreciation/amortization	-405	-387	-382	-379	-391	-364	-379	-72	-80	-77	-68
Operating profit/loss (EBIT)	345	273	221	334	309	201	129	218	231	128	58
EBIT margin, %	9.6%	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%	6.9%	7.4%	4.2%	2.5%
Items affecting comparability	6	-9	10	-	36	-	-	-14	20	-11	5
Effect of IFRS 16 on operating profit	61	59	59	55	50	51	54	-	-	-	-
Adjusted operating profit/loss (EBIT)	278	224	151	279	224	150	75	232	210	139	52
Adjusted EBIT margin, %	7.7%	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%	7.3%	6.7%	4.5%	2.2%
Net financial items	-98	-100	-104	-105	-101	-103	-108	-14	-14	-23	-17
Profit/loss after financial items	247	173	117	229	208	98	22	204	216	105	41
Tax	-58	-40	-26	-50	-47	-23	-5	-56	-45	-25	-10
Profit/loss for the period	190	133	91	179	161	75	16	148	172	79	31
Number of full-time employees (period)	13,767	13,127	12,814	12,738	12,759	12,723	12,524	12,487	12,605	12,473	12,055
Number of units	536	525	525	516	512	511	504	511	507	505	505



Reconciliation of alternative key performance indicators

The table below presents the data from which the alternative performance indicators used in the report are calculated. See definitions for more information.

SEK million, unless otherwise stated	Third quarter		Nine months		Full year			
	2020/21	2019/20	2020/21	2019/20	2019/20	2018/19	2017/18	2016/17
Adjusted operating profit								
Operating profit	345	309	840	639	973	635	622	615
- Items affecting comparability	6	36	7	36	36	1	-48	-23
- IFRS 16 impact	61	50	179	155	209	-	-	-
= Adjusted operating profit	278	224	653	449	728	634	670	638
Adjusted EBIT margin								
Adjusted operating profit	278	224	653	449	728	634	670	638
Divided by /Net sales	3,591	3,284	9,668	9,044	12,271	11,715	10,810	9,520
= Adjusted EBIT margin	7.7%	6.8%	6.8%	5.0%	5.9%	5.4%	6.2%	6.7%
Adjusted EBITDA								
Adjusted operating profit	278	224	653	449	728	634	670	638
- Depreciation excluding depreciation relating to property rental agreements	-95	-89	-270	-255	-338	-296	-250	-212
= Adjusted EBITDA	373	313	923	704	1 066	930	920	850
Net debt								
Non-current interest-bearing liabilities	8,560	8,381	8,560	8,381	8,260	2,205	2,209	2,200
+ Current interest-bearing liabilities	1,216	1,531	1,216	1,531	1,279	592	673	516
- Non-current interest-bearing receivables*	-	-	-	-	-	4	4	4
- Cash and cash equivalents	760	402	760	402	528	527	699	579
- IFRS 16 Non-current and current lease liabilities ¹	7,462	7,190	7,462	7,190	7,214	-	-	-
= Net debt	1,554	2,320	1,554	2,320	1,797	2,266	2,179	2,133
Property-adjusted net debt								
Net debt (as described above)	1,554	2,320	1,554	2,320	1,797	2,266	2,179	2,133
- non-current property loans	694	604	694	604	597	644	603	467
- current property loans	24	93	24	93	62	89	48	116
= Property adjusted net debt	836	1,623	836	1,623	1,138	1,533	1,528	1,550
Return on capital employed %, 12 months								
EBIT (12 months)	933	681	933	681	728	634	670	638
+ Interest income	0	1	0	1	0	1	2	7
divided by								
Average equity (12 months)	4,897	4,536	4,897	4,536	4,698	4,426	3,853	3,216
+ average non-current interest-bearing liabilities (12 months)	8,471	5,301	8,471	5,301	5,232	2,207	2,204	2,158
+ average current interest-bearing liabilities (12 months)	1,373	1,055	1,373	1,055	935	632	594	542
- IFRS 16 average equity ¹	-141	-45	-141	-45	-59	-	-	-
- IFRS 16 average non-current and current lease liabilities ¹	7,326	3,595	7,326	3,595	3,607	-	-	-
= Return on capital employed %, 12 months	12.3%	9.3%	12.3%	9.3%	10.0%	8.7%	10.1%	10.9%
Return on equity %, 12 months								
Profit/loss after tax (12 months)	593	400	593	400	431	431	430	416
- IFRS 16 profit/loss after tax (12 months)	-101	-90	-101	-90	-117	-	-	-
divided by								
Average equity (12 months)	4,897	4,536	4,897	4,536	4,698	4,426	3,853	3,216
- IFRS 16 average equity ¹	-141	-45	-141	-45	-59	-	-	-
= Return on equity %, 12 months	13.8%	10.7%	13.8%	10.7%	11.4%	9.7%	11.2%	12.9%



SEK million, unless otherwise stated	2020/21			2019/20			2018/19				
Interest coverage ratio	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted operating profit EBIT (12 months)	933	878	805	728	681	667	656	634	609	613	641
+ Interest income (12 months)	0	0	0	0	1	1	1	1	1	2	2
+ Other financial income (12 months)	3	4	4	4	4	2	2	2	2	4	4
divided by											
Interest expense (12 months)	-403	-404	-404	-406	-316	-229	-142	-51	-57	-60	-61
- Interest expense (12 months) IFRS 16	-363	-363	-360	-360	-271	-180	-92	-	-	-	-
= Interest coverage ratio (Excl. IFRS 16)	23.4	21.5	18.4	15.9	15.3	13.9	13.3	12.5	10.8	10.3	10.6

¹ Amounts relate to adjustments and reclassifications made to reverse the adjustments associated with implementation of the new accounting standard, IFRS 16 Leases, to reflect an accounting practice applied in previous accounting periods (IAS 17).

² Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.

³ Included in the line item Other non-current assets in the consolidated balance sheet



Definitions of key performance indicators

Implementation of IFRS16 has a major impact on AcadeMedia in that all leases must be capitalised as lease assets and liabilities, respectively. Several important key performance indicators have the same definition as previously and are not affected by IFRS 16. AcadeMedia uses prospective application from 1 July 2019, which means that the previous year's accounts have not been restated.

KPIs	Definition	Purpose ¹
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.	The 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.	The number of education units indicates how the Company grows over time through new establishments and acquisitions minus discontinued units.
Number of full-time employees	Average number of full-time employees during the period, full-time equivalent (FTE).	The number of employees is the main cost driver for the Company.
Return on equity ²	Profit/loss for the most recent 12-month period according to IAS 17 i.e. excluding the effects of the implementation of IFRS16, divided by average equity applying IAS 17 (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 ²	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital.	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.
EBITDA	Operating profit/loss before depreciation/amortisation and impairment of non-current assets and right-of-use assets. This KPI is only used for monitoring the segments which accounts for leasing of properties in accordance with IAS 17.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to set EBITDA in relation to sales.
Equity excl. IFRS16 ²	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16.	Equity excluding IFRS16 is used to be able to calculate return on equity consistently.
Net financial items	Financial income less financial expenses.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.
Free cash flow ²	Cash flow from operating activities and changes in working capital inclusive of property lease payments less investments in operating activities. Investments in operating activities relate to all investments in property, plant and equipment and intangible assets except buildings and acquisitions.	This measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for purposes such as expansion, amortisation, or dividends.
Acquired growth	Increase of net sales due to larger acquisitions during the last 12 months.	Indicates growth generated from acquisitions in contrast to organic growth and currency effects.
Adjusted EBITDA ²	Operating profit/loss according to the previous standard IAS 17 i.e. excluding the effects of IFRS16 and before amortisation/depreciation of intangible assets and property, plant, and equipment, and excluding items affecting comparability.	Adjusted EBITDA is used to measure underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin ²	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt ²	Net debt less real estate-related loans.	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 off and sold.
Adjusted net debt/Adjusted EBITDA ²	Adjusted net debt 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 (adjusted EBITDA), to pay off the Company's liabilities, including property-related loans. It shows the loan-to-value ratio of the business excluding real assets such as real estate.
Adjusted EBIT ²	Operating profit/loss (EBIT) according to the previous standard IAS 17 i.e. excluding the effects of the implementation of IFRS 16, adjusted for items affecting comparability.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin ²	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as larger (>SEK 5 million) retroactive income related to prior financial years, to property-related items such as capital gains, major property damage not covered by insurance, advisory costs relating to larger acquisitions or fundraising, major integration costs resulting from	Items affecting comparability are used to illustrate the profit/loss items that are not included in ongoing operating activities, to obtain a clearer picture of the underlying profit trend.

¹ According to ESMA guidelines on performance measures, each performance measure must be motivated.

² The key indicator was calculated applying IAS 17 ie excluding effects from implementing IFRS 16, as the implementation had a significant impact on assets and liabilities as well as items in the income statement. By excluding the IFRS 16 effects continuity is achieved.



	acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in closing units.	
Net debt ²	Interest-bearing debt excluding property-related lease liabilities net of cash and cash equivalents and interest-bearing receivables.	Net debt is used to illustrate the size of the debt less current cash and cash equivalents (which in theory could be used to repay loans).
Net debt/ Adjusted EBITDA ²	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months. .	Net debt/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.
Organic growth incl. smaller bolt-on acquisitions	Increase of net sales excluding larger acquisitions and changes in currency.	The Company's growth target is to increase net sales including smaller bolt-on acquisitions by 5-7 percent per year. The purpose of the key performance indicator is thus to follow up on this target.
Employee turnover	The 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) Calculated on an aggregated basis over the reporting period.	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
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. The key performance indicator is affected by IFRS16 because net profit is affected by elimination of rent and the addition of amortisation and interest expense related to right-of-use assets.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
Interest coverage ratio ²	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense excluding interest expense attributable to property-related leasing liabilities.	Interest coverage ratio is used to measure the Company's ability to pay interest costs.
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.
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). Calculated as an average over the reporting period.	Absence due to illness is used to measure employee absence and provide indications as to employee health.
Equity/assets ratio ²	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16 in percent of total assets excluding property-related right of use assets.	The equity/assets ratio shows the proportion of the Company's total assets financed by shareholders' equity. A high equity/assets ratio is a measure of financial strength.
Capital employed excl. IFRS16 ²	Total assets, less non-interest-bearing current liabilities, provisions, and deferred tax liabilities adjusted for property-related lease liabilities. Or: Equity plus interest-bearing liabilities but excluding property-related lease liabilities.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the IFRS16 effect, continuity can be achieved in the return figure.

General

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period in 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.

