

Remuneration report 2020/2021

Introductory comments

This remuneration report provides an outline of how AcadeMedia's guidelines for executive remuneration, adopted by the Annual General Meeting on 26 November 2020, have been implemented in the financial year 2020/2021. The report also provides details on the remuneration of AcadeMedia's CEO.

The report was prepared in compliance with the Swedish Companies Act and the Remuneration rules issued by the Swedish Corporate Governance Board.

Additional information on executive remuneration is available in note K5 Personnel expenses on pages 80-81 in the annual report for the financial year 2020/2021. Information on the work of the remuneration committee during the financial year is set out in the corporate governance report, which is available on page 57 in the annual report for 2020/2021.

Remuneration to the Board of Directors is not covered by this report. Remuneration to the board is resolved annually by the Annual General Meeting and disclosed in note K5 Personnel expenses in the annual report for 2020/2021.

Key development for AcadeMedia in 2020/2021

AcadeMedia's overall results and performance is presented in the administration report on pages 49-51 in the annual report for 2020/2021.

Overview of the application of the remuneration guidelines in 2020/2021

A prerequisite for the successful implementation of AcadeMedia's business strategy and safeguarding of the company's long-term interests, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company is able to offer competitive remuneration. The company's guidelines for executive remuneration enable AcadeMedia to attract, motivate and retain qualified personnel.

The remuneration to the senior executives shall be on market terms and may consist of fixed cash salary, variable cash compensation, pension benefits and other benefits. The variable compensation shall be linked to predetermined and measurable criteria, which can be financial or non-financial. The criteria shall be set to promote AcadeMedia's business strategy. The variable cash remuneration may not amount to more than fifty (50) per cent of the total fixed cash remuneration for the measurement period, and shall not qualify for pension benefits for the CEO. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related and share price-related remuneration. The guidelines for executive remuneration adopted by the Annual General Meeting 2020 can be found on pages 52-53 in the annual report 2020/2021.

The remuneration guidelines have been fully implemented. No deviations from the guidelines for executive remuneration have been decided and no derogations from the procedure for implementation of the guidelines have been made.

The auditor's statement regarding whether the company has complied with the guidelines is available at <https://academedia.se/investerare/bolagsstyrning/arsstamma/arsstamma-2021/>. No remuneration has been reclaimed.



Remuneration to the CEO in the financial year 2020/2021 (amounts in SEK thousands) ¹

Name	Fixed remuneration		Variable remuneration		Pensions	Total remuneration	Proportion fixed/variable ⁵
	Base salary ²	Other benefits ³	One-year variable	Multi-year variable ⁴			
Marcus Strömberg (CEO)	6 111	155	3 000	637	1 864	11 767	69%/31 %

¹ The table above presents remuneration related to the financial year 2020/2021.

² Includes holiday pay of KSEK 111

³ Other benefits refers to car benefit

⁴ Multi-year variable relates to the share-based variable compensation vesting during the financial year and was calculated as market price at vesting * number of savings shares, see also the section "Share-based incentive programmes ending during the year" below.

⁵ Pensions are in its entirety linked to the base salary and is a defined contribution plan, and is therefore treated as fixed compensation.

In addition to the compensation which the guidelines for executive remuneration encompasses, the Annual General Meetings have decided to implement long-term share-based incentive programmes, which are described below.

Share-based remuneration

During the year, AcadeMedia had two long-term share-based incentive programmes, one share-savings program and one warrant program, encompassing a number of senior executives and other key personnel within the Academedias Group. These two terminated during the financial year at maturity.

In addition, there is one long-term share-based incentive programme consisting of convertibles issued to employees in the Group, excluding group management, and also a share-option program with cash-settled synthetic options issued by AcadeMedias principal owner, Mellby Gård, offered to group management.

Share-based incentive programmes terminated during the year

Warrant programme

During the year, AcadeMedia had a warrant programme directed at group management approved by the Annual General Meeting 2017. The warrants were acquired at market value calculated according to Black & Scholes at the time of issuance. The programme encompassed in total 240,500 warrants, each of which gave the right to subscribe for one new share in AcadeMedia at 71.30 SEK per share. The final subscription period was in May 2021. In February 2021, executive managers (all but one) sold 220,500 warrants to the company's principal owner, Mellby Gård, at a price corresponding to the estimated market value. In the final subscription period, Mellby Gård subscribed for 220,500 shares, and the remaining executive subscribed for 20,000 shares.

The CEO held 52,500 warrants, which were sold to Mellby Gård in February 2021.

Share-savings programme

In 2018 AcadeMedia implemented a share-savings programme, AMP 2017, for executives and other key employees in the Group. Provided that the employee made an investment in shares in AcadeMedia (savings shares), held the savings shares during the term of the programme (February 2018 – February 2021) and continued its employment with AcadeMedia, the employee was awarded the corresponding number of matching shares. The performance criteria for the matching shares were that the total shareholder return exceeded 0% and that AcadeMedia maintained a good quality in its educational operations during the term of the programme. The board decided that the performance criteria were met and matching shares were allotted.



The total number of savings shares as at 30 June 2020 were 45,703 of which the CEO held 7,350. By the end of the programme in February 2021, in total 42,337 matching shares were awarded, of which the CEO was awarded 7,673 matching shares, corresponding to 0.04 percent of the total number of shares in the Company.

Other share-based incentive programmes

Convertible programme

The Annual General Meeting 2018 implemented a convertible programme directed to employees in the Group, excluding the CEO and group management. The convertible loan was issued at an amount of approx. SEK 20 million. At conversion, the number of ordinary shares can increase by 338,739, corresponding to a dilution of approx. 0.3 percent of the shares and votes in the company. The convertible loans matures on 17 September 2023, unless converted before that. See also note K5 Personnel expenses in the annual report for information on detailed conditions.

Synthetic options Mellby Gård

In 2018, AcadeMedia's principal owner Mellby Gård issued 681,000 cash-settled synthetic options to executive management in AcadeMedia with the purpose to promote the company's long-term performance and result. The synthetic options are related to AcadeMedia's ordinary share with a term of three years.

In February 2021, Mellby Gård issued another 287,357 cash-settled synthetic options related to the AcadeMedia share to the CEO. The synthetic options have a term of approx. two years and can be settled during the period February – October 2023.

AcadeMedia has not been involved in the offerings from Mellby Gård and will not be charged by any costs in relation to these offerings. The programmes cannot lead to any dilution for the AcadeMedia share.

The CEO holds 100,000 synthetic options issued in 2018 and 287,357 synthetic options issued in 2021.

Application of performance criteria

The purpose of the performance-related variable compensation is to engage and motivate executives in the organisation to ensure the development of the business in accordance with the objectives of AcadeMedia's business strategy. The variable compensation shall reward individual as well as joint achievements. The board may, after the board's own evaluation, eliminate or reduce all variable compensation if the individual or the organisation has shown lack of judgement and disregarded negative consequences with respect to quality in order to maximise the financial targets. The financial performance criteria is determined by the board and is based on adjusted operating income for the Group as a whole. For the financial year 2020/2021 the performance criteria resulted in 100% outcome with respect to the variable remuneration.

The performance criteria for the share-savings programme that terminated in February 2021 included financial as well as non-financial performance criteria, see section Share-savings programme above.



Comparative information on the change of remuneration and company performance

	20/21
Remuneration to the CEO, SEK thousands	11 767
Operating income for the Group, SEK millions	1 169
Adjusted operating income for the Group, SEK millions	934

¹ The table will be extended over time to include a five-year historical comparison.

