



Change Through Education

AcadeMedia AB (publ)

# INTERIM REPORT July 2020 – June 2021

10,4 organic growth excluding currency effects

Higher expenses in the quarter, due to lower levels of annual leave and higher activity levels

The board proposes dividend of 1.75 SEK (1.50) per share

**AcadeMedia**

# Academedia

## Year-end report 2020/21

### Fourth quarter (April – June 2021)

- Net sales increased by 13.8 percent and amounted to SEK 3,672 million (3,227). Organic growth, including bolt-on acquisitions and adjusted for currency effects, was 10.4 percent.
- Operating profit (EBIT) amounted to SEK 329 million (334).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 280 million (279). Items affecting comparability amounted to SEK -14 million (0).
- Net profit for the period amounted to SEK 180 million (179).
- Diluted earnings per share was SEK 1.70 (1.70). Adjusted for IFRS 16, diluted earnings per share was SEK 1.90 (1.95).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the fourth quarter was 90,032 (82,999), representing an increase of 8.5 percent. Adjusted for the acquisition of Swedish Education Group, the increase was 5.4 percent.
- Operations have gradually returned to normal with less distance education and previously postponed activities have to a larger extent been conducted.

### Full year (July 2020 – June 2021)

- Net sales increased by 8.7 percent to SEK 13,340 million (12,271). Organic growth, including bolt-on acquisitions and adjusted for currency effects, amounted to 8.1 percent.
- Operating profit (EBIT) amounted to SEK 1,169 million (973).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 934 million (728). Items affecting comparability amounted to SEK -8 million (36).
- Net profit for the period amounted to SEK 594 million (431).
- Diluted earnings per share was SEK 5.62 (4.09). Adjusted for IFRS 16, diluted earnings per share was SEK 6.52 (5.21).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the year was 87,823 (82,433), representing an increase of 6.5 percent. Adjusted for the acquisition of Swedish Education Group, the increase was 5.0 percent.
- The Board of Directors proposes a dividend of SEK 1.75 per share (1.50) for the 2020/21 financial year.

(SEK m)	Fourth quarter			Full year		
	2020/21	2019/20	Change	2020/21	2019/20	Change
Net sales	3,672	3,227	13.8%	13,340	12,271	8.7%
Adjusted EBITDA <sup>1</sup>	374	363	3.0%	1,297	1,066	21.7%
Adjusted EBITDA margin, %	10.2%	11.2%	-1.0 p.e.	9.7%	8.7%	1.0 p.e.
Operating profit	329	334	-1.5%	1,169	973	20.1%
EBIT margin, %	9.0%	10.4%	-1.4 p.e.	8.8%	7.9%	0.9 p.e.
Adjusted operating profit (EBIT) <sup>1</sup>	280	279	0.4%	934	728	28.3%
Adjusted EBIT margin, %	7.6%	8.6%	-1.0 p.e.	7.0%	5.9%	1.1 p.e.
Total financial items	-100	-105	4.8%	-402	-417	3.6%
Income before taxes	229	229	0.0%	767	556	37.9%
Profit/loss for the period	180	179	0.6%	594	431	37.8%
Earnings per share basic/diluted (SEK)	1.70	1.70	0.2%	5.62	4.09	37.4%
Free cash flow <sup>3</sup>	341	560	-39.1%	1,117	805	38.8%
Number of children and students <sup>2</sup>	90,032	82,999	8.5%	87,823	82,433	6.5%
Number of FTEs	13,733	12,738	7.8%	13,360	12,686	5.3%

<sup>1</sup> 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. <sup>2</sup> Excl. Adult Education. <sup>3</sup> The key indicator was calculated applying IAS 17 i.e. excluding effects from implementing IFRS 16. See definitions on pages 33 to 34.



## From our CEO

*The 2020/21 financial year was from many perspectives AcadeMedia's best and most stable year so far. Despite many challenges in our environment our quality results are good, growth is high, and the financial development strong. The number of students in the school segments increases steadily, reaching 6.5 percent growth for the full year and 8.5 percent in the fourth quarter. AcadeMedia has strengthened its position as the leading education provider.*

In the fourth quarter, some of the previously postponed activities could take place and lower annual leave resulted in higher costs. All in all, operating profit for the quarter was in line with last year. Over the full year 2020/21, sales and operating profit developed positively and we are reaching our financial targets. The main explanation for the improved earnings was the increased demand for adult education. Our business model has stood firm in these tumultuous times and we have been able to continue the strategic work focusing on acquisitions and organic growth of our core business. Going forward, these areas will continue to be a priority.

The impact of the pandemic has been significant for daily operations, but the hope is that it fades, and we plan for a normal start of the autumn term. At the same time, the consequences of the pandemic will be felt for a long time. In Sweden, we see an increase in mental health issues among young people, and there is uncertainty regarding the actual knowledge acquisition of students – two issues that AcadeMedia and our industry colleagues will need to work on for a long time. I am grateful that we have highly skilled and capable employees to take on these tasks, and that we have the necessary financial resources to act. The pandemic has had a major impact on our operations in all countries, but the financial impact has been limited.

### Adult education has never been stronger

Our Adult Education Segment performed strongly over the past financial year. Just over a year ago, many pieces started to fall into place – a relatively young contract portfolio and high demand ahead of the autumn term, while unprofitable contracts were being phased out. We also observed that further investment in adult education was imminent. Even before the pandemic, we experienced rising demand for our services, driven by skills shortages in the labour market. The rapid rise in unemployment in the wake of the pandemic further fuelled demand. As a result, our adult education programmes had more participants than we anticipated. More places were added, and capacity utilisation was higher. One year on, our contract portfolio is still relatively young, and we have no major renegotiations or procurements for the next two years. The labour market is now improving and more of our participants will resume work. Even though volumes might be affected, the need for retraining remains. During the pandemic we have also strengthened our position as the leading on-line educator, a position which we aim to keep and manage.

### The school segments return to normal activities

Operations in Sweden and Norway have largely been open during the year, although much of our upper secondary school education and parts of our compulsory school education have been run as distance education. It has been stressful for many and a number of activities that take place during a normal school year were cancelled or postponed. This resulted in lower costs during the second and third quarter of the fiscal year. During the fourth quarter, some corona-related directives were revised, enabling many of the cancelled and postponed activities to resume. We were also able to do more extensive maintenance work, including improvements to outdoor areas at both preschools and compulsory schools. This has of course impacted earnings.

### In Germany, operations are also returning to normal

In Germany, the pandemic put pressure on our operations when society was impacted by varying degrees of lockdowns. Our new establishments were delayed, and it has been more difficult to recruit staff, as many people are cautious about changing jobs. We now see a change and capacity utilisation improved during the fiscal year's final quarter compared to last year. For the full year, capacity utilisation will amount to 90.1 percent, which is higher than 2019/20 (89.7), but somewhat lower than 2018/19 (90.2). The need for preschool places remains high.

### 18 new units planned for 2021/22 financial year

The number of students increased by 6.5 percent during the year, as a result of acquisitions, new starts and organic growth in student numbers. In total, we opened 17 new units during the year. In Sweden, the independent school segment has expanded and there are now more children and students attending an independent school than ever before.

The potential for growth remains encouraging, with a significant shortage of preschool places in Germany and a favourable demographic trend in the Upper Secondary School Segment. Although we expect a slowdown in the Adult Education Segment in the year ahead, the reform in the Public Employment Service and its labour market training programme will bring new opportunities. As previously indicated, we are approaching this new market with some caution, as there is a high degree of uncertainty in the forecasts provided by the Public Employment Service.

The plan for organic growth is clearly defined, with a focus on preschools in Germany and the Swedish upper secondary school market. In 2021/22, we look forward to executing our plan to open the doors at 18 new units, comprising three upper secondary schools in Sweden and 15 preschools in Germany. A compulsory school with an integrated preschool with 175 students was acquired at the beginning of the financial year 2021/22. Looking even further ahead to 2022/23, the construction of two state-of-the-art upper secondary school campuses in Stockholm will be completed, as well as a new compulsory school in Örebro.

So, there is major potential for growth in our core business. High quality preschools, compulsory schools,

upper secondary schools and adult education will always be in demand.

#### **Preliminary student figures autumn 2021**

Preliminary student numbers for the autumn show an aggregate average growth of around 7 percent in AcadeMedia's three school segments, reaching approximately 91,600 children and students. Almost 16,000 of them attends the first year in upper

secondary school. It is gratifying that so many have shown confidence in us, and we look forward to following all of them during their schooling years.

### **Marcus Strömberg**

President and CEO

AcadeMedia AB (publ)



## Development in the fourth quarter (April 2021 to June 2021)

### Impact following the corona pandemic

High unemployment continues to drive strong demand for adult education, contributing to high volumes. In the school segments, operation have gradually returned to classroom tutoring as the national recommendations about distance education ceased on 1 April and the spread of the virus declined. Consequently, previously postponed activities could take place to a larger extent, which has increased costs in the quarter.

### Volume development and net sales

Net sales in the fourth quarter increased by 13.8 percent to SEK 3,672 million (3,227). The acquisition of Swedish Education Group (Segab) contributed with 3.0 percentage points. Organic growth, including bolt-on acquisitions and adjusted for fx-effects, was 10.4 percent. The average number of children and students, excluding the Adult Education Segment, increased by 8.5 percent to 90,032 (82,999).

### Adjusted EBIT and operating profit (EBIT)

Adjusted EBIT was SEK 280 million (279) with an adjusted EBIT margin of 7.6 percent (8.6). Operating profit (EBIT) was SEK 329 million (334) with an EBIT margin of 9.0 percent (10.4). Segab contributed with approximately SEK 6 million to EBIT.

Earnings were in line with previous year. Continued high demand for adult education and strong increase in the number of students in the school segments mitigated the higher costs primarily in the Compulsory School and Upper Secondary School Segments. Activities which previously had been postponed were to a larger extent conducted in the quarter, leading to higher costs for maintenance and variable costs of approximately SEK 30 million. Less vacation in the period increased personnel cost with SEK 25 million.

Group overhead expenses increased slightly, relating to costs for activities taking place which previously in the year had been postponed.

### Net financial items

Net financial items amounted to SEK -100 million (-105) of which interest expense from property related lease liabilities was SEK -91 million (-89). Other financial

items were lower than last year and amounted to SEK -9 million (-16).

