

Annual and Sustainability Report 2020/21



We are AcadeMedia

AcadeMedia is the leading and single largest independent education provider in northern Europe, and the second-largest education provider in Sweden, second only to the City of Stockholm.

In Sweden we operate throughout the entire education ladder: preschool, compulsory school, upper secondary school and adult education. In Norway and Germany, AcadeMedia only operates preschools.



CHILDREN, STUDENTS AND ADULT PARTICIPANTS*

188,000



SALES, SEK million

13,340



UNITS*

681



OPERATING PROFIT, SEK million

1,169



EMPLOYEES*

18,000

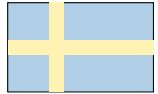


OPERATING PROFIT/LOSS excl. effects of IFRS 16 SEK million

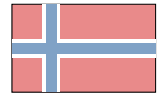
934

*Average per year

Our operations



SWEDEN In Sweden, we had 147 preschools and 78 compulsory schools at the financial year-end. About one quarter, 38, of AcadeMedia's preschools are integrated into a compulsory school. With 150 upper secondary schools, AcadeMedia is Sweden's largest independent provider in upper secondary education. We provide adult education at 150 units all over Sweden.



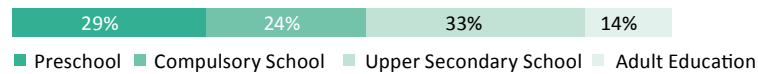
NORWAY AcadeMedia has been operating preschools in Norway under the Espira brand since 2014. At the financial year-end, we had 106 units.



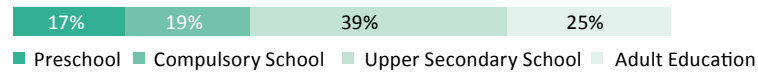
GERMANY AcadeMedia was established in Germany in 2016 via the acquisition of Joki. Since then our German operations have experienced rapid expansion, both through organic growth and acquisitions. At the financial year-end, we had 58 preschools in Germany.



Sales by segment



Operating profit by segment



The photo is taken at Sjölin's in Göteborg



From our CEO

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Business concept, vision and goals



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Market overview



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AcadeMedia's four segments



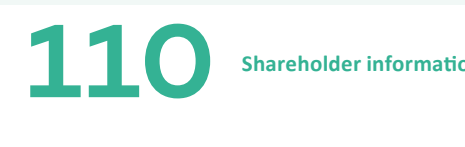
Read our Sustainability Report!

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AcadeMedia
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About the annual and sustainability report.

This is AcadeMedia's annual and sustainability report. The formal annual accounts can be found on pages 49–104. The statutory sustainability report is part of AcadeMedia's sustainability report and is presented for the most part on pages 23–48. The sustainability report is inspired by Global Reporting Initiative Standards and meets sustainability reporting requirements stipulated by the Swedish Annual Reports Act.

The year in brief

Net sales: SEK 13,340 million (12,271)

Operating profit: SEK 1,169 million (973)

Operating profit, adjusted for items affecting comparability and effects of IFRS 16: SEK 934 million (728)

Profit/loss for the year: SEK 594 million (431)

Earnings per share, diluted: SEK 5.62 (4.09)

	2020/21	2019/20	CHANGE
Net sales, SEK m	13,340	12,271	8.7%
Adjusted EBITDA, SEK m	1,297	1,066	21.7%
Adjusted EBITDA margin	9.7%	8.7%	1.0 p.p.
Operating profit/loss (EBIT), SEK m	1,169	973	20.1%
EBIT margin	8.8%	7.9%	0.9 p.p.
Adjusted operating profit/loss (EBIT), SEK m	934	728	28.3%
Adjusted EBIT margin	7.0%	5.9%	1.1 p.p.
Net financial items, SEK m	-402	-417	3.6%
Profit/loss before taxes, SEK m	767	556	37.9%
Profit/loss for the year, SEK m	594	431	37.8%
Earnings per share, diluted (SEK)	5.62	4.09	37.4%
Free cash flow	1,117	805	38.8%
Dividend	SEK 1.75*	SEK 1.50	SEK 0.25
Number of children and students	87,823	82,433	6.5%
Number of full-time employees	13,360	12,686	5.3%

*Proposed. Resolutions taken at the 2021 Annual General Meeting.

Significant events during and after the financial year

Compulsory school segment launches new educational profiles

- In the autumn, our Compulsory School Segment clarified its educational offering with the launch of new educational profiles. In all, 28 units were renamed, 22 as Noblaskolan and six as Montessori Mondial. Read more about our Compulsory School Segment on pages 14–15.

Acquisition of Swedish Education Group

- During the year, the acquisition of Swedish Education Group (Segab) was completed. Segab operates compulsory schools and upper secondary schools, as well as various vocational training programmes under the brands Enskede Byskola, Snitz, Cybergymnasiet, Donnergymnasiet, and KYH. Read more about our segments on pages 9–19.

AcadeMedia's higher vocational schools awarded record allocation

- AcadeMedia's higher vocational schools received a record allocation of programmes starting in autumn 2021 and the business is growing faster than the market. Overall, the allocation contributed towards an increase in the number of training places at AcadeMedia's higher vocational schools to 9,500 (7,500) in autumn 2021. Read more about our Adult Education Segment on pages 18–19.

The pandemic

- Throughout this Annual and Sustainability Report, there are accounts of how the pandemic affected our operations from various perspectives. Overall, units and staffs have been negatively affected but have coped well with the necessary adjustments.

Fire at a compulsory school

- After the end of the financial year, Vittra Kungshagen compulsory school in Nyköping was completely destroyed by a fire. The school will be rebuilt, and temporary premises have been rented until reconstruction is complete. Most of the additional costs caused by the fire are expected to be covered by insurance.



Marcus Strömberg, CEO, AcadeMedia

WE HAVE NEVER DONE MORE – FOR SO MANY

AcadeMedia at the forefront of an evolving sector of the future

Education is probably the most important investment a society, and an individual, can make for the future. Investing in a person's potential for development makes for a better and stronger society. It has been almost two years since the pandemic broke out and the whole of society was put to the test. Some sectors have been hit harder than others, which has meant that many people have needed to acquire new vocational skills and have turned to various adult education courses. The education sector has had to take a major step forward, rapidly finding forms for digital education, not only for adults but also for compulsory and upper secondary school students.

Despite these challenges, AcadeMedia has stood firm. We've never educated more people: we currently educate more than 188,000 pre-school children, students and participants each day. The fact that more and more people are choosing our courses every year, and that nearly 20,000 people are choosing to work with us, is evidence that we are living up to the trust placed in us. Our excellent quality, committed employees and clear educational profiles are driving us forward.

AcadeMedia, the leading provider of vocational training

One form of education that is too rarely talked about is vocational training. Professionally qualified or trained drivers, butchers, construction workers and nurses are an important part of our society, and many of these professions are facing shortages. The labour market has a large and growing need for skilled workers. Today, AcadeMedia is the leading vocational training provider in both upper secondary school and adult education. We have continued to develop our apprenticeship model, in which many students work closely with companies to gain new skills and make contacts. Higher vocational education is another form of education in which AcadeMedia is playing an important role in developing. Here, adults are trained for jobs in a variety of professions facing labour shortage, and many of our students find it easy to get jobs after graduation.

More campuses on the way

The number of young people of upper secondary school age is expected to rise from just over 350,000 to nearly 390,000 over the next five years. To meet the growing need for upper secondary

school places, we have built more campuses in recent years, bringing many benefits to students. The large common areas are one such benefit; another is that library, restaurant, café and student health facilities can be made bigger and better. We already have campuses in Stockholm, Uppsala, Gothenburg, Nacka and Malmö. I'm looking forward to the autumn term of 2022, when we will open two new campuses in Stockholm, Campus Vasastan and Campus Södermalm. When fully developed in 2024, the campuses will have the capacity to accommodate around 4,200 pupils, over 1,600 more places than today. I believe very strongly in these initiatives, whether on our own or in cooperation with others. In Nacka, three of AcadeMedia's upper secondary schools have been co-located with YBC, one of Nacka municipality's most popular upper secondary schools, in one campus for many years, a collaboration that works very well. We'd greatly like to see more collaborations of this kind.