### Profit and comprehensive income for the period

Profit after tax increased to SEK 180 million (179). Tax expense for the fourth quarter was SEK -50 million (-50), representing an effective tax rate of 21.7 percent (21.7). Comprehensive income was SEK 157 million (157) and was impacted by actuarial losses of SEK -4 million (-9), as well as translation differences SEK -19 million (-13).

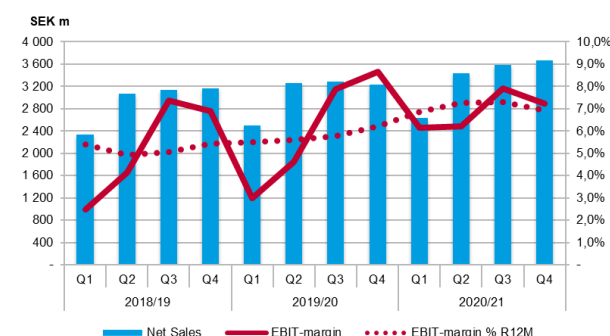
Adjusted for property related lease expenses, profit for the period decreased to SEK 201 million (206) and comprehensive income was SEK 179 million (184).

### Items affecting comparability

Items affecting comparability SEK m	Fourth quarter	
	2020/21	2019/20
Integration expenses, SEGAB	-4	-
Restructuring expenses (Upper Sec.)	-10	-
<b>Total</b>	<b>-14</b>	<b>-</b>

### Acquisitions, divestments, new establishments, and discontinued operations

In the quarter one pre-school in Norway was acquired and the expansion in Germany continued with opening of two new units.



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

### Fourth 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	22,265	21,404	1,068	964	79	80	7.4%	8.3%	79	80	7.4%	8.3%
Compulsory School	27,374	25,706	888	809	63	75	7.1%	9.3%	63	75	7.1%	9.3%
Upper Secondary School	40,394	35,889	1,223	1,049	112	121	9.2%	11.5%	102	121	8.3%	11.5%
Adult Education	- <sup>1</sup>	- <sup>1</sup>	492	405	59	35	12.0%	8.6%	59	35	12.0%	8.6%
Group adj., Parent Company	-	-	0	1	-33	-32	-	-	-38	-32	-	-
Impact from IFRS 16 <sup>2</sup>	-	-	-	-	-	-	-	-	63	55	-	-
<b>Total</b>	<b>90,032</b>	<b>82,999</b>	<b>3,672</b>	<b>3,227</b>	<b>280</b>	<b>279</b>	<b>7.6%</b>	<b>8.6%</b>	<b>329</b>	<b>334</b>	<b>9.0%</b>	<b>10.4%</b>

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

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



## Development for the full year (July 2020 to June 2021)

### Volume development and net sales

Net sales increased by 8.7 percent and amounted to SEK 13,340 million (12,271). Acquisition of Segab contributed with 1.6 percentage points. The organic growth, including bolt-on acquisitions and adjusted for fx-changes, was 8.1 percent. The average number of students, excluding the Adult Education Segment, increased by 6.5 percent to 87,823 (82,433).

### Operating profit (EBIT) and adjusted EBIT

Adjusted EBIT for the year increased to SEK 934 million (728) with an adjusted EBIT margin of 7.0 percent (5.9). All segments contributed to the improved profit. Operating profit (EBIT) was SEK 1,169 million (973), EBIT margin was 8.8 percent (7.9).

The Adult Education Segment almost doubled operating profit compared to last year following 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 increased number of students. Cancelled and postponed activities due to the pandemic, led to lower expenses during the second and third quarter. During the fourth quarter, some corona-related directives were revised, enabling the reinstatement of many of the cancelled and postponed activities.

Delayed new openings and difficulties to recruit staff in Germany due to the pandemic affected the number of children in the Preschool Segment. Staff planning in Sweden and higher school voucher in Norway mitigated the effect of temporarily lower capacity utilisation in Germany.

Group overhead expenses were lower, mainly due to the cost reduction initiatives last year.

### Net financial items

Net financial items for the year amounted to SEK -402 million (-417) of which interest expense from property

related lease liabilities was SEK -365 million (-360). Other financial items were lower than last year SEK -37 million (-56).

### Profit and comprehensive income for the period

Profit after tax increased and was SEK 594 million (431). Tax expense for the year was SEK -173 million (-125), representing an effective tax rate of 22.6 percent (22.5). Comprehensive income was SEK 651 million (345) impacted by actuarial gains of SEK 43 million (-14), following higher interest rates, as well as translation differences SEK 14 million (-72).

Adjusted for property related lease expenses, profit for the period increased to SEK 689 million (548) and comprehensive income was SEK 746 million (462).

### Items affecting comparability

Items affecting comparability	Full year	
	2020/21	2019/20
SEK m		
Integration expenses, SEGAB	-12	-
Acquisition-related expenses	-2	-
Retroactive revenue from previous years	22	11
Restructuring expenses	-16	-11
Write down of assets	-	-17
Pension change Norway	-	53
<b>Total</b>	<b>-7</b>	<b>36</b>

### Acquisitions, divestments, new establishments and discontinued operations

During the year, 23 units (net) were added. 17 new units opened, nine units were acquired, and three units were closed. In Germany, nine new units opened.

For the 2021/22 financial year, 18 new units are planned. Three upper secondary schools and 15 preschools in Germany, of which eight preschools already in the first quarter.

### Full year 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	21,447	20,854	3,800	3,707	176	174	4.6%	4.7%	176	226	4.6%	6.1%
Compulsory School	26,696	25,179	3,260	3,005	198	176	6.1%	5.9%	201	176	6.2%	5.9%
Upper Secondary School	39,680	36,400	4,424	3,999	398	354	9.0%	8.9%	402	365	9.1%	9.1%
Adult Education	- <sup>1</sup>	- <sup>1</sup>	1,850	1,557	255	131	13.8%	8.4%	255	131	13.8%	8.4%
Group adj., Parent Company	-	-	6	4	-94	-107	-	-	-108	-135	-	-
Impact from IFRS 16 <sup>2</sup>	-	-	-	-	-	-	-	-	243	209	-	-
<b>Total</b>	<b>87,823</b>	<b>82,433</b>	<b>13,340</b>	<b>12,271</b>	<b>934</b>	<b>728</b>	<b>7.0%</b>	<b>5.9%</b>	<b>1,169</b>	<b>973</b>	<b>8.8%</b>	<b>7.9%</b>

<sup>1</sup> 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. <sup>2</sup> 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)	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
<b>Cash flow from operating activities before changes in working capital</b>	<b>323</b>	<b>347</b>	<b>1,168</b>	<b>926</b>
Cash flow from changes in working capital	112	287	190	142
<b>Cash flow from operating activities</b>	<b>435</b>	<b>634</b>	<b>1,357</b>	<b>1,069</b>
Investments related to existing operations <sup>1</sup>	-94	-74	-241	-264
Investments related to expansion <sup>2</sup>	-34	-23	-196	-111
<b>Cash flow from investing activities</b>	<b>-128</b>	<b>-97</b>	<b>-437</b>	<b>-375</b>
<b>Cash flow from financing activities</b>	<b>-95</b>	<b>-409</b>	<b>-487</b>	<b>-678</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>213</b>	<b>128</b>	<b>433</b>	<b>16</b>
<i>Free cash flow before expansion investments<sup>3</sup></i>	341	560	1,117	805

Cash flow from operating activities for the fourth quarter amounted to SEK 435 million (634). The lower cash flow was due to a somewhat lower operating profit, but mainly due to a weaker working capital development, SEK +112 million (+287), compared to last year. The change in net working capital was mainly a result of calendar effects as per 31 March 2021 with higher prepaid income in Norway of SEK +100 million.

Investments in existing operations<sup>1</sup> was higher compared to last year and amounted to SEK -94 million (-74), contributing to a free cash flow<sup>2</sup> of SEK 341 million (560). Expansion investments<sup>3</sup> in the period were SEK -34 million (-23) and related to acquisitions. In total, cash flow from investing activities amounted to SEK -128 million (-97). Cash flow from financing activities totalled SEK -95 million (-409). All in all, cash flow for the quarter amounted to SEK 213 million (128).

For the full year 2020/21, cash flow from operating activities amounted to SEK 1,357 million (1,069). The increase was a result of both improved profit and improvement in net working capital development, SEK +190 million (+142). The positive net working capital development reflects higher prepaid income among other things.

Investments in existing operations<sup>1</sup> during the full year was lower compared to last year and amounted to SEK -241 million (-264) contributing to a free cash flow<sup>2</sup> of SEK 1 117 million (805). Expansion investments<sup>3</sup> in the period were SEK -196 million (-111) of which the acquisitions affected cash flow with SEK -235 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 -437 million (-375). Cash flow from financing activities totalled SEK -487 million (-678) and consisted, among other things, of dividend to shareholders of SEK -158 million (-132). All in all, cash flow from the 2020/21 fiscal year amounted to SEK 433 million (16).

<sup>1</sup> 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.

<sup>2</sup> Free cash flow before expansion investments consists of cash flow from operating activities less investments relating to existing operations.

<sup>3</sup> Expansion investments include investments in owned preschool buildings in Norway, as well as acquisitions and divestments.



## 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 30 June 2021 amounted to SEK 5,529 million (4,925) and the equity/asset<sup>1</sup> ratio increased to 53.3 percent (51.5).

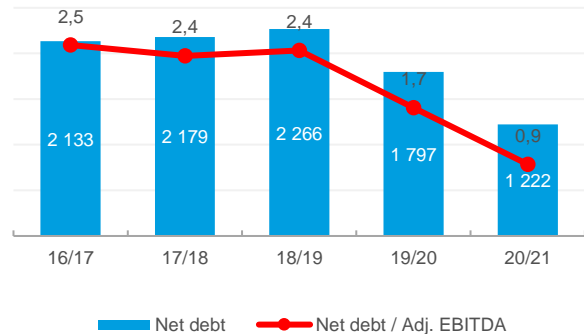
Interest-bearing net debt<sup>1</sup> excluding property related lease liabilities amounted to SEK 1,222 million (1,797). The lower net debt is due to improved earnings and consequently a positive cash flow.

Excluding real estate loans, adjusted net debt<sup>1</sup> amounted to SEK 526 million (1,138). 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 37 million over the past 12 months to SEK 696 million (659). Currency effects were SEK +16 million.

Buildings increased during the year by SEK 43 million to SEK 1,044 million (1,001) following acquisitions, investments and positive currency effects.