Digitalisation to support the core business

One important aspect of AcadeMedia's development is to find and create new digital services and through this help bring improvements to the

Continued on page 7.

Continued from page 6

education sector. AcadeMedia is already Sweden's leading online educator, with tens of thousands of students studying remotely using various digital tools. Through Hermods and NTI-Skolan, we have a more than 100-year tradition of distance learning and a unique body of knowledge to build on.

To develop this part of our business, a few years ago we established a new business area, AcadeMedia EdTech, within our adult education business. Here, new services are developed and we have also invested in small EdTech companies whose services complement those we have already developed. There is also a strong need for development of additional digital services for our upper secondary school activities. Against that background, we have a central staff, AcadeMedia Digital, which focuses on exactly that area. For example, AcadeMedia Digital has developed services for digital homework, as well as digital study and career guidance.

Sustainability initiatives growing

External and internal demands for sustainability initiatives are growing. In order to achieve the world's shared climate goals, millions of individual daily decisions must lead the way, and education is key to making this happen. As the largest education group in northern Europe, we have both a responsibility and the opportunity to contribute. In our work we have chosen to focus on three areas, of which our core business, education/learning, is one. The other two are employees and environment/climate. Driving the development of the education of the future, creating the conditions for all who choose us to succeed in their educa-

tion, and measuring and improving on that basis constitute working towards the UN's Global Goal 4: "Good Education for All".

During the year, we held many meetings with our stakeholders (see also page 27), from students to shareholders. If the priorities of the different groups are combined, consensus is that teaching/learning is our most important area. Many emphasise two perspectives in the area. One is that we need to teach about sustainability and, in so doing, strive for behavioural change that will eventually lead to a sustainable society. The other is that we must maintain high quality in all education, thereby meeting the UN's Global Goal 4. The stakeholder analysis is instructive, and you can see a selection of thought-provoking quotes from our stakeholder dialogues on page 31.

Developments in educational are global

AcadeMedia is based in Sweden but we are focusing increasingly on evaluating international opportunities for development. Today, our international operations consist of preschools in Norway and Germany. However, adult education and school activities may also be interesting areas to look at. In particular, we identify opportunities to use our digital expertise internationally.

AcadeMedia has never been stronger and we are leaving a challenging, yet successful, year behind us. I would like to extend my most sincere gratitude to all our staff for their outstanding work. Let us never forget that we are working on the most important thing there is.

Marcus Strömberg, CEO, AcadeMedia



The photo is taken at Rudanskolan in Haninge.

This photo is taken at Rudanskolan in Haninge

Northern Europe's **leading** education provider

AcadeMedia is driven by the belief that, through education and learning, we can create positive change both for individuals and society at large. Our overall ambition is "100% – everyone should achieve their goals".



MISSION

Change through education



VISION

AcadeMedia's vision is to lead the development of education for the future



VALUES

Passion, trust, courage – together we are stronger



BUSINESS CONCEPT

AcadeMedia develops and conducts leading, distinctive educational institutions under various brands in all stages of the education process. We offer attractive, high-quality preschools, schools and adult education.



STRATEGIES

- Clear focus on education and well-defined brands
- Knowledgeable and committed employees and managers
- Group-wide quality management model
- Continuous improvement and innovative solutions
- Long-term sustainable growth



SUSTAINABILITY GOALS

AcadeMedia constantly works to contribute to society and strives to help build a sustainable society by providing quality education for all, using resources responsibly and maintaining an ethical approach in everything we do. See also our sustainability report on pages 23–48.

In consultation with our stakeholders, we have chosen the focus areas of learning, employees, environment and transparency. We set the following overarching goals:

- Our children/students/participants will achieve the objectives for their particular school level (100% – everyone to achieve their goals)
- Our employees shall be content with us as employers and recommend us to others
- AcadeMedia aims to set an example for environmental responsibility in the education sector
- AcadeMedia aims to set an example of transparency for companies that operate in the public sector



GOALS

- AcadeMedia shall be a leader in learning, attractiveness, efficiency, and innovative development
- We can only accomplish this by providing the highest quality education in the areas in which the Group operates
- By 2023, AcadeMedia shall be the leading and most influential education provider in Europe



DIVIDEND POLICY

AcadeMedia's main responsibility is to provide a quality education for the remuneration received. This shall be done as efficiently as possible. AcadeMedia's unrestricted cash flow will primarily be reinvested in the business in order to maintain

high quality and to finance future growth. Any surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets as to quality and financial position.



FINANCIAL TARGETS

AcadeMedia's financial targets are unchanged from earlier years. Adoption of the new rules on accounting for leasing in IFRS 16 has not affected the financial targets, as the targets are still defined and accounted for excluding the effects of IFRS 16.

GOAL	TARGET	OUTCOME 2020/21
Growth	5–7%	AcadeMedia's target for sales growth is 5–7 percent annually for the Group, excluding major acquisitions. 8.1% (5.4%)
Profitability	7–8%	AcadeMedia's profitability target for operating profit (EBIT) excluding items affecting comparability should amount to 7–8 percent over time. 7.0% (5.9%)
Capital structure	<3.0x	AcadeMedia's target for net interest-bearing debt to be no more than three times operating profit before depreciation and amortisation (EBITDA) excluding items affecting comparability. During brief periods, however, deviation from this target may occur, such as in connection with major acquisitions. 0.9x (1.7x)
Use of free cash flow	–	Free cash flow is primarily to be reinvested. Any surplus may be distributed to shareholders provided that AcadeMedia meets its targets relating to quality and financial position. SEK 1.75/share (SEK 1.50/share)

Figures in parentheses relate to the previous year. * Proposed dividend. Resolutions taken at the 2021 Annual General Meeting.

AcadeMedia's four segments

AcadeMedia reports on its operations on the basis of the Group's four segments: Preschool, Compulsory School, Upper Secondary School and Adult Education. Our segments range across the entire education spectrum, from infants to adults.

PRESCHOOL

AcadeMedia's Preschool Segment operates in three countries: Sweden, Norway and Germany. In Sweden, preschools operate under the Pyslingen brand, in Norway Espira and in Germany Joki, KTS, Stepke, and Espira.



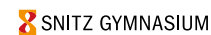
COMPULSORY SCHOOL

AcadeMedia's Compulsory School Segment operates schools throughout Sweden, from Kalix in the north to Malmö in the south. We offer a broad educational diversity and provide several different streams. During the year, the businesses operated under six different brands.



UPPER SECONDARY SCHOOL

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden, offering both academic and vocational programmes.

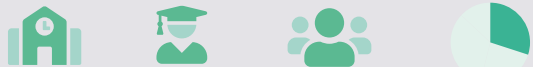


ADULT EDUCATION

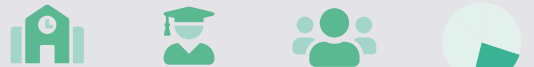
AcadeMedia's Adult Education Segment is the largest, and leading, provider of adult education in Sweden.