Net debt in relation to adjusted EBITDA<sup>1</sup> (rolling 12 months) amounted to 0.9 (1.7), 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 EBITDA<sup>1</sup> (12m) was 0.4 (1.1).

During the fourth quarter, an impairment test regarding goodwill and other intangible assets with indefinite life was performed on the group's cash generating units based on long term business plans. No cash generating unit had a book value exceeding its recoverable amount. Therefore, no impairment of goodwill or impairment of other intangible assets with indefinite life was reported during 2020/2021.



<sup>1</sup> 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 4.0 percent to 22,265 (21,404) in the fourth quarter compared with last year.
- Sales increased by 10.8 percent to SEK 1,068 million (964). Adjusted for fx-effects, net sales increased by 9.9 percent.
- Adjusted operating profit (adj. EBIT) decreased to SEK 79 million (80).

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 106 units. In Germany we operate preschools at 58 units. The segment had a total of 273 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. The financial effect for the full year is 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. All operations plan for normal operations in the autumn.

### Outcome for the fourth quarter

The average number of children increased by 4.0 percent compared with the previous year and amounted to 22,265 (21,404). The increase was driven by new establishments in Germany. Sales increased by 10.8 percent to SEK 1,068 million (964). Adjusted for positive currency effects, SEK +8 million, net sales increased by 9.9 percent. The average voucher increase for AcadeMedia's Swedish and Norwegian preschools were 1.9 (1.4) percent and 4.4 (3.7) percent, respectively. Also, the comparative year was affected by lower parental fees in Germany of SEK -12 million.

Adjusted operating profit was in line with last year, SEK 79 million (80) but the margin decreased to 7.4 percent (8.3). The profit was affected by higher cost in the Swedish operation SEK 7 million related to maintenance and improvement to outdoor areas and higher pension costs in Norway SEK 6 million, which was mitigated by the higher school voucher in Norway. Operating profit (EBIT) was SEK 79 million (80) and the margin was 7.4 percent (8.3).

### Outcome for the year

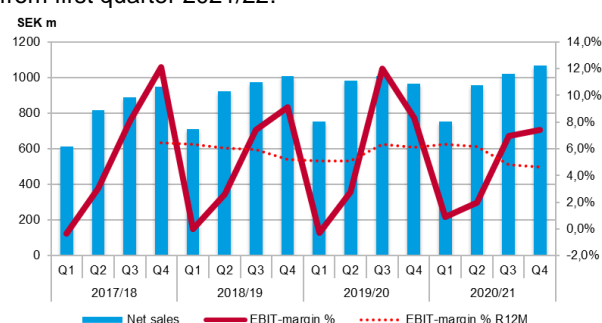
The average number of children increased by 2.8 percent and amounted to 21,447 (20,854). Net sales increased by 2.5 percent and amounted to SEK 3,800 million (3,707). Adjusted for negative currency effects of SEK -120 million, net sales increased by 5.9 percent.

Adjusted operating profit (EBIT) increased to 176 MSEK (174) and adjusted operating margin was 4.6% (4.7). The result was positively affected by more efficient staff planning in Sweden and higher vouchers in Norway. Temporarily lower capacity utilization in Germany following the pandemic and higher pension costs in Norway, SEK 18 million, dampened the development. Operating profit (EBIT) for the year was SEK 176 million (226), with an operating margin of 4.6 percent (6.1). Operating profit last year was affected by a non-recurring curtailment gain, relating to a change in pension plan in Norway, of SEK 53 million.

### Operational changes

In the fourth quarter, two new preschools opened in Germany and one preschool in Norway was acquired. In total, 13 units were added during the full year. One acquired, in Norway, and twelve new units opened, of which nine 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 Norway, a contract with Oslo municipality to operate two preschools was terminated, which will impact annual net sales and EBIT negatively with NOK 54 million and NOK 8 million respectively from first quarter 2021/22.



SEK m	Fourth quarter			Full year		
	2020/21	2019/20	Change	2020/21	2019/20	Change
Net sales	1,068	964	10.8%	3,800	3,707	2.5%
EBITDA	104	99	5.1%	264	310	-14.8%
EBITDA margin, %	9.7%	10.3%	-0.6 p.e.	6.9%	8.4%	-1.5 p.e.
Depreciation/amortization	-24	-19	-26.3%	-88	-83	-6.0%
Operating profit (EBIT)	79	80	-1.3%	176	226	-22.1%
EBIT margin, %	7.4%	8.3%	-0.9 p.e.	4.6%	6.1%	-1.5 p.e.
Items affecting comparability	-	-	n.a.	-	53	n.a.
Adjusted operating profit (EBIT)	79	80	-1.3%	176	174	1.1%
Adjusted EBIT margin, %	7.4%	8.3%	-0.9 p.e.	4.6%	4.7%	-0.1 p.e.
Number of children and students	22,265	21,404	4.0%	21,447	20,854	2.8%
Number of units	273	262	4.2%	269	259	3.9%

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 6.5 percent to 27,374 (25,706) compared to last year.
- Sales increased by 9.8 percent to SEK 888 million (809).
- Adjusted operating profit (adj. EBIT) decreased to SEK 63 million (75).

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 continued to have limited effect on operations during the quarter. Classes were mainly conducted in classroom with clear guidelines on how to limit spread of infection. Grade 6-9 have to a certain extent conducted distance education.

### Outcome for the fourth quarter

The average number of students increased by 6.5 percent compared with the previous year and amounted to 27,374 (25,706). The acquisition of Segab contributed with 0.9 percentage points. In addition, growth came from the acquisition of Stims, one small acquisition last year and from growth in existing units. Net sales increased by 9.8 percent and amounted to SEK 888 million (809) following a higher number of students and the annual adjustment of school vouchers which was 2.6 (2.3) percent in 2021.

Adjusted operating profit decreased to SEK 63 million (75) with a margin of 7.1 percent (9.3). Profit and margin were affected by higher personnel cost SEK -15 million as annual leave levels were lower. Previously postponed activities were to a larger extent conducted in the quarter and activities relating to new educational profiles lead to higher costs, approximately SEK 10 million. Lower social security fees for young, implemented during 2021, affected operating profit positively with approximately SEK 2 million. Operating profit (EBIT) decreased to SEK 63 million (75), with a margin of 7.1 percent (9.3).

### Outcome for the year

The average number of students increased by 6.0 percent and amounted to 26,696 (25,179). Net sales increased by 8.5 percent to SEK 3,260 million (3,005) following the volume increase and the annual adjustment of school vouchers.

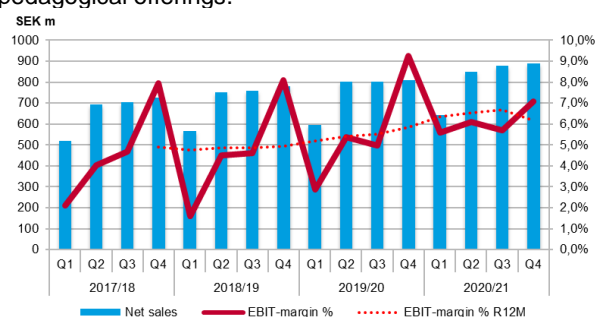
Adjusted operating profit was higher than last year, SEK 198 million (176), positively affected by more students, insurance compensation of SEK 9 million, and lower social fees for young of SEK 4 million. Personnel costs were SEK 4 million higher than last year as annual leave levels were lower. Expenses 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 201 million (176), and the operating margin was 6.2 percent (5.9).

### Operational changes

The acquisitions of Segab and Stims contributed with three compulsory schools and one compulsory school with integrated preschool. Together, the acquisitions contributed with approximately 1,030 children and students. Also, during the year one compulsory school expanded with an integrated preschool. Upon the end of the fiscal year, one smaller compulsory school closed. The change will impact Q1 2021/22.

During the year, the Compulsory School Segment launched two new educational profiles, Noblaskolan and Montessori Mondial, clarifying the different pedagogical offerings.



SEK m	Fourth quarter			Full year		
	2020/21	2019/20	Change	2020/21	2019/20	Change
Net sales	888	809	9,8%	3 260	3 005	8,5%
EBITDA	81	92	-12,0%	271	242	12,0%
EBITDA margin, %	9,1%	11,4%	-2,3 p.e.	8,3%	8,1%	0,2 p.e.
Depreciation/amortization	-18	-17	-5,9%	-70	-66	-6,1%
Operating profit (EBIT)	63	75	-16,0%	201	176	14,2%
EBIT margin, %	7,1%	9,3%	-2,2 p.e.	6,2%	5,9%	0,3 p.e.
Items affecting comparability	-	-	n.a.	3	-	n.a.
Adjusted operating profit (EBIT)	63	75	-16,0%	198	176	12,5%
Adjusted EBIT margin, %	7,1%	9,3%	-2,2 p.e.	6,1%	5,9%	0,2 p.e.
Number of children and students	27 374	25 706	6,5%	26 696	25 179	6,0%
Number of units	116	111	4,5%	114	109	4,6%

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 12.6 percent in the fourth quarter, amounting to 40,394 (35,889).
- Sales increased 16.6 percent to SEK 1,223 million (1,049).
- Adjusted operating profit (adj. EBIT) decreased to SEK 112 million (121).

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 conducted distance education for almost three terms. The national recommendation on distance education ended 1 April 2021, from that date it is at the principal organiser's decision. AcadeMedias decisions regarding distance education are based on local and regional outlook at every given point, which led to most schools partly conducted distance education during the fourth quarter.

### Outcome for the fourth quarter

The number of students increased by 12.6 percent compared with the previous year, to 40,394 (35,889). About half of the growth was 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 16.6 percent to SEK 1,223 million (1,049), a result of the higher number of students. The voucher increase for the Upper Secondary School Segment amounted to 1.0 (2.3) percent on average for 2021.

Adjusted operating profit decreased to SEK 112 million (121), representing a margin of 9.2 percent (11.5). Result and margin were negatively affected by higher personnel cost SEK -10 million as annual leave levels were lower compared to last year. Previously postponed activities were to a larger extent conducted in the quarter leading to higher costs, approximately SEK 10 million. Compared to last year, it should be noted that all education was conducted as distance education leading to somewhat lower variable costs.

Operating profit (EBIT) decreased and amounted to SEK 102 million (121) and the margin was 8.3 percent (11.5). Items affecting comparability amounted to SEK -10 million (-) in the quarter, attributable to restructuring costs of SEK 10 million.