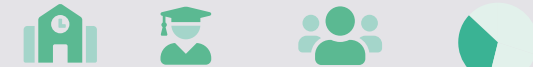
269 UNITS*
 21,447 CHILDREN*
 6,708 EMPLOYEES*
 29% PERCENTAGE OF SALES



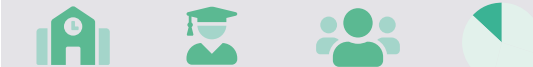
114 UNITS*
 26,696 STUDENTS*
 4,787 EMPLOYEES*
 24% PERCENTAGE OF SALES



148 UNITS*
 39,680 STUDENTS*
 4,492 EMPLOYEES*
 33% PERCENTAGE OF SALES



150 UNITS*
 100,000 PARTICIPANTS*
 1,865 EMPLOYEES*
 14% PERCENTAGE OF SALES



*Average per year

Preschool Segment

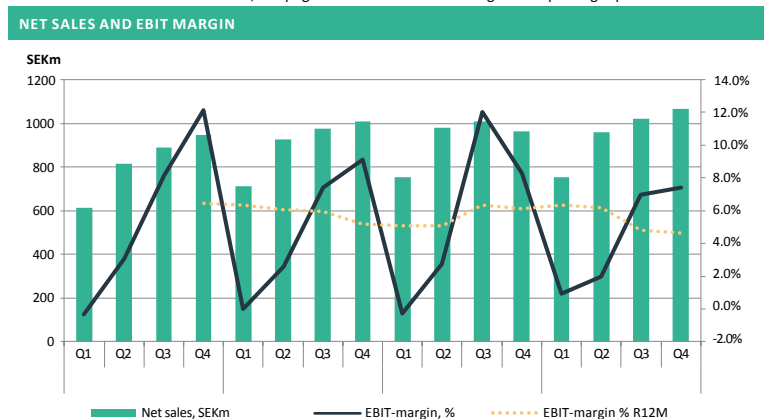
AcadeMedia's Preschool Segment operates preschools in Sweden, Norway, and Germany. Around 22,000 children aged 1–5 attend our preschools. In Sweden, the business is conducted in many municipalities with a total of 109 units. In Norway, Espira is the third largest preschool provider with 106 units. In Germany we operate 58 preschool units. At the end of the financial year the segment had a total of 273 units.

SIGNIFICANT EVENTS DURING THE YEAR

- Eleven new establishments, including nine in Germany despite lockdowns during parts of the year and severe Covid-19 restrictions.
- During the year, a common organisation was established for the operations in Germany and a shared quality system was introduced for all four brands.
- In Sweden, a three-year research collaboration with Ifous was initiated in relation to sustainability in preschool education.
- Norway's Espira has undergone something of a digital transformation. It has developed both digital skills development programmes and administrative systems to simplify daily life for employees.
- The pandemic created a very particular working situation in all countries. Nevertheless, activities have been developed everywhere, both educationally and in terms of quality. In Sweden, three joint-activity days have been established, focusing on movement, reading and sustainability. In Norway, Espiraparken, a resource centre for maths and science, has been very successful. In Germany, fewer children than usual attended, and several new starts were delayed.

PRESCHOOL	2020/21	2019/20	CHANGE
Number of children/students*	21,447	20,854	2.8%
Number of employees*	6,708	6,478	3.6%
Number of units*	269	259	3.9%
Capacity utilisation			
Sweden	90.2%	90.9%	-0.7 p.p.
Norway	90.9%	91.4%	-0.5 p.p.
Germany	90.1%	89.7%	0.4 p.p.

*Annual average
 For further financial information, see page 78 Note G2 where the segment reporting is provided.



The photo is taken at Vittra in Vallentuna





The photo is taken at Pyslingen Arkipelagen in Gustavsberg.

PRESCHOOL SEGMENT SWEDEN

Stronger focus on sustainability in children's everyday lives

During the previous school year, Pyslingen Preschools continued to develop and clarify its concept, including an increased focus on sustainability.

Based on the areas of movement, environment and reading, Pyslingen Preschools' aim is to highlight several different sustainability perspectives in the everyday lives of children. These are manifested, for example, in three regular Pyslingen days, when each preschool holds local activities linked to the areas of sustainability selected.

- All of Pyslingen gets moving (on World Heart Day)
- All of Pyslingen loves reading (on International Mother Language Day)
- All of Pyslingen for a sustainable environment (on World Environment Day)

In addition, a three-year research and development programme with independent research institute Ifous will start in autumn

2021. The aim is to identify which methods and working practices in preschools encourage children to think about sustainability. The programme will include around 20 Pyslingen preschools, together with the entire Pyslingen preschool management team.

Digital solutions have led to increased engagement

Pyslingen Preschools will also, as part of a Group-wide project, focus more actively on reducing food waste. The food waste project will be linked to children's education to give them a better understanding of where food comes from and what happens to what is left over. To further strengthen the sustainability view linked to meals, Pyslingen Preschools has published its own cookbook that is free for all to read online – "In the kitchen with Pys and Ling". The book includes tips on how to involve children in cooking meals, as well as delicious recipes that can be prepared together.

The pandemic has posed major challenges for preschools, which by their very nature are environments where physical encounters are important. However, by moving development reviews, parent-teacher meetings and other forms of gatherings online has led to increased engagement – more parents than before have taken part when they have been able to connect online instead of travelling to the preschool. For example, it has become more common for both parents to participate in development discussions and parent-teacher meetings.

Work on providing support and inspiration to parents is another initiative that has gone digital. Pyslingen Preschools posts short videos to share everything from tips on fun games for the children to advice on how parents can handle different situations in everyday life. This way, more people can benefit from our preschool expertise.



PRESCHOOL SEGMENT NORWAY

Espira BLIKK to be studied

Norwegian society was marked by the pandemic during the past fiscal year. However, AcadeMedia's Norwegian business Espira has also been dominated by intensified and systematic work on quality, with a focus on the children's best interests.

In order to achieve their ambitious quality goals, Espira preschools take a proactive monitoring approach. That way, it is possible to identify needs and areas requiring further development in good time. This approach also creates opportunities for preschools to learn from and be inspired by each other. The method, known as Espira BLIKK, is now used in all of AcadeMedia's Norwegian preschools. In October and November, all preschools carried out self-assessments of the quality of their particular uniqueness, within the framework of Espira BLIKK.

A few months later, just over a third of preschools conducted what are normally external assessments of their quality. However, because of the pandemic, it was not possible to carry out these in the usual way, so this assessment was carried out at the

preschool itself. The difficulties of this are obvious, but the feedback shows that the assessment team managed to take a detached view and to be critical of their own ways of working.

Good relations despite many restrictions

Many headmasters testify that looking at their own preschool with a critical eye has been surprisingly useful, especially as there has been a long period where the preschool departments have been operating in more isolated way from each other due to various infection control measures.

The findings from quality reviews and other surveys are used to plan the next financial year. In May, a survey was conducted to find out how children felt during the pandemic year. It was a relief to note that despite all the restrictions, the children have had plenty of opportunities to establish and maintain close relationships with other children. The reduced-size groups and the strict infection control measures in general have had a positive rather

than negative impact on relationships. Many children seem to have had better opportunities to make new friends and play during the pandemic year, a learning that is important to take into account when planning for the future.

Quality development in the best interests of the child

Next year, Espira BLIKK will be used as a starting point for quality development that places the best interest of children as centre focus. Espira will collaborate with researchers from DMMH (University College of Early Childhood Education and Research Institution in Trondheim) to study the Espira BLIKK method. In autumn 2021, joint meetings and further training of Espira BLIKK will take place. Espira BLIKK will also be linked to the Espira Leadership Academy during the year and become an important element of the programmes available to all Espira's educational leaders and headmasters.



Photo from the preschool segment, Germany

PRESCHOOL SEGMENT GERMANY

More preschools and focus on quality

AcadeMedia's preschools in Germany were severely affected by the pandemic in the previous academic year. Existing activities were attended by fewer children and several planned new starts were delayed.

After a turbulent year, much of it spent dealing with the consequences of Covid-19, the gaze is turned forward again – with focus on quality development and growth.

Major expansion needed

The demand for more preschool places in Germany remains high and it is estimated that there is still a shortfall of around 350,000 places. The lack of preschools is very much a political issue, as this is considered to have a major impact on both gender equality and the labour market. Today, it is common for women to take career breaks to be at home with their children, something that could be changed by a major expansion of preschool education.

The lack of preschools presents a great opportunity for AcadeMedia to make a socially important contribution in Germany by offering more preschool places at high quality facilities. A priority area for our preschools in Germany this year is to integrate the AcadeMedia quality management model more clearly into their development process. High quality standards already exist, but a common definition of quality and more uniform ways of measuring quality in preschools will create more fertile ground for further development. A quality team supporting all AcadeMedia preschools in the country has been established and a national quality assurance manager has been appointed.

Despite the severe shortage of preschool places, parents in Germany are placing increasingly high demands on the preschool they choose for their children, in terms of both care and learning. With a more highly developed, coherent and systematic quality approach, AcadeMedia's preschools can become the first choice for more people. The Scandinavian preschool model enjoys a

high international reputation and creates favourable conditions for AcadeMedia to become a long-term and important player in the German preschool sector.