### Outcome for the year

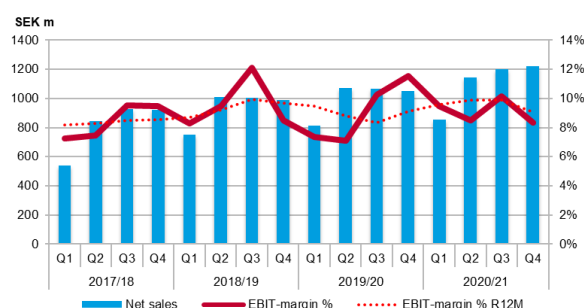
The number of students increased by 9.0 percent to 39,680 (36,400) and net sales increased by 10.6 percent to SEK 4,424 million (3,999). The growth was attributable to more students in existing units, new units, acquisitions and higher school vouchers.

Adjusted operating profit was SEK 398 million (354), representing a margin of 9.0 percent (8.9). Result and margin were primarily affected by more students, the acquisition of Segab, and seen over the year somewhat lower costs as activities were cancelled or postponed due to the pandemic.

Items affecting comparability amounted to SEK 4 million (11) relating to retroactive revenue from previous years and restructuring expenses. Operating profit (EBIT) was SEK 402 million (365) and the margin was 9.1 percent (9.1).

### Operational changes

At the start of the autumn term in 2020, four new upper secondary schools opened and have admitted just over 300 students. The acquisition of Segab has added four new units and 2,300 students. Three new schools will open in the autumn 2021, located in Malmö, Västerås, and Norrköping. Also, one school in Karlskrona was closed at the end of the financial year, which will impact as of the first quarter 2021/22.



SEK m	Fourth quarter			Full year		
	2020/21	2019/20	Change	2020/21	2019/20	Change
Net sales	1 223	1 049	16,6%	4 424	3 999	10,6%
EBITDA	147	163	-9,8%	582	530	9,8%
EBITDA margin, %	12,0%	15,5%	-3,5 p.e.	13,2%	13,3%	-0,1 p.e.
Depreciation/amortization	-45	-42	-7,1%	-180	-165	-9,1%
Operating profit (EBIT)	102	121	-15,7%	402	365	10,1%
EBIT margin, %	8,3%	11,5%	-3,2 p.e.	9,1%	9,1%	0 p.e.
Items affecting comparability	-10	-	n.a.	4	11	n.a.
Adjusted operating profit (EBIT)	112	121	-7,4%	398	354	12,4%
Adjusted EBIT margin, %	9,2%	11,5%	-2,3 p.e.	9,0%	8,9%	0,1 p.e.
Number of children and students	40 394	35 889	12,6%	39 680	36 400	9,0%
Number of units	150	143	4,9%	148	143	3,5%

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 21.5 percent to SEK 492 million (405).
- Operating profit (EBIT) was SEK 59 million (35).

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 (58 percent of net sales), Higher Vocational Education (26 percent), and Labour Market Services (13 percent).

### Impact following the corona pandemic

Education has as in previous quarters taken place both as distance education and on site in smaller groups. Experienced teachers and a solid digital infrastructure have enabled a continued well-functioning operation.

### Outcome for the fourth quarter

Net sales increased by 21.5 percent to SEK 492 million (405). The acquisition of Segab contributed with 5.3 percentage points to the increase. Operating profit was SEK 59 million (35) and the margin was 12.0 percent (8.6). The improvement continues to be attributable to more participants in all business areas, driven by high unemployment, and the acquisition of Segab.

AcadeMedia's Higher Vocational Education continue to grow, mainly attributable to the acquisition of Segab, and now represent 26 percent (20) of the segment's net sales. 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. Also, this had a positive effect on profitability.

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 the government have directed additional resources to combat unemployment.

Within AcadeMedias Labour Market Services the gradual transition between old and new matching services continues, albeit at a slower pace.

### Outcome for the year

Net sales increased by 18.8 percent and amounted to SEK 1,850 million (1,557). Operating profit (EBIT) increased to SEK 255 million (131), and the margin was 13.8 percent (8.4). Increased number of participants in all business areas and higher capacity utilisation

contributed to the high margin. During the second quarter, the loss bringing contract Vocational and Preparatory modules (YSM) contract with The Swedish Public Employment Services was terminated.

Expectation is still that EBIT margin in the Adult Education Segment over time should be 9–11 percent.

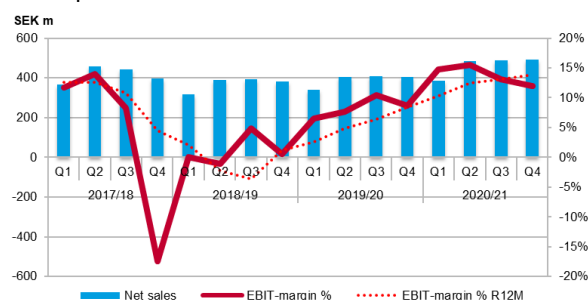
### Market development

AcadeMedia has a relatively young contract portfolio and there are no larger changes during next year.

AcadeMedia's Higher Vocational Education is expected to have 9,500 educational places this coming autumn, compared with 7,500 educational places last year. The increase is partly an effect of the acquisition of Segab, partly an effect of receiving more educational places in January 2021. The good allocation means that AcadeMedia gains market share. The number of applications for the autumn start is high also this year.

The market for higher vocational education has reached a plateau after years of strong growth. In the longer run, the director general for the agency believe that the market will continue to grow as this form of education matches the labour market need and contributes to higher competence in the labour force.

The outlook on the labour market has improved, however unemployment remains high. The number of long-term unemployed are at record levels. The Swedish Public Employment Agency's matching services targets the unemployed and the gradual implementation of the matching service "Rusta och matcha" is in progress. However, the transition from old to new run at a low pace and the volumes are lower than expected.



SEK m	Fourth quarter			Full year		
	2020/21	2019/20	Change	2020/21	2019/20	Change
Net sales	492	405	21.5%	1,850	1,557	18.8%
EBITDA	63	39	61.5%	271	146	85.6%
EBITDA margin, %	12.8%	9.6%	3.2 p.e.	14.6%	9.4%	5.2 p.e.
Depreciation/amortization	-4	-4	-	-16	-15	-6.7%
Operating profit (EBIT)	59	35	68.6%	255	131	94.7%
EBIT margin, %	12.0%	8.6%	3.4 p.e.	13.8%	8.4%	5.4 p.e.
Items affecting comparability	-	-	n.a.	-	-	n.a.
Adjusted operating profit (EBIT)	59	35	68.6%	255	131	94.7%
Adjusted EBIT margin, %	12.0%	8.6%	3.4 p.e.	13.8%	8.4%	5.4 p.e.

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.

### Quality results for the full year

During the fiscal year, all our operations needed to adapt their way of working due to the corona pandemic. At the same time, our focus to run preschools, compulsory schools, upper secondary schools, and adult education with high quality has been unchanged.

This year's quality assessment show, despite all challenges, better results from basically all perspectives. Including areas such as learning and grades, as well as results in the annual surveys targeting students, care givers, and employees. Aggregate analyses will be presented in the quality reports prepared at unit and principal organiser level. An overall picture of the development will be presented in AcadeMedia's annual quality report, which will be published in October 2021.

### Quality results for the fourth quarter

At the end of the academic year in June, the grades for AcadeMedia's compulsory and upper secondary schools were compiled. The results reported at this time are preliminary and national averages are not yet available for comparison.

#### Preschools

In June, results were compiled from Swedish preschools' internal assessments of how well the national curriculum was met. The areas where the preschools' teaching reach the highest scores in the 2020/21 academic year are Language and communication 5.8 (5.4)<sup>1</sup> and Norms and values 5.8 (5.2), followed by Science and technology 5.7 (5.2). The lowest score was noted for the areas Culture 5.5 (4.9) and Mathematics 5.5 (5.1). Worth noticing is that the number of units with results below 4.0 has decreased significantly compared to last year.

AcadeMedia's four German operations all conducted their annual parental surveys<sup>2</sup>. Stepke shows a continuing rising trend regarding parental recommendation, with an outcome of 77 percent (76 percent 2018/19<sup>3</sup>). The number of parents that can recommend their child's preschool within KTS also rises to 81 percent (79 percent 2018/19) whereas the share within Joki is 84 percent (88 percent). The result for the German preschools under the Espira brand is 86 percent (-). In Norway and Sweden, the annual parental surveys were completed during the third quarter.

#### Compulsory School

AcadeMedia's own compilation of average grades<sup>4</sup> for the 2020/21 academic year show that the proportion of students with passing grades in all subjects increased to 85.1 percent (83.9). The average grades for AcadeMedia's compulsory schools improved to 249.8 (247.3) and the percentage of students eligible for upper secondary school improved and amounted to 92.7 percent (92.3). The grades in AcadeMedia's compulsory schools continue to be higher than the latest published national averages.

#### Upper Secondary School

The internal compilation of grades for AcadeMedia's upper secondary schools show that the percentage of students who graduated increased to 91.8 percent (90.3). The average final grades for students who graduated with full diplomas remained unchanged at 14.2 points. The results for upper secondary schools were slightly above last year's national average regarding the proportion of students graduating whereas the average final grades are slightly below last year's national average. The variation among AcadeMedia's upper secondary school operations is large.

<sup>1</sup> Assessment scale is five-point (0, 2, 4, 6 and 8) where the value 8 refers to the highest possible quality the value 4 indicates that the goal fulfilment is acceptable in relation to the requirements in the guiding documents.

<sup>2</sup> The response rate varies between 42 percent and 61 percent and can therefore not be considered fully reliable.

<sup>3</sup> No surveys were conducted in Germany during 2019/20 due to the pandemic.

<sup>4</sup> The results presented in last year's Year-end report was based on preliminary internal compilations, why some changes of the results can be noted. This apply to all three measures presented.



## Employees

The average number of full-time employees in the quarter was 13,733 (12,738) which represents an increase of 7.8 percent. The proportion of women in the Swedish operation was 67.0 percent (67.1) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 15.0 percent aggregated over the 12-month July – June period, compared with 18.4 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 4.7 percent (4.6) during the year.

## Parent Company

Revenues during the year was SEK 8 million (8). Operating profit (EBIT) for the year was to SEK -14 million (-17) and profit after tax was SEK 11 million (50). 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 30 June 2021 was SEK 2,593 million (2,723). The Parent Company's external interest-bearing debt as of 30 June 2021 was SEK 803 million (957).

## Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 30 June 2021, share capital was SEK 105,788,845 and the number of shares amounted to a total of 105,788,845 shares distributed among 105,582,940 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 105,603,530.5. Mellby Gård AB is the largest shareholder in AcadeMedia with 21.3 percent of the capital as of 30 June 2021.

AcadeMedia has during the third and fourth 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 240,500 ordinary shares were subscribed (of which 230,500 in the fourth quarter). In total, the number of shares increased by 240,500 shares (of which 230,500 in the fourth quarter) and the number of votes increased with 278,603,3 of which 230,500 in the fourth quarter.

## Significant events after the end of the reporting period

On 7 July, the compulsory school Vittra Kungshagen in Nyköping was completely destroyed in a fire. The school will be rebuilt, and rental agreements have been signed for temporary premises until the school is rebuilt. Additional costs during 2021/22 due to the fire are estimated at approximately SEK 30 million and will impact EBIT in the first quarter 2021/22 as an item affecting comparability. Insurance compensation is expected to cover most of the expenses.

## 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.

External risks include risks relating to school voucher funding and the general economy, political risk, changes in the law or regulations as well as the dependence on national authorities in the education sector. A common factor for various political proposals is that the processes are usually long and proposals must be in a legally enforceable format and must ultimately be approved by the respective national parliament. In addition, there are financial risks such as credit and currency risks.

The spread of the coronavirus since spring 2020 and the decisions made by the governments in the countries where AcadeMedia operates due to the pandemic has had a significant impact on AcadeMedia's operations. As of the start of the autumn term in August 2021, all segments will return to normal operations. However, 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.

### Disputes

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 result or position.

## Outlook

AcadeMedia does not publish any forecasts.

## Dividend proposed

AcadeMedia's dividend policy is that surplus can be distributed provided that AcadeMedia meets its targets relating to quality and financial position. The Board of Directors deem the financial position stable and that other objectives are met. The Board of Directors proposes an ordinary dividend of SEK 1.75 per share (1.50) for the fiscal year 2020/21. This corresponds to SEK 185 million (158), 27 percent (29) of the profit for the period excluding IFRS 16.

## Annual General Meeting 2021

AcadeMedia's Annual General Meeting 2021 will take place on Tuesday, November 30, 2021 in Stockholm.

Shareholders who want a matter brought before the Annual General Meeting 2021 can do so by e-mail to [bolagsstamma@academedia.se](mailto:bolagsstamma@academedia.se). Proposals shall be submitted to the company no later than 12 October 2021, to give the company time to include the matter in the notice and the agenda for the Annual General Meeting.

Shareholders who wish to submit proposals to the Nomination Committee for the Annual General Meeting 2021 can do so by sending an e-mail to [valberedning@academedia.se](mailto:valberedning@academedia.se). Proposals should be submitted to the Nomination Committee no later than 12 October 2021 to ensure time for the Nomination committee to take the proposal into consideration.



## 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
31 January 2022	Interim report Q2
4 May 2022	Interim report Q3

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

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

Stockholm 31 August 2021

Marcus Strömberg  
*Chief Executive Officer*

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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 31 August 2021.*





## Consolidated statement of profit or loss

SEK m	Note	Fourth quarter		Full year	
		2020/21	2019/20	2020/21	2019/20
<b>Net Sales</b>	3	<b>3,672</b>	<b>3,227</b>	<b>13,340</b>	<b>12,271</b>
Cost of services		-315	-218	-1,120	-993
Other external expenses		-408	-350	-1,351	-1,237
Personnel expenses		-2,193	-1,947	-8,106	-7,591
Depreciation/amortization		-413	-379	-1,587	-1,513
Items affecting comparability <sup>1)</sup>		-14	-	-7	36
<b>TOTAL OPERATING EXPENSES</b>		<b>-3,342</b>	<b>-2,894</b>	<b>-12,172</b>	<b>-11,299</b>
<b>OPERATING INCOME</b>		<b>329</b>	<b>334</b>	<b>1,169</b>	<b>973</b>
Interest income and similar profit/loss items		0	0	3	4
Interest expense and similar profit/loss items	6	-100	-105	-405	-421
<b>Net financial items</b>		<b>-100</b>	<b>-105</b>	<b>-402</b>	<b>-417</b>
<b>INCOME BEFORE TAX</b>		<b>229</b>	<b>229</b>	<b>767</b>	<b>556</b>
Tax		-50	-50	-173	-125
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>180</b>	<b>179</b>	<b>594</b>	<b>431</b>
<b>Profit for the period attributable to:</b>					
Owners of the parent company		180	179	594	431
Earnings per share basic (SEK)		1.71	1.70	5.64	4.09
Diluted earnings per share (SEK)		1.70	1.70	5.62	4.09
Earnings per share based on number of shares outstanding (SEK)		1.70	1.70	5.62	4.09

<sup>1)</sup> 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 comprehensive income

SEK m	Note	Fourth quarter		Full year	
		2020/21	2019/20	2020/21	2019/20
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>180</b>	<b>179</b>	<b>594</b>	<b>431</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit/loss</i>					
Actuarial gains and losses		-5	-12	55	-18
Deferred tax relating to actuarial gains and losses		1	3	-12	4
		<b>-4</b>	<b>-9</b>	<b>43</b>	<b>-14</b>
<i>Items that may be reclassified to profit/loss</i>					
Translation differences		-19	-13	14	-72
<b>Other comprehensive income for the period</b>		<b>-23</b>	<b>-22</b>	<b>57</b>	<b>-86</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>157</b>	<b>157</b>	<b>651</b>	<b>345</b>
<b>Comprehensive income for the period attributable to:</b>					
Owners of the parent company		157	157	651	345



## Consolidated statement of financial position in summary

SEK m	Note	June 30, 2021	June 30, 2020
<b>ASSETS</b>			
Intangible non-current assets		6,426	6,191
Buildings		1,044	1,001
Right-of-use assets		7,489	7,347
Other property, plant, and equipment		791	713
Other non-current assets		41	34
<b>Total non-current assets</b>		<b>15,790</b>	<b>15,285</b>
Current receivables		658	704
Cash and cash equivalents <sup>1</sup>		966	528
<b>Total current assets</b>		<b>1,624</b>	<b>1,232</b>
<b>TOTAL ASSETS</b>		<b>17,414</b>	<b>16,518</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>		<b>5,317</b>	<b>4,807</b>
Non-current liabilities to credit institutions		1,824	1,890
Long-term lease liability		6,495	6,346
Provisions and other non-current liabilities		187	231
<b>Total non-current liabilities</b>		<b>8,506</b>	<b>8,466</b>
Current interest-bearing liabilities		195	270
Short-term lease liability		1,077	1,010
Other current liabilities		2,319	1,965
<b>Total current liabilities</b>		<b>3,591</b>	<b>3,244</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8</b>	<b>17,414</b>	<b>16,518</b>

<sup>1</sup> Cash includes Cash related to payroll tax withholdings with SEK 34 million (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-Jun 2020/2021	Jul-Jun 2019/2020
<b>Opening balance</b>	<b>4,807</b>	<b>4,589</b>
Profit/loss for the period	594	431
Other comprehensive income for the period	57	-86
<b>Consolidated statement of comprehensive income</b>	<b>650</b>	<b>345</b>
Dividend paid	-158	-132
Other transactions with owners <sup>1</sup>	17	4
<b>Closing balance</b>	<b>5,317</b>	<b>4,807</b>

<sup>1</sup> Other transactions with owners in the current year includes new share issue connected to warrants SEK +17,1 million and a share-matching program of SEK +0.2 million. Transactions with owners in the previous year included new share issue connected to warrants SEK +4,1 million and share-matching program of SEK +0.4 million.



## Consolidated cash flow statement

SEK. m.	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
Operating profit/loss (EBIT)	329	334	1,169	973
Depreciation/amortisation	413	379	1,587	1,513
Adjustment for items affecting cash flow	-4	31	24	-55
Tax paid	-33	-47	-146	-120
<b>Cash flow from operating activities before changes in working capital</b>	<b>705</b>	<b>697</b>	<b>2,634</b>	<b>2,311</b>
Cash flow from changes in working capital	124	265	238	211
<b>Cash flow from operating activities</b>	<b>829</b>	<b>963</b>	<b>2,872</b>	<b>2,521</b>
Acquisition of subsidiaries	-36	-23	-235	-51
Investments in buildings	2	-0	-23	-60
Leasehold improvements	-55	-39	-107	-134
Investments in equipment	-41	-33	-128	-115
Investments in intangible non-current assets	-1	-2	-3	-17
Divestment of tangible non-current assets	-	-	62	-
Investments in non-current financial assets	-	-	-7	0
Divestment of non-current assets	3	0	3	3
<b>Cash flow from investing activities</b>	<b>-128</b>	<b>-97</b>	<b>-437</b>	<b>-375</b>
Interest received (+) and paid (-)	-8	-13	-31	-44
Interest paid, lease liabilities	-91	-90	-368	-365
Dividend paid	-	-	-158	-132
New share issue	16	-	17	4
Increase (+)/decrease (-) of interest-bearing liabilities	-70	-364	-182	-378
Repayment of lease liabilities	-336	-270	-1,281	-1,215
<b>Cash flow from financing activities</b>	<b>-489</b>	<b>-737</b>	<b>-2,003</b>	<b>-2,130</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>213</b>	<b>128</b>	<b>433</b>	<b>16</b>
Cash and cash equivalents at beginning of period	760	402	528	527
Exchange-rate differences in cash and cash equivalents	-6	-3	5	-15
<b>Cash and cash equivalents at end of period</b>	<b>966</b>	<b>528</b>	<b>966</b>	<b>528</b>

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



## Parent company income statement in summary

SEK m	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
<b>Net sales</b>	<b>0</b>	<b>2</b>	<b>8</b>	<b>8</b>
<b>Operation expenses</b>	<b>-6</b>	<b>-7</b>	<b>-22</b>	<b>-25</b>
<b>OPERATING PROFIT/LOSS</b>	<b>-6</b>	<b>-5</b>	<b>-14</b>	<b>-17</b>
Interest income and similar profit/loss items	5	3	18	12
Interest expense and similar profit/loss items	-4	-8	-15	-31
<b>Net financial items</b>	<b>1</b>	<b>-5</b>	<b>3</b>	<b>-19</b>
Year-end appropriations	25	100	25	100
<b>PROFIT/LOSS BEFORE TAX</b>	<b>20</b>	<b>90</b>	<b>14</b>	<b>64</b>
Tax	-4	-20	-3	-14
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>15</b>	<b>70</b>	<b>11</b>	<b>50</b>