Recruitment a challenge

It is not only preschools that are in short supply in Germany – there is also a shortage of trained staff, which affects staffing density. In other words, recruitment is a challenge, especially in the southern parts of the country. In the future, the supply of skills needs to go hand in hand with the expansion of the preschool sector, and AcadeMedia sees the possibility of contributing to this in the future through our own training courses for nursery teachers and preschool teachers.

At the end of the financial year, AcadeMedia had 58 preschools in Germany and plans to open 15 more next year. The preschools operate under the Stepke, Joki, Kita Luna and Espira brands.

Compulsory School Segment

AcadeMedia's Compulsory School Segment operates compulsory schools and integrated preschools under six brands in many municipalities in Sweden. Around 27,000 children aged 6-15 attend our schools. The schools operate entirely on the basis of the school voucher system. At the end of the financial year the segment had 116 units, including 38 integrated preschools.

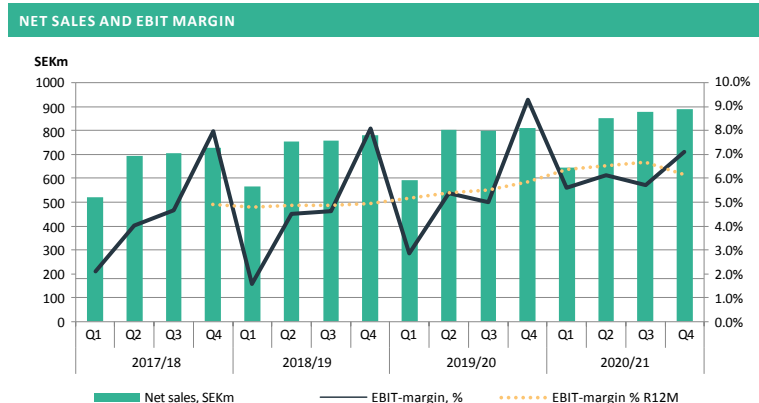
SIGNIFICANT EVENTS DURING THE YEAR

- In October 2020, two new school profiles were created, No-blaskolan and Montessori Mondial. Pops Academy and Pyslingen Schools continued their operations. A couple of months after the financial year, in October 2021, the Innovataskolan school profile was created, and Pyslingen Skolor brand was phased out.
- One of Sweden's largest Montessori schools, the Stockholm International Montessori School, with 800 students from pre-school to grade 9, was welcomed to AcadeMedia, as were the schools Snitz and Enskede Byskola. All are located in Stockholm.
- Rudanskolan in Haninge moved into newly built premises. At the same time, the number of pupils in the compulsory school was increased and a preschool, Lilla Rudan, was opened.
- During the year, the legal framework was created for remote and distance teaching in grades 7-9 due to the pandemic.

COMPULSORY SCHOOL (SWEDEN)	2020/21	2019/20	CHANGE
Number of children/students*	26,696	25,179	6.0%
Number of employees*	4,787	4,561	5.0%
Number of units*	114	109	4,6%
Capacity utilisation	92.9%	93.0%	-0,1 p.p

*Annual average

For further financial information, see page 77 Note G2 where segment reporting is provided.



The photo is taken at Rudanskolan in Haninge.

The photo is taken at Rudanskolan in Haninge



COMPULSORY SCHOOL SEGMENT

Clearer profiles paving the way for continued development

The pandemic affected daily life at every compulsory school in the country for much of the previous school year. A close focus was placed on keeping activities running as smoothly as possible, despite restrictions and local outbreaks of infection that for periods meant that students in some of our units could not attend school.

Thanks to the existence of a good digital infrastructure, AcadeMedia's compulsory schools were able to manage the transition to temporary distance teaching well, but it is too early to evaluate in detail the impact on pupils learning and knowledge acquisition. Identifying where and when digital solutions are most beneficial for students will be important in terms of the future development of compulsory schools.

Noblaskolan, Montessori Mondial, and Pops Academy

Despite the considerable impact of the pandemic on schools, it has not prevented continued development work. During the

preceding academic year, AcadeMedia launched two new brands in compulsory schools – Noblaskolan and Montessori Mondial. The units, 20 in number, were formerly Pysslingen schools and the name changes are part of an ongoing effort to develop and clarify the profiles of our schools. Ensuring that guardians and pupils know what they are getting when they choose a particular school, and that they feel that their expectations are being met, is an important prerequisite for a successful school choice. Pops Academy is another group of schools that combines academic excellence with creative activities. The number of Pops Academy schools increased to three during the year.

Joint development

In other words, the name changes are about more than just replacing signs on facades. Schools with similar specialisations and approaches should find forms of cooperation that feed through into joint development and improved quality. Bringing schools with Montessori teaching together under the Montessori Mondial brand creates better conditions for targeted, joint development work based on Montessori teaching. In the same way, our

Noblaskolan, Pops Academy and Vittra schools can work together to develop their common focus areas.

The aim of AcadeMedia's compulsory schools is to offer excellent schools that meet the needs of students and their guardians, in order for the student to achieve his or her educational and personal goals. The changes are already having an impact, with more students and teachers coming to the schools. In autumn 2021, another brand will be launched in the compulsory school segment when the majority of the remaining Pysslingen schools will be rebranded Innovitaskolan.

The process of developing AcadeMedia's compulsory schools based on different profiles is long-term, and both principals and staff will continue to have a great deal of influence on how their school incorporates and brings to daily life the building blocks that will form Noblaskolan, Montessori Mondial, Pops Academy, Vittra, and Innovitaskolan in future.

Upper Secondary Schools Segment

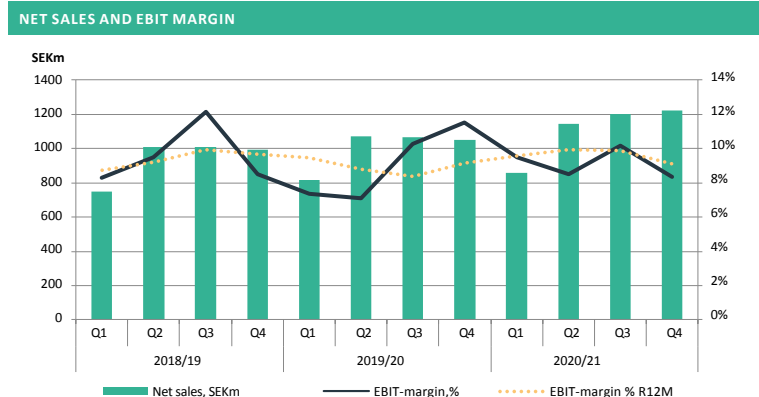
AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 brands, offering both academic and vocational programmes. Around 40,000 children aged 16-18 attend our schools. The schools operate entirely on the basis of the school voucher system. At the end of the financial year the segment had 150 units.

SIGNIFICANT EVENTS DURING THE YEAR

- Our campus strategy, which is about bringing together several upper secondary schools in one building with large common spaces and resources, took major strides forward. In Uppsala, a campus accommodating NTI-Gymnasiet and ProCivitas was opened, and Campus Södermalm and Campus Vasastan in Stockholm were given the go-ahead. Both will open in autumn 2022.
- Three large upper secondary schools were welcomed, the Donnergymnasiet school in Gothenburg and the Cybergymnasiet schools in Stockholm and Malmö.
- Despite the pandemic, when much of the teaching during the year was conducted remotely, the graduation rate at upper secondary schools rose, and students and staff were also more satisfied than in the previous year.

UPPER SECONDARY SCHOOL (SWEDEN)	2020/21	2019/20	CHANGE
Number of children/students*	39,680	36,400	9.0%
Number of employees*	4,492	4,445	1.1%
Number of units*	148	143	3.5%
Capacity utilisation	87.7%	87.9%	-0.2 p.p.

*Annual average
 For further financial information, see page 78 Note G2 where segment reporting is provided.