## Parent company other comprehensive income

SEK m	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
<b>Profit/Loss for the period</b>	<b>15</b>	<b>70</b>	<b>11</b>	<b>50</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>15</b>	<b>70</b>	<b>11</b>	<b>50</b>

## Parent company balance sheet in summary

SEK m	June 30 2021	June 30 2020
<b>ASSETS</b>		
Participations in Group companies	3,261	3,261
<b>Total non-current assets</b>	<b>3,261</b>	<b>3,261</b>
Current receivables	3,017	2,840
Cash and cash equivalents	662	303
<b>Total current assets</b>	<b>3,679</b>	<b>3,143</b>
<b>TOTAL ASSETS</b>	<b>6,941</b>	<b>6,405</b>
<b>EQUITY AND LIABILITIES</b>		
Restricted equity	106	106
Non-restricted equity	2,488	2,618
<b>Total equity</b>	<b>2,593</b>	<b>2,723</b>
<b>Non-current liabilities</b>	<b>653</b>	<b>801</b>
<b>Current liabilities</b>	<b>3,694</b>	<b>2,880</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,941</b>	<b>6,405</b>



## Parent Company statement of changes in equity

SEK m	Jul-Jun 2020/2021	Jul-Jun 2019/2020
<b>Opening balance</b>	<b>2,723</b>	<b>2,738</b>
Profit/loss for the period	11	51
Other comprehensive income for the period	-	-
<b>Total profit/loss for the group</b>	<b>11</b>	<b>51</b>
Merger related effects	0	62
Dividend	-158	-132
Other transactions with owners <sup>1</sup>	17	4
<b>Closing balance</b>	<b>2,593</b>	<b>2,723</b>

<sup>1</sup> Other transactions with owners in the current year includes new share issue connected to warrants SEK +17,1 million and a share-matching program of SEK +0.2 million. Transactions with owners in the previous year included 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 except for the basis of calculation for leasing liabilities under IFRS 16 Leases.

Leasing liabilities and right-of-use assets related to property leasing were previously discounted with the implicit rate estimated as property yield, but from June 2021 property leasing contracts are discounted with the incremental borrowing rate. A recalculation of previously presented financial reports shows that the effect is not significant, and therefore previously presented financial reports have not been restated.

From this quarter Statement of profit or loss and other comprehensive income are reported in two separate statements, where the income statement is reported separately.



**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	Fourth quarter 20/21			Full year 20/21			Full year 19/20		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
<b>Net Sales</b>	<b>3,672</b>	-	<b>3,672</b>	<b>13,340</b>	-	<b>13,340</b>	<b>12,271</b>	-	<b>12,271</b>
Cost of services	-315	-	-315	-1,120	-	-1,120	-993	-	-993
Other external expenses	-408	382	-790	-1,351	1,466	-2,817	-1,237	1,384	-2,621
Personnel expenses	-2,193	-	-2,193	-8,106	-	-8,106	-7,591	-	-7,591
Depreciation/amortization	-413	-319	-94	-1,587	-1,224	-364	-1,513	-1,175	-338
Items affecting comparability	-14	-	-14	-7	-	-7	36	-	36
<b>TOTAL OPERATING EXPENSES</b>	<b>-3,342</b>	63	<b>-3,406</b>	<b>-12,172</b>	243	<b>-12,414</b>	<b>-11,299</b>	209	<b>-11,509</b>
<b>OPERATING INCOME</b>	<b>329</b>	<b>63</b>	<b>266</b>	<b>1,169</b>	<b>243</b>	<b>926</b>	<b>973</b>	<b>209</b>	<b>763</b>
Interest income and similar profit/loss items	0	-	0	3	-	3	4	-	4
Interest expense and similar profit/loss items	-100	-91	-9	-405	-365	-40	-421	-360	-61
<b>Net financial items</b>	<b>-100</b>	<b>-91</b>	<b>-9</b>	<b>-402</b>	<b>-365</b>	<b>-37</b>	<b>-417</b>	<b>-360</b>	<b>-56</b>
<b>INCOME BEFORE TAX</b>	<b>229</b>	<b>-28</b>	<b>257</b>	<b>767</b>	<b>-122</b>	<b>889</b>	<b>556</b>	<b>-151</b>	<b>707</b>
Tax	-50	6	-56	-173	27	-201	-125	33	-159
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>180</b>	<b>-21</b>	<b>201</b>	<b>594</b>	<b>-95</b>	<b>689</b>	<b>431</b>	<b>-117</b>	<b>548</b>
Earnings per share basic (SEK)	1.71	-0.20	1.91	5.64	-0.90	6.54	4.09	-1.12	5.21
Earnings per share basic/diluted (SEK)	1.70	-0.20	1.90	5.62	-0.90	6.52	4.09	-1.12	5.21
Earnings per share based on number of shares outstanding (SEK)	1.70	-0.20	1.90	5.62	-0.90	6.52	4.09	-1.12	5.21



## Consolidated statement of financial position in summary

SEK m	30 June 2021			30 June 2020		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
<b>ASSETS</b>						
Intangible non-current assets	6,426	-	6,426	6,191	-	6,191
Buildings	1,044	-	1,044	1,001	-	1,001
Right-of-use assets	7,489	7,348	141	7,347	7,207	139
Other property, plant, and equipment	791	-	791	713	-	713
Other non-current assets	41	15	25	34	8	26
<b>Total non-current assets</b>	<b>15,790</b>	<b>7,363</b>	<b>8,427</b>	<b>15,285</b>	<b>7,216</b>	<b>8,070</b>
Current receivables	658	-314	972	704	-267	971
Cash and cash equivalents	966	-	966	528	-	528
<b>Total current assets</b>	<b>1,624</b>	<b>-314</b>	<b>1,938</b>	<b>1,232</b>	<b>-267</b>	<b>1,499</b>
<b>TOTAL ASSETS</b>	<b>17,414</b>	<b>7,049</b>	<b>10,365</b>	<b>16,518</b>	<b>6,949</b>	<b>9,569</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>5,317</b>	<b>-212</b>	<b>5,529</b>	<b>4,807</b>	<b>-117</b>	<b>4,925</b>
Non-current liabilities to credit institutions	1,824	-	1,824	1,890	-	1,890
Long-term lease liability	6,495	6,447	48	6,346	6,299	47
Provisions and other non-current liabilities	187	-45	232	231	-25	256
<b>Total non-current liabilities</b>	<b>8,506</b>	<b>6,402</b>	<b>2,104</b>	<b>8,466</b>	<b>6,274</b>	<b>2,192</b>
Current interest-bearing liabilities	195	-	195	270	-	270
Short-term lease liability	1,077	981	95	1,010	915	95
Other current liabilities	2,319	-122	2,441	1,965	-123	2,088
<b>Total current liabilities</b>	<b>3,591</b>	<b>860</b>	<b>2,731</b>	<b>3,244</b>	<b>792</b>	<b>2,452</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,414</b>	<b>7,049</b>	<b>10,365</b>	<b>16,518</b>	<b>6,949</b>	<b>9,569</b>

## Consolidated cash flow statement

SEK m	Fourth quarter 20/21			Full year 20/21		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	329	63	266	1,169	243	926
Depreciation/amortisation	413	319	94	1,587	1,224	363
Adjustment for items affecting cash flow	-4	-	-4	24	-	24
Tax paid	-33	-	-33	-146	-0	-145
<b>Cash flow from operating activities before changes in working capital</b>	<b>705</b>	<b>382</b>	<b>323</b>	<b>2,634</b>	<b>1,466</b>	<b>1,168</b>
Cash flow from changes in working capital	124	12	112	238	49	190
<b>Cash flow from operating activities</b>	<b>829</b>	<b>394</b>	<b>435</b>	<b>2,872</b>	<b>1,515</b>	<b>1,357</b>
<b>Cash flow from investing activities</b>	<b>-128</b>	<b>-</b>	<b>-128</b>	<b>-437</b>	<b>-</b>	<b>-437</b>
<b>Cash flow from financing activities</b>	<b>-489</b>	<b>-394</b>	<b>-95</b>	<b>-2,003</b>	<b>-1,515</b>	<b>-487</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>213</b>	<b>-</b>	<b>213</b>	<b>433</b>	<b>-</b>	<b>433</b>





**Note 3: Revenue**

SEK m	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
Education-related income	3,551	3,154	12,967	11,939
State subsidies	40	40	164	176
Other income	81	33	209	157
Net Sales	<b>3,672</b>	<b>3,227</b>	<b>13,340</b>	<b>12,271</b>

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**

Mellby Gård has offered the CEO of AcadeMedia to acquire synthetic options relating to AcadeMedia issued by Mellby Gård, which is AcadeMedias largest owner. AcadeMedia AB is not part of the transaction. The options were acquired at a price corresponding to the market value of the options. To finance, among other things, the cost for acquiring the synthetic options, Marcus Strömberg divested 150,000 shares to Mellby Gård at a price of SEK 83.07 per share. AcadeMedia AB has not been involved in the offer to acquire options provided by Mellby Gård to AcadeMedia's CEO.

During the first subscription period for the share option program LTIP 2017 in February 2021, members of executive management sold 220,500 options to AcadeMedias main owner Mellby Gård. The options were sold at a price corresponding to the market value of the options.

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.

Other related party transactions are described in detail in the 2019/20 Annual Report. Related party transactions take place at an arm's length basis. Except for the above, no significant related-party transactions took place during the year.

**Not 5: Acquisitions**

Acquiring company	Acquired company	Acquisition date	Segment
ACM 2001 AB	RE Skolor AB <sup>1</sup>	17-Dec-20	Adult/Upper. Sec./Comp. S.
ACM 2001 AB	International Montessori School Sweden AB	01-Feb-21	Compulsory School
Hermods AB	Allautbildare Sverige AB	01-May-21	Adult
Espira Barnehager AS	Espira Fasanveien AS	01-May-21	Preschool

The purchase price allocations are preliminary one year from the acquisition date. No adjustment of previous years purchase price allocations were made.

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.

<sup>1</sup> RE Skolor AB owns 100% of the shares in Swedish Education Group AB.