The photo is taken at Sjölin's Södermalm in Stockholm



UPPER SECONDARY SCHOOL

Upper secondary schools for the future

What will the upper secondary school of the future look like? And how can digital solutions contribute to better teaching and a more flexible everyday life for both students and teachers? These are questions that AcadeMedia's upper secondary school segment is focusing intensively on.

A multitude of digitalisation initiatives are in progress, including with Microsoft and RISE, to shape an upper secondary school that goes hand in hand with the digital evolution taking place in the rest of society.

School campus and Campus online

Building campuses where several schools are brought together under one roof is an expressed strategy for AcadeMedia's upper secondary schools. Work on the construction of Campus Södermalm is in full swing, and in autumn 2022 four schools will move into a new, state-of-the-art building in central Stockholm. Campus Vasastan is another climate-smart campus that will be completed in the year ahead. The campus initiative will allow more

schools to grow, and through it AcadeMedia will create more places at popular upper secondary schools with both academic and vocational programmes.

Campus Online, a digital platform where students can access all the school's resources such as study materials, recorded lectures and timetables, is also under development.

Campus Online also aims to simplify the practical aspects of students' everyday life at school, including making an appointment with a study and career counsellors, stating preferences for school lunches or checking the opening hours of the campus café. The platform is similar to a digital upgrade that is common in many industries, but in this area the education sector is still in its infancy. AcadeMedia's upper secondary schools have taken the lead in this area, and work on digitalisation will be stepped up even further in future.

International collaborations

For much of the past academic year, the country's upper secondary school students studied remotely, which had a significant

impact on their opportunities for workplace learning. Schools had to quickly change course and find alternative arrangements. One of many examples is NTI Gymnasiet, which was unable to send its students to South Africa for workplace learning as planned, but instead set up a helpdesk for a South African company at home. This meant they could provide IT support at a distance of more than a thousand miles.

International exchanges and collaborations, as well as digitalisation, are a priority for AcadeMedia's upper secondary schools. The EU-funded ERASMUS+ and other programmes offer cooperation opportunities for thousands of students and teachers to develop in international environments. These can range from teachers "job shadowing" teachers in other countries to students on both academic and vocational programmes doing their workplace learning abroad. This is an area that will also continue to develop rapidly in the years ahead.

Sjölins

Adult Education Segment

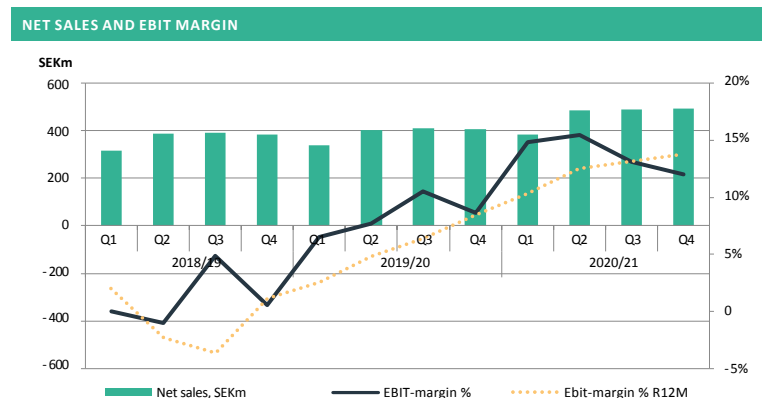
AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education, with a presence in about 150 locations. The segment operates in three main customer groups: Municipal Higher Education which include SFI and Komvux (58 percent of sales), Higher Vocational Education (26 percent), and Labour Market Services (13 percent).

SIGNIFICANT EVENTS DURING THE YEAR

- During the year, courses were largely conducted remotely due to the pandemic. A high level of digital expertise and a solid digital infrastructure enabled operations to continue to function efficiently.
- The number of participants in all business areas was high. The segment has a broadly-based contract portfolio that aligns well with the needs of the target group and the packages of measures launched by the government.
- The segment has expanded as a result of the acquisition of KYH (via the acquisition of Swedish Education Group) and Studier.se.
- The segment has continued to accelerate the development of digital services in EdTech (education technology).

BUSINESS'S PERCENTAGE OF THE SEGMENT	2020/21	2019/20	CHANGE
Swedish for Immigrants	12%	17%	-6 p.p
Komvux	46%	48%	-2 p.p
Company training programmes	3%	1%	1 p.p
YH	26%	22%	4 p.p
Labour market training programme	13%	10%	2 p.p
Other	0%	0%	0 p.p

For further financial information, see page 78 Note G2 where segment reporting is provided.



The photo is taken at Movant in Bromma, Stockholm

The photo is taken at Movant in Bromma, Stockholm



ADULT EDUCATION SEGMENT

Adult education more important than ever

The importance of adult education in addressing major societal challenges has probably never been clearer. Thousands of people have been forced to change careers as a direct consequence of the severe impact of the pandemic on a number of sectors.

The ability of adults to retrain or develop their skills in their own sector will play a crucial role for many years to come. To many, education is a springboard from unemployment and exclusion to a self-sustaining life and a contribution to society. The government has invested heavily in adult education and AcadeMedia is well positioned to meet increased demand for flexible and effective forms of education.

Digital solutions

When the pandemic hit, our organisations were well prepared to handle the digital transition, thanks to experienced distance

teachers, excellent learning platforms, tried-and-tested methods and digital tools developed over many years. The investment in the AcadeMedia EdTech business area puts us at the forefront of digital developments, where the needs of participants and teachers shape the development of new solutions. Going forward, more flexible forms of education are needed, combining digital with classroom teaching in a smart and effective way. AcadeMedia already has more than 50,000 students and participants engaged in digital learning.

Successful vocational training

One sign that the pandemic has forced many people to change professions is that more people than ever before are taking higher vocational courses. Higher vocational education has proven to be an effective form of education, with 91 percent of those who have completed one of AcadeMedia's higher vocational courses

finding a job. The government has invested heavily and we are seeing continued expansion of higher vocational education. The government has also invested in Komvux (municipal adult education), not least in vocational training.

Sweden's Public Employment Service is undergoing reform, a process that is expected to be completed by the end of 2022. Work to introduce job matching services across the country is in progress. AcadeMedia is striving to achieve a leading position, and is ready to contribute effective and directed initiatives.

With our wide range of services, from Komvux adult education to higher vocational education and matching services, AcadeMedia can help solve many of the societal challenges we face.

Market overview

AcadeMedia’s four segments operate in education. The business models are structured differently, but all four are in the main financed by public funds.

External factors that can affect demand for our services include demographic trends, urbanisation, the economy, unemployment and integration. Factors such as the percentage of individuals who have their children in preschool and school, the need for staff with the right skills, municipal finances and changes in education policy can also affect the markets in which we are active.

Demographic development and unemployment have an impact

In the Scandinavian countries, the percentage of children who attend preschool is very high. Consequently, the demographic trend in the region largely determines the need for preschool places. Population growth in Norway and Sweden is predicted to be negative in the years ahead. Part of Espira’s strategy is to ensure that our preschools are the top choice. New preschools are to be established in growth areas, and Espira is continuously monitoring how local market conditions are changing. In Germany, the percentage of children who attend preschool is low, as is the number of preschool places. However, demand is very high, and is thus the single most important market driver.

Swedish compulsory and upper secondary schools are expected to experience strong demographic growth, with urbanisation also affecting demand. Demand is rising in metropolitan areas, which are also the areas where AcadeMedia has long focused on establishing units. With rising unemployment, the need for adult education is growing and major public sector investments are now being made in the sector. A shortage of skilled labour is also a strong driver in the Swedish adult education market.