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	311
Purchase consideration excluding transaction expenses and including interest	308
Fair value of acquired net assets excluding goodwill	-74
<b>Total goodwill</b>	<b>234</b>

Fair values acquired (SEK m)	Total
Intangible non-current assets	0
Property, plant and equipment	41
Right-of-use assets	385
Financial non-current assets	20
Current assets	32
Cash and cash equivalents	71
Interest bearing liabilities	-7
Interest bearing liabilities - IFRS 16	-385
Non-interest bearing liabilities	-82
Current tax liability	-1
Deferred tax liability	-1
<b>Net assets acquired</b>	<b>74</b>

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	308
Less purchase consideration that has not been settled in cash as of period end	-2
Cash and cash equivalents at time of acquisition	-71
<b>Impact on the Group's cash and cash equivalents</b>	<b>235</b>

Contribution of acquisitions to consolidated profit (SEK m)	Total
Net sales	250
Operating profit (EBIT)	20

If the units had been included in consolidated profit from July 1, 2020 the contribution would have been (SEK m)	Total
Net sales	503
Operating profit (EBIT)	34

## Note 6: Specification of financial income and expenses

SEK m	Fourth quarter		Full year	
	2020/21	2019/20	2020/21	2019/20
<b>Interest expense and similar profit/loss items</b>				
Interest expense	-6	-13	-28	-41
Borrowing costs *	-1	-2	-2	-7
Interest expense on the lease liability	-92	-90	-370	-365
Exchange rate losses	-	-0	-0	-3
Other	-1	-1	-4	-5
<b>Interest expense and similar profit/loss items</b>	<b>-100</b>	<b>-105</b>	<b>-405</b>	<b>-421</b>
<i>Interest expense on property related lease liability</i>	<i>-91</i>	<i>-89</i>	<i>-365</i>	<i>-360</i>

\* 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.

**Note 8: Leasing commitments**

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered into leasing contracts which have not yet commenced. The total commitment for the contracts per 2021-06-30 amounts to SEK 3,493 (965) million. The increase compared to last year relates to three larger contracts, Campus Södermalm and Campus Vasastan in Stockholm, and Donnergymnasiet in Gothenburg.



## Multi-year review

SEK million, unless otherwise stated	Fourth quarter		Full year					
	2020/21	2019/20	2020/21	2019/20	2018/19 <sup>1</sup>	2017/18 <sup>1</sup>	2016/17 <sup>1</sup>	2015/16 <sup>1</sup>
<b>Profit/loss items</b>								
Net sales	3,672	3,227	13,340	12,271	11,715	10,810	9,520	8,611
Items affecting comparability	-14	-	-7	36	1	-48	-23	-32
EBITDA	742	713	2,756	2,486	931	872	827	722
Depreciation/amortization	-413	-379	-1,587	-1,513	-296	-250	-212	-186
Operating profit/loss (EBIT)	329	334	1,169	973	635	622	615	535
Net financial items	-100	-105	-402	-417	-69	-68	-80	-127
Profit/loss for the period before tax	229	229	767	556	566	555	535	408
Profit/loss for the period after tax	180	179	594	431	431	430	416	319
<b>Balance sheet items</b>								
Non-current assets	15,790	15,285	15,790	15,285	8,218	7,823	6,574	6,141
Current receivables and inventories	658	704	658	704	976	860	695	697
Cash and cash equivalents	966	528	966	528	527	699	579	331
Non-current interest-bearing liabilities	1,850	1,914	1,850	1,914	2,205	2,209	2,200	2,116
Long-term lease liability	6,495	6,346	6,495	6,346	-	-	-	-
Non-current non-interest-bearing liabilities	162	207	162	207	305	135	114	113
Current interest-bearing liabilities	195	270	195	270	592	673	516	568
Short-term lease liability	1,077	1,010	1,077	1,010	-	-	-	-
Current non-interest-bearing liabilities	2,319	1,965	2,319	1,965	2,030	2,103	1,577	1,382
Equity	5,317	4,807	5,317	4,807	4,589	4,262	3,443	2,990
Total assets	17,414	16,518	17,414	16,518	9,720	9,383	7,849	7,169
Capital employed*	7,718	7,250	7,718	7,250	7,386	7,144	6,158	5,674
Net debt*	1,222	1,797	1,222	1,797	2,266	2,179	2,133	2,342
Property adjusted net debt*	526	1,138	526	1,138	1,533	1,528	1,550	1,866
<b>Key ratios</b>								
Net sales, SEK m	3,672	3,227	13,340	12,271	11,715	10,810	9,520	8,611
Organic growth incl. Bolt-on acquisitions, %	10.4%	3.9%	8.1%	5.4%	4.4%	5.8%	9.0%	6.4%
Acquired growth, larger acquisitions, %	3.0%	-	1.6%	-	3.2%	7.9%	0.8%	0.4%
Change in currency, %	0.3%	-1.8%	-1.1%	-0.7%	0.8%	-0.1%	0.8%	-1.3%
Operating margin (EBIT), %	9.0%	10.4%	8.8%	7.9%	5.4%	5.8%	6.5%	6.2%
Adjusted EBIT, SEK m	280	279	934	728	634	670	638	567
Adjusted EBIT margin, %	7.6%	8.6%	7.0%	5.9%	5.4%	6.2%	6.7%	6.6%
Adjusted EBITDA, SEK m	374	363	1,297	1,066	930	920	850	754
Adjusted EBIT margin, %	10.2%	11.2%	9.7%	8.7%	7.9%	8.5%	8.9%	8.8%
Return on capital employed, %, (12 months) *	4.9%	5.5%	4.5%	3.5%	3.7%	4.0%	4.4%	3.7%
Return on equity, %, (12 months) *	12.5%	10.0%	12.5%	10.0%	8.7%	10.1%	10.9%	10.1%
Equity/assets ratio, %*	13.2%	11.5%	13.2%	11.5%	9.7%	11.2%	12.9%	12.1%
Solidity %	53.3%	51.5%	53.3%	51.5%	47.2%	45.4%	43.9%	41.7%
Interest coverage ratio, times*	27.7	15.9	27.7	15.9	12.5	10.9	9.4	4.8
Net debt/Adjusted EBITDA (12 months) *	0.9	1.7	0.9	1.7	2.4	2.4	2.5	3.1
Adjusted net debt/adjusted EBITDA (12 months) *	0.4	1.1	0.4	1.1	1.6	1.7	1.8	2.5
Free cash flow	341	560	1,117	805	356	688	658	394
Cash flow from investing activities	-128	-97	-437	-375	-559	-970	-374	-386
Number of full-time employees	13,733	12,738	13,360	12,686	12,405	11,863	10,564	9,714

<sup>1</sup> 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,672	3,591	3,436	2,641	3,227	3,284	3,258	2,502
<b>EBITDA</b>	<b>742</b>	<b>750</b>	<b>661</b>	<b>603</b>	<b>713</b>	<b>700</b>	<b>565</b>	<b>508</b>
Depreciation/amortization	-413	-405	-387	-382	-379	-391	-364	-379
Items affecting comparability	-14	6	-9	10	-	36	-0	-
<b>Operating income (EBIT)</b>	<b>329</b>	<b>345</b>	<b>273</b>	<b>221</b>	<b>334</b>	<b>309</b>	<b>201</b>	<b>129</b>
Total financial items	-100	-98	-100	-104	-105	-101	-103	-108
<b>Income before taxes</b>	<b>229</b>	<b>247</b>	<b>173</b>	<b>117</b>	<b>229</b>	<b>208</b>	<b>98</b>	<b>22</b>
Tax for the current period	-50	-58	-40	-26	-50	-47	-23	-5
<b>Profit/loss for the period</b>	<b>180</b>	<b>190</b>	<b>133</b>	<b>91</b>	<b>179</b>	<b>161</b>	<b>75</b>	<b>16</b>
Number of children/students, schools	90,032	89,691	85,927	85,642	82,999	82,940	82,325	81,468
Number of full-time employees	13,733	13,767	13,127	12,814	12,738	12,759	12,723	12,524
Number of education units	539	536	525	525	516	512	511	504
<b>Key ratios</b>								
Operating margin (EBIT), %	9.0%	9.6%	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%
Adjusted EBIT	280	278	224	151	279	224	150	75
Adjusted EBIT, %	7.6%	7.7%	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%
Adjusted EBITDA	374	373	315	235	363	313	237	153
Adjusted EBITDA, %	10.2%	10.4%	9.2%	8.9%	11.2%	9.5%	7.3%	6.1%
Net margin, %	4.9%	5.3%	3.9%	3.4%	5.5%	4.9%	2.3%	0.6%
Return on equity, % (12 months) <sup>1</sup>	13.2%	13.8%	14.0%	12.8%	11.5%	10.7%	10.6%	10.0%
Return on capital employed, % (12 Months) <sup>1</sup>	12.5%	12.3%	11.7%	10.8%	10.0%	9.3%	9.1%	8.8%
Equity/assets ratio, % <sup>1</sup>	53.3%	52.1%	50.3%	51.5%	51.5%	49.6%	47.0%	46.9%
Net debt/Adjusted EBITDA (12 months) <sup>1</sup>	0.9	1.2	1.4	1.6	1.7	2.3	2.5	2.6
Interest coverage ratio <sup>1</sup>	27.7	23.4	21.5	18.4	15.9	15.3	13.9	13.3
<b>Other</b>								
Free cash flow	341	246	572	-42	560	107	260	-122
Cash flow from operating activities	435	275	621	26	634	139	325	-29
Cash flow from investing activities	-128	-61	-236	-12	-97	-38	-112	-128

<sup>1</sup> 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			
Preschool Segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children (average)	22,265	21,891	20,969	20,664	21,404	21,310	20,686	20,015
Net sales	1,068	1,020	958	755	964	1,007	981	755
Net sales Sweden	349	343	328	247	338	332	329	242
Net sales Norway	552	524	481	364	499	533	514	389
Net sales Germany	168	153	149	144	127	142	137	123
EBITDA	104	93	40	28	99	142	49	19
EBITDA margin, %	9.7%	9.1%	4.2%	3.7%	10.3%	14.1%	5.0%	2.5%
Depreciation/amortization	-24	-22	-20	-22	-19	-22	-22	-21
Operating profit/loss (EBIT)	79	71	19	7	80	121	27	-2
EBIT margin, %	7.4%	7.0%	2.0%	0.9%	8.3%	12.0%	2.8%	-0.3%
Items affecting comparability	-	-	-	-	-	53	-	-
Adjusted operating profit/loss (EBIT)	79	71	19	7	80	68	27	-2
Adjusted EBIT margin, %	7.4%	7.0%	2.0%	0.9%	8.3%	6.8%	2.8%	-0.3%
Number of preschool units	273	270	267	266	262	260	259	253