	GERMANY	NORWAY	SWEDEN	SWEDEN	SWEDEN	SWEDEN
AGE	1–5 years	1–5 years	1–5 years	5–15 years	15–18 years	Adults
SEGMENT	Preschool	Preschool	Preschool	Compulsory School	Upper Secondary School	Adult Education
TYPE OF SCHOOL	Optional	Optional	Optional	Compulsory	Optional	Optional
DEMOGRAPHIC TREND 2021–2026	350,000 preschool places will be needed	-4,8%	-7.1%	-0.4%	9.6%	Unemployment* (May 2021) 9.8%.
OTHER PROVIDERS	Denk mit!, Educare, pme Familienservice, Little Giants	Læringsverkstedet, Trygge Barnehager/FUS, Kanvas, municipal providers	Norlandia, Dibber, Atvexa, Tellusgruppen, Cedergrenska, municipal providers	IES, Kunskapsskolan, Cedergrenska, Tellusgruppen, municipal providers	ThorenGruppen, Kunskapsskolan, Jensen Education, Lärande i Sverige, Cedergrenska, municipal providers	Lernia, Intendia Group, Alea, Cedergrenska, Nackademin, IHM.

* Unemployment is one of many factors that is driving demand for our adult education services. Other drivers with an impact include immigration and various government and municipal initiatives. Sources: SCB (Statistics Sweden), SBB (Statistics Norway), Federal Statistical Office of Germany (Childcare)



The photo is taken at Pysslingen Lövhamra in Stenhamra, Ekerö.

Focus on growth

AcadeMedia has a strong history of growth based on organic growth and acquisitions. In order to succeed, we work proactively to identify and manage obstacles to growth. These include difficulties in recruiting employees, low reimbursement levels and access to suitable premises. For more information on our risks and how we manage them, see pages 60-66.

Win more bids/awards	Procurement of adult education where we make conscious choices of the courses in which we will participate. Procurement processes that focus solely on low prices and essentially ignore quality are low priorities.
Open new units	Organic growth that initially has a negative impact on profitability. However, the need for investment is low and long-term stable profitability is achieved on average within 3–5 years.
Improve capacity utilisation in existing units	Organic growth that has direct a positive impact on profitability.
Small bolt-on acquisitions	Organic growth that takes place at advantageous transaction multiples.
Major strategic acquisitions	Acquired growth with the goal of reaching a specific market or niche.

New establishments – financial profile

AcadeMedia develops organic growth by opening new preschools and schools within its various segments. The financial profile of new establishments varies per segment and per country. Initial investments are limited, other than in Norway, and also require little or no working capital, because school voucher funding is paid by municipalities in advance.

The fastest and most profitable growth is currently in Germany. As a conse-

quence of the major capacity shortage the preschools can be filled and reach break even within the first year of establishment.

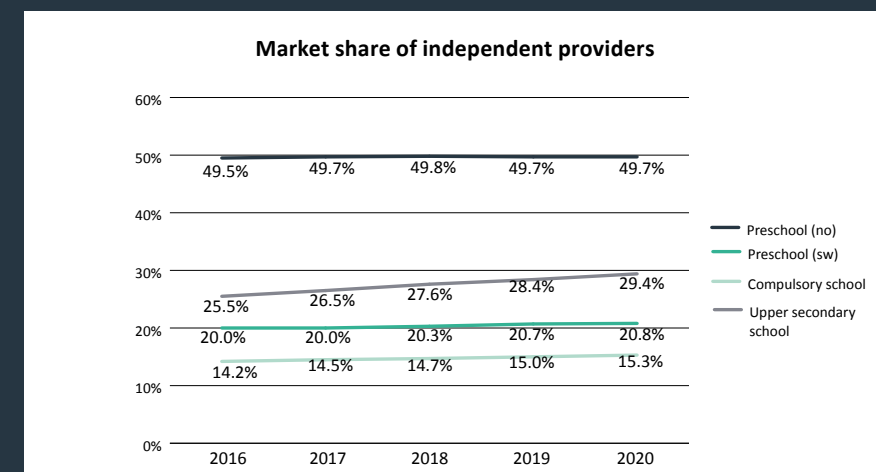
The table below provides an overview of the financial profile for a new establishment in each segment. It should be noted that for preschools in Norway, a property is owned and built by AcadeMedia, which requires more capital and also means that the EBIT margin must be higher to cover interest expenses.

	COMPULSORY SCHOOLS	UPPER SECONDARY SCHOOLS	PRESCHOOLS SWEDEN	PRESCHOOLS NORWAY	PRESCHOOLS GERMANY
START-UP INVESTMENT	SEK 5–8 m	SEK 5–10 m	SEK 2–3 m.	NOK 38 m*	EUR 0.3–0.5 m
TIME TO BREAK-EVEN	4–8 years	3–4 years	2 years	1 year	1 year
TIME TO MATURE PROFITABILITY	5–10 years	5–6 years	3 years	2 years	2 years
NUMBER OF PUPILS AT MATURITY	300–500	200–350	90–120	80–90	75–100
SALES TARGET	SEK 35–55 m	SEK 20–35 m	SEK 14–18 m	NOK 13 m	EUR 1.0–1.5 m
EBIT MARGIN TARGET	11–12% (excluding allocated fixed costs)	12% (excluding allocated fixed costs)	~12% (excluding allocated fixed costs)	~15% (excluding allocated fixed costs)	~12% (excluding allocated fixed costs)
LEASES (LEASE TERM)	5–15 years	5–15 years	10–15 years	10–20 years	15–30 years
NEW ESTABLISHMENTS 2021/22	-	3 units	1 unit	-	15 units

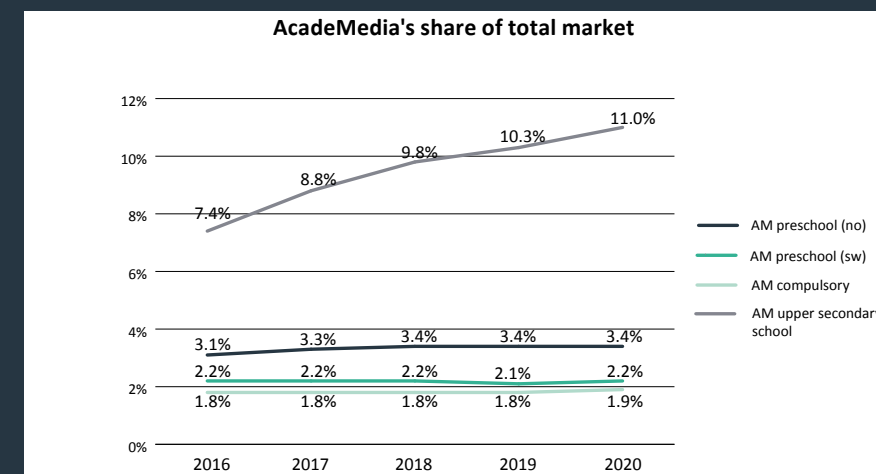
*In an initial phase, Espira owns its properties. The property investments are 100%-financed by loans from the Norwegian State Housing Bank. It should be noted that for preschools in Norway, a property is owned and built by AcadeMedia, which requires more capital and also means that the EBIT margin is necessarily higher to cover interest expenses.

Number of independent providers increasing

In the mature markets of Sweden and Norway, the percentage of children and students in private-sector education continues to grow. Interest has never been higher.



Source: Swedish National Agency for Education



Source: Swedish National Agency for Education

The education system – its reimbursement models

AcadeMedia is active in stable markets with steady growth. The reimbursement models differ, but all operations are primarily financed by public funds. Both public and independent providers are active in these markets.

All school operations (preschool, compulsory school and upper secondary school) require a permit from the authorities. Permits are granted until further notice. In all countries where AcadeMedia operates, extensive regulations govern daily operations and regulatory authorities in

each country monitor compliance. Non-compliance may, as a last resort, result in revocation of permits.

In adult education, permits are linked to fixed-term contracts obtained through procurement or award processes.

The table below provides an overview of the educational schemes for our segments, as well as the reimbursement models for the schemes.

EDUCATION SYSTEM		VOLUMES	REIMBURSEMENT MODEL	MARKET DRIVERS	
SCHOOL OPERATIONS	NORWAY	Permits	Municipally funded school vouchers based on outcome + parental fee. ¹	Demographics, urbanisation, increased penetration rate, school voucher trends.	
	GERMANY	Permits	School voucher + parental fee. ¹		
	SWEDEN	Permits	Municipally funded school vouchers based on budget + parental fee. ¹		
ADULT EDUCATION	MUNICIPAL ADULT EDUCATION	Procurement processes, which may be based on price and/or quality measures, determine who is allowed to conduct business. Contract duration is generally about 4 years.	Volumes are allocated by the contracting authority. They are largely known in advance.	The length of the programmes vary from a few weeks to one year. Reimbursement is based on the participant completing the programme.	Unemployment Migration
	LABOUR MARKET SERVICES		Volumes are allocated by the contracting authority. These are highly volatile.	The programmes are 3–6 months long. Reimbursement is per participant and day or week.	Unemployment Migration
	HIGHER VOCATIONAL EDUCATION	Application and granting of a permit to provide education services (once a year).	Demand is driven by the labour market and the individual chooses what to study.	The programs are mainly two years long and reimbursement is by participant and term.	Labour Market Unemployment

¹ Parental fee is only charged for preschool. In Norway, the parental fee accounts for 16.1 percent of the total reimbursement and in Sweden 3.7 percent. In Germany, the parental fee varies among the different brands, depending on the profile. For the 2020/21 financial year, the average parental fee in Germany was 15.5 percent of the total reimbursement.



The photo is taken at Pyslingen Ängsbacken in SaltsjöBoo in Nacka.

Sustainability report

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The photo is taken at Pysslingen Lövhagen in Stenhamra, Ekerö.

Sustainability Report

AcadeMedia's overarching goal is for everyone who chooses our activities to achieve both their personal and educational goals. Educational programmes should always be tailored to the circumstances of the individual. The UN's Global Goal 4: "Good Education for All", describes our core business, and our most highly prioritised sustainability work is the teaching that takes place in our units. In addition to providing an equal education for all, we are also required to teach sustainability and to be a good role model in both sustainable living and sustainable enterprise.

We have reduced our sustainability focus areas to three. Teaching, the word we use to cover "Good Education for All", is one. The other two are environment/climate and employees. Transparency has been eliminated as a focus area because transparency should permeate everything we do.

Sustainability work at central and local level

AcadeMedia's work on sustainability can be divided into two categories. The first is the work that the Group conducts at central level. This is guided by our sustainability strategy and a number of policies (see page 40). The focus of this work is decided by the Board of Directors and led by the Group management, of which nine members serve on the steering committee. The second category consists of a variety of large and small initiatives undertaken by one or more units. These are measured frequently, but rarely reported at central level. Initiatives range from recycling projects in preschools to the Resilience Project at Drottning Blanka's 27 upper secondary schools, in which several thousand students are learning to cope with adversity and which has been running for several years.

In January 2020, work began on setting appropriate sustainability targets, a project that we chose to put on hold due to the Covid-19 pandemic, which required very significant resources from March 2020 onwards. In last year's sustainability report, we

wrote that we would instead develop and decide on these targets in the 20/21 financial year. We assumed, incorrectly, that the pandemic would subside and that operations would be relatively normal from autumn 2020. As everyone knows, this was not how things turned out.

Instead, upper secondary schools were allowed to continue with remote and distance teaching. The situation in Sweden worsened in the autumn, and upper compulsory schools were also given the legal option of switching to remote and distance teaching. The organisation has remained under great strain, a pressure it has coped with well. However, things that were not absolutely essential, such as setting additional sustainability targets, have had to take a back seat. We expect to set these targets in the 2021/22 financial year.

The sustainability work itself has not been neglected in 2020/21. Quite the contrary. During the year, we started work on CO2 mapping, launched several other sustainability projects and conducted a qualitative and quantitative stakeholder analysis. We put questions to, and discussed issues with, owners, analysts, students, employees and many others – including more than 500 of our managers who gathered for a digital managers' forum in late June. Their responses are presented on page 27.

AcadeMedia's sustainability goals:

- Our children/students/participants shall achieve the assignment goals for their respective school level (100% – everyone should achieve their goals).
- Our employees shall be satisfied with us as employers and recommend us to others.
- AcadeMedia aims to set an example regarding environmental responsibility in the education sector.
- AcadeMedia aims to set an example regarding transparency for companies that operate in the public sector.



AcadeMedia – a brief description

AcadeMedia is an education enterprise, with operations ranging from preschools to adult education. We are a purpose-driven organisation, where our more than 18,000 employees provide high quality education.

Our business model is based on a decentralised organisation with students and learning at the centre. At the heart of our business and our single most important resource are our head masters and their staff – they are the people who live our values and deliver on our promises of a good education. Each individual head master or equivalent has overall responsibility for his or her unit(s). Our decentralised business model enables profitable growth through both start-ups and acquisitions. Acquisitions have been and continue to be strategically important for our growth.

Our activities create value on several levels.

- Our children, students and adult participants – education
- Society and shareholders – economic value distributed
- The future – our greatest contribution to the future is what we teach our children and students, as well as our ability to create inspiring learning environments where everyone is given the opportunity to succeed.

Common quality model – the key to togetherness and development

AcadeMedia's internal governance and monitoring is aligned to our segmentation. Alongside external and internal governance documents and policies, it is our common quality assurance system, the AcadeMedia Model, that holds us together. This ensures

that we keep quality and quality development at the forefront of our day-to-day business development. Our quality performance is available to all and summarised in our annual quality report.

Decentralised organisation with support at central level

A number of support functions that assist and free up time for our operations operate centrally at AcadeMedia and within each segment. Support functions include quality assurance teams, procurement organisation, internal training academy, temporary staff pools, HR specialists, payroll department, financial management and crisis management. Our central support functions enable each individual head master and their staff to focus on their core mission – education. Being an AcadeMedia school means you are part of something bigger. This benefit is most keenly felt when something goes wrong

Looking at how we use our financial resources, the cost base chiefly consists of personnel and property costs, with IT, educational materials, and food as other major items. We have just over 200 framework agreement suppliers and more than 80 per cent of the purchases are compliant.

Publicly funded activities where the individual's choice of school is based on individual considerations

AcadeMedia operates in stable markets with a clear regulatory framework for how business is conducted. Reimbursement models differ from one segment to another, but all operations are primarily financed by public funds. This means that when chil-

dren, pupils, students, adult participants or guardians choose what and where to study, they do not have to consider the cost of education. The individual's choice is based on their own preferences and considerations, with some common criteria being proximity to home, the educational focus/programme of the unit and its reputation. Both public and independent providers operate under the same conditions. In AcadeMedia's case, this means that we actively operate with different educational profiles. Those who choose us should know what to expect, and what sets us apart.

Our vision is to lead the development of education for the future

AcadeMedia's vision is to lead the development of education for the future. This also connects to our most important duty – to create an environment in which all children, students and adult students can achieve the goals of their educational programme. By providing good conditions and good teaching, we can help people and communities to develop and grow. Our raison d'être is our conviction that we are a positive force that challenges and develops education, while our operating structure, a public limited company, ensures that we remain focused on the long-term financial sustainability of what we do.

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Facts about permits

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Materiality analysis

Our materiality analysis indicates the importance of various factors to our stakeholders, and the extent to which AcadeMedia can influence these factors. During the year, we conducted both surveys and interviews with a wider range of stakeholders (see Stakeholder Dialogue on page 27) than in the past, making our annual review larger than in previous years.

The main difference is that quality in teaching is the issue most people consider most important, and they also think it is the area where AcadeMedia has the most impact.

AcadeMedia has chosen three main areas for our sustainability work, one of which, "learning", is very much about quality in teaching. Formerly, sustainability work was conducted in four main areas, but the area of transparency has been eliminated because it should be inherent in everything we do. The sustainability concepts in which both main and sub-areas are included are shown.