SEK million, unless otherwise stated	2020/21				2019/20			
Compulsory School Segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	27,374	27,046	26,193	26,170	25,706	25,339	24,983	24,689
Net sales	888	877	851	644	809	801	801	594
EBITDA	81	68	69	52	92	58	60	33
EBITDA margin, %	9.1%	7.8%	8.1%	8.1%	11.4%	7.2%	7.5%	5.6%
Depreciation/amortization	-18	-18	-18	-16	-17	-17	-17	-15
Operating profit/loss (EBIT)	63	50	52	36	75	40	43	17
EBIT margin, %	7.1%	5.7%	6.1%	5.6%	9.3%	5.0%	5.4%	2.9%
Items affecting comparability	-	-	-	3	-	-	-	-
Adjusted operating profit/loss (EBIT)	63	50	52	33	75	40	43	17
Adjusted EBIT margin, %	7.1%	5.7%	6.1%	5.1%	9.3%	5.0%	5.4%	2.9%
Number of education units	116	116	112	112	111	109	109	108

SEK million, unless otherwise stated	2020/21				2019/20			
Upper Secondary School Segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	40,394	40,753	38,765	38,808	35,889	36,291	36,656	36,764
Net sales	1,223	1,202	1,142	856	1,049	1,064	1,072	814
EBITDA	147	170	144	121	163	153	119	95
EBITDA margin, %	12.0%	14.1%	12.6%	14.1%	15.5%	14.4%	11.1%	11.7%
Depreciation/amortization	-45	-48	-47	-40	-42	-44	-43	-36
Operating profit/loss (EBIT)	102	122	97	81	121	109	76	60
EBIT margin, %	8.3%	10.1%	8.5%	9.5%	11.5%	10.2%	7.1%	7.4%
Items affecting comparability	-10	6	-	8	-	11	-	-
Adjusted operating profit/loss (EBIT)	112	116	97	73	121	98	76	60
Adjusted EBIT margin, %	9.2%	9.7%	8.5%	8.5%	11.5%	9.2%	7.1%	7.4%
Number of education units	150	150	146	147	143	143	143	143



SEK million, unless otherwise stated	2020/21				2019/20			
Adult Education Segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	492	488	484	385	405	410	403	339
EBITDA	63	68	79	61	39	47	34	26
EBITDA margin, %	12.8%	13.9%	16.3%	15.8%	9.6%	11.5%	8.4%	7.7%
Depreciation/amortization	-4	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	59	64	75	57	35	43	31	22
EBIT margin, %	12.0%	13.1%	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%
Items affecting comparability	-	-	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	59	64	75	57	35	43	31	22
Adjusted EBIT margin, %	12.0%	13.1%	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%

SEK million, unless otherwise stated	2020/21				2019/20			
Group-OH and adjustments	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	0	4	1	1	1	3	0	0
EBITDA	347	351	329	342	320	300	302	335
Depreciation/amortization	-321	-313	-298	-301	-298	-305	-279	-303
Operating profit/loss (EBIT)	26	38	31	41	23	-4	23	32
Items affecting comparability	-4	-	-9	-	-	-28	-	-
Adjusted operating profit/loss (EBIT)	-33	-23	-19	-18	-32	-26	-27	-22

SEK million, unless otherwise stated	2020/21				2019/20			
Group	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	90,032	89,691	85,927	85,642	82,999	82,940	82,325	81,468
Net sales	3,672	3,591	3,436	2,641	3,227	3,284	3,258	2,502
EBITDA	742	750	661	603	713	700	565	508
EBITDA margin, %	20.2%	20.9%	19.2%	22.8%	22.1%	21.3%	17.3%	20.3%
Depreciation/amortization	-413	-405	-387	-382	-379	-391	-364	-379
<b>Operating profit/loss (EBIT)</b>	<b>329</b>	<b>345</b>	<b>273</b>	<b>221</b>	<b>334</b>	<b>309</b>	<b>201</b>	<b>129</b>
EBIT margin, %	9.0%	9.6%	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%
Items affecting comparability	-14	6	-9	10	-	36	-	-
Effect of IFRS 16 on operating profit	63	61	59	59	55	50	51	54
Adjusted operating profit/loss (EBIT)	280	278	224	151	279	224	150	75
Adjusted EBIT margin, %	7.6%	7.7%	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%
Net financial items	-100	-98	-100	-104	-105	-101	-103	-108
<b>Profit/loss after financial items</b>	<b>229</b>	<b>247</b>	<b>173</b>	<b>117</b>	<b>229</b>	<b>208</b>	<b>98</b>	<b>22</b>
Tax	-50	-58	-40	-26	-50	-47	-23	-5
<b>Profit/loss for the period</b>	<b>180</b>	<b>190</b>	<b>133</b>	<b>91</b>	<b>179</b>	<b>161</b>	<b>75</b>	<b>16</b>
Number of full-time employees (period)	13,733	13,767	13,127	12,814	12,738	12,759	12,723	12,524
Number of units	539	536	525	525	516	512	511	504



## 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	Fourth quarter		Full year				
	2020/21	2019/20	2020/21	2019/20	2018/19 <sup>2</sup>	2017/18 <sup>2</sup>	2016/17 <sup>2</sup>
<b>Adjusted operating profit</b>							
Operating profit	329	334	1,169	973	635	622	615
- Items affecting comparability	-14	-	-7	36	1	-48	-23
- IFRS 16 impact	63	55	243	209	-	-	-
<b>= Adjusted operating profit</b>	<b>280</b>	<b>279</b>	<b>934</b>	<b>728</b>	<b>634</b>	<b>670</b>	<b>638</b>
<b>Adjusted EBIT margin</b>							
Adjusted operating profit	280	279	934	728	634	670	638
Divided by /Net sales	3,672	3,227	13,340	12,271	11,715	10,810	9,520
<b>= Adjusted EBIT margin</b>	<b>7.6%</b>	<b>8.6%</b>	<b>7.0%</b>	<b>5.9%</b>	<b>5.4%</b>	<b>6.2%</b>	<b>6.7%</b>
<b>Adjusted EBITDA</b>							
Adjusted operating profit	280	279	934	728	634	670	638
- Depreciation excluding depreciation relating to property rental agreements	-94	-83	-364	-338	-296	-250	-212
<b>= Adjusted EBITDA</b>	<b>374</b>	<b>363</b>	<b>1,297</b>	<b>1,066</b>	<b>930</b>	<b>920</b>	<b>850</b>
<b>Net debt</b>							
Non-current interest-bearing liabilities	8,344	8,260	8,344	8,260	2,205	2,209	2,200
+ Current interest-bearing liabilities	1,272	1,279	1,272	1,279	592	673	516
- Non-current interest-bearing receivables <sup>3</sup>	-	-	-	-	4	4	4
- Cash and cash equivalents	966	528	966	528	527	699	579
- IFRS 16 Non-current and current lease liabilities <sup>1</sup>	7,428	7,214	7,428	7,214	-	-	-
<b>= Net debt<sup>2</sup></b>	<b>1,222</b>	<b>1,797</b>	<b>1,222</b>	<b>1,797</b>	<b>2,266</b>	<b>2,179</b>	<b>2,133</b>
<b>Property-adjusted net debt</b>							
Net debt (as described above)	1,222	1,797	1,222	1,797	2,266	2,179	2,133
- non-current property loans	671	597	671	597	644	603	467
- current property loans	25	62	25	62	89	48	116
<b>= Property adjusted net debt<sup>2</sup></b>	<b>526</b>	<b>1,138</b>	<b>526</b>	<b>1,138</b>	<b>1,533</b>	<b>1,528</b>	<b>1,550</b>
<b>Return on capital employed %, 12 months</b>							
EBIT (12 months)	934	728	934	728	634	670	638
+ Interest income	0	0	0	0	1	2	7
divided by							
Average equity (12 months)	5,062	4,698	5,062	4,698	4,426	3,853	3,216
+ average non-current interest-bearing liabilities (12 months)	8,302	5,232	8,302	5,232	2,207	2,204	2,158
+ average current interest-bearing liabilities (12 months)	1,276	935	1,276	935	632	594	542
- IFRS 16 average equity <sup>1</sup>	-165	-59	-165	-59	-	-	-
- IFRS 16 average non-current and current lease liabilities <sup>1</sup>	7,321	3,607	7,321	3,607	-	-	-
<b>= Return on capital employed %, 12 months<sup>2</sup></b>	<b>12.5%</b>	<b>10.0%</b>	<b>12.5%</b>	<b>10.0%</b>	<b>8.7%</b>	<b>10.1%</b>	<b>10.9%</b>
<b>Return on equity %, 12 months</b>							
Profit/loss after tax (12 months)	594	431	594	431	431	430	416
- IFRS 16 profit/loss after tax (12 months) <sup>1</sup>	-95	-117	-95	-117	-	-	-
divided by							
Average equity (12 months)	5,062	4,698	5,062	4,698	4,426	3,853	3,216
- IFRS 16 average equity <sup>1</sup>	-165	-59	-165	-59	-	-	-
<b>= Return on equity %, 12 months<sup>2</sup></b>	<b>13.2%</b>	<b>11.5%</b>	<b>13.2%</b>	<b>11.5%</b>	<b>9.7%</b>	<b>11.2%</b>	<b>12.9%</b>





SEK million, unless otherwise stated	2020/21				2019/20			
Interest coverage ratio	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted operating profit EBIT (12 months)	934	933	878	805	728	681	667	656
+ Interest income (12 months)	0	0	0	0	0	1	1	1
+ Other financial income (12 months)	3	3	4	4	4	4	2	2
divided by								
Interest expense (12 months)	-399	-403	-404	-404	-406	-316	-229	-142
- Interest expense (12 months) IFRS 16	-365	-363	-363	-360	-360	-271	-180	-92
<b>= Interest coverage ratio (Excl. IFRS 16)</b>	<b>27.7</b>	<b>23.4</b>	<b>21.5</b>	<b>18.4</b>	<b>15.9</b>	<b>15.3</b>	<b>13.9</b>	<b>13.3</b>

<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> 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 <sup>1</sup>
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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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.

<sup>1</sup> According to ESMA guidelines on performance measures, each performance measure must be motivated.

<sup>2</sup> The key indicator was calculated applying IAS 17 i.e., 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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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.