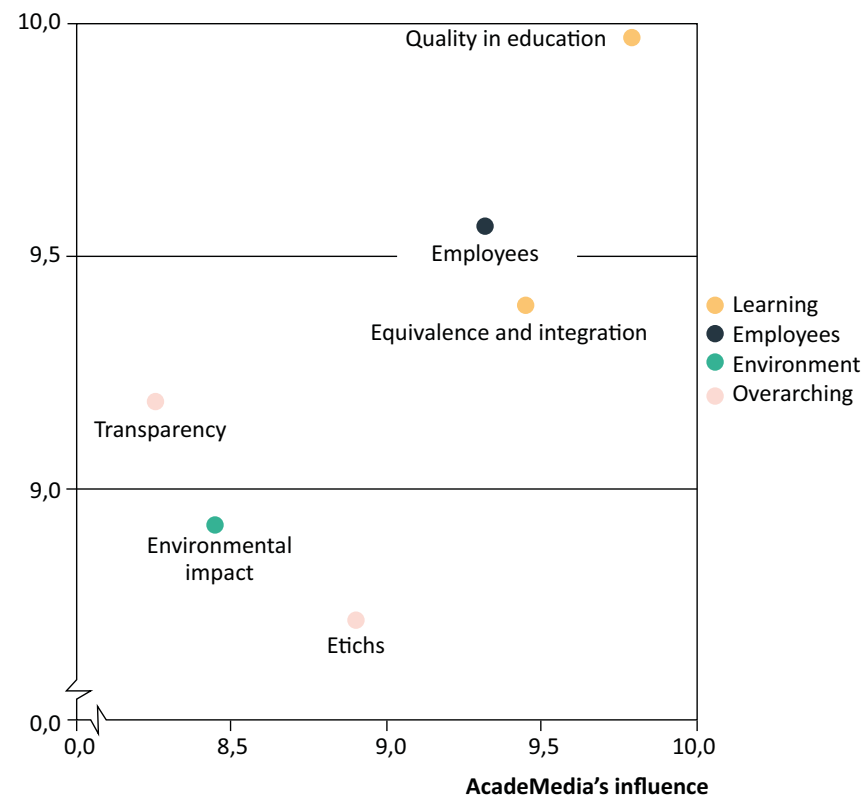
Our main areas are:

- **Learning** (human rights and social issues).
- **Employees** with sub-areas ethics and integration/equivalence (social issues and anti-corruption).
- **Environmental impact** (environment).

The materiality analysis also includes a couple of important overarching concepts: transparency and ethics (human rights and anti-corruption).

How these focus areas are governed and measured is described in greater detail in the next few pages and via the financial KPIs on pages 45–46. We also provide a number of in-depth examples of how this work is performed in practice.

Importance to our stakeholders



LEARNING By offering a superior learning environment, AcadeMedia helps people and communities to develop and grow. All students have the same right to a high quality education, irrespective of where they live or background. A good environment for learning also involves taking every individual student's needs and opportunities into account. We also aim to be a learning organisation, where both employees and managers can develop professionally. This is measured by our quality objectives, see pages 34–36.

EMPLOYEES AcadeMedia will recruit, develop and motivate the best educators and school leaders. We want our employees to enjoy their work and be given opportunities to develop professionally. We will always strive to maintain an ethical approach, guided by clear policy documents and lively discussion. This is measured by our employee surveys, employee turnover, absence due to illness and our whistleblower process. See pages 37-41.

ENVIRONMENT AcadeMedia pledges to use all types of resources responsibly and to be a model of environmental sustainability in the education sector. We are working to reduce the Group's environmental impact over time. Certain environmental metrics have been developed, although this is an area of development for us. See pages 42–44.

OVERARCHING Maintaining public confidence in AcadeMedia's work is critically important, since we are mainly financed by public funds. An ethical approach to everything we do and open and proactive communication are therefore embedded in AcadeMedia's ways of working. We also operate a public intranet, our employee website, where the goal is to have 85 percent of material available to the public. Transparency and ethics are measured by the number of unique visitors to our open intranet, as well as by our Code of Conduct and use of our whistleblower function. See page 39.

Students think environment and climate are the most important issues

Students, employees and investors interviewed in AcadeMedia's stakeholder dialogue think that environmental and climate issues are the most important areas to focus on in our sustainability work. The Swedish National Agency for Education stands out by ranking environment/climate as one on a ten-point scale.

However, the reason why the agency stands out is not that it considers environmental and climate issues to be unimportant and unnecessary to address, quite the contrary. While they consider the issue to be important, they do not believe that AcadeMedia can make much of a difference in this area, and want us to focus on high quality teaching. It is important to take their attitude into account in discussions as to how to conduct sustainability work as effectively as possible, even if we have chosen to focus on environmental and climate issues as well.

Materiality analysis for the year

Our materiality analysis provides details of the importance of various elements for our stakeholders, and the extent to which AcadeMedia can influence these factors. Last year, we conducted a number of interviews. This year, we added surveys and conducted the interviews based on specific questions in order to track changes over time. Stakeholder responses form the basis of both the stakeholder analysis to the right, and the materiality analysis on page 26.

The overall conclusion is that all stakeholders believe that the most important thing AcadeMedia can do to promote a more sustainable society is to empower and develop learning. This includes both what is happening in our preschools, schools and adult education settings, and what we as an organisation need to learn and change in order to contribute to the transformation that is needed. To achieve this, stakeholders believe that AcadeMedia's leaders need to be clearer role models in terms of both motivation and performance, and that we need to collaborate with other actors in different fields.

We also added another stakeholder, Planet Earth. In our view, this stakeholder needs to be included on this list, even though it is not possible to conduct a dialogue in the literal sense of the word. It's about taking part in and following research in the field of climate change.

The stakeholder groups we interviewed are:

- Children and students
- Employees and head masters
- Trade union representatives
- The Swedish Association of Local Authorities and Regions (SALAR)
- Swedish National Agency for Education
- Suppliers
- Owners and investors

STAKEHOLDER	CHANNEL FOR DIALOGUE	KEY ISSUES FOR STAKEHOLDER GROUP	
CHILDREN, STUDENTS, ADULT PARTICIPANTS AND GUARDIANS	Our goal is to equip children, students and adult participants with knowledge and education to shape their own future – Change through education.	Daily meetings at preschools, schools and education units. Development reviews. Mentoring time. Parents' meetings. Learning platforms. Social media. Fairs and other public arenas.	Reducing climate and environmental impact. Involving students in sustainability work. More themes highlighting everyday situations in the classroom. High quality teaching. A good environment for development and learning. Low employee turnover. Student health. Good food.
EMPLOYEES	AcadeMedia will recruit, develop and motivate the best educators and school leaders. We will also create an efficient organisation.	Meetings Internal communication Performance reviews Employee satisfaction surveys. Trade union meetings. Internal training Talent programmes Leadership development programmes	Making the work environment more sustainable. Support in teaching. Ability to show results to employees and students/participants. Leadership. Professional development.
SUPPLIERS	AcadeMedia aims to lead by example and, by virtue of our size, to negotiate good terms for financial and sustainability aspects in the contracts we conclude.	Procurement Purchases Meetings Monitoring	Collaboration and close dialogue. Reducing CO2 through shared solutions. Compliance with policies.
OWNERS/ INVESTORS	AcadeMedia will create long-term sustainable operations and a robust return for our shareholders.	Meetings Board representation Annual General Meeting Financial statements Investor presentations	Employee issues. Clear and transparent financial and sustainability reporting. Environment and climate Focus on learning.
SOCIETY	AcadeMedia will also live up to society's expectations, by providing appropriate educational programmes of high quality and by maintaining a high level of transparency.	External reference and steering groups Traditional mass media Social media Meetings and seminars	Highlight learning even more clearly. Clear leadership profile. Collaborate with others.
THE PLANET	AcadeMedia will help reduce climate impact and bring about a more sustainable world through responsible use of all types of resource.	Research reports News reporting	Reduced and sustainable use of resources

Education drives sustainable development

Education is one of the most important building blocks for a more sustainable world. Education gives people the knowledge and power to shape the future, both for themselves and for future generations.

AcadeMedia's size means that through our training programmes we have a direct impact on 180,000 children, students and participants. If you add in all the employees, guardians and other family members, we are approaching half a million people who are impacted in various ways by our activities. As a result, we have a major responsibility and a wide scope to exercise influence in a sustainable direction.

Our sustainability work is closely integrated into our core mission, teaching. In addition, our focused work in recent years has enabled us to say that sustainability is also an important part of our core processes and our development work. See also the section on Governance, on pages 30 to 33.

The UN's Global Goals and Global Compact

Our sustainability work and the contents of our Code of Conduct, are largely based on the ten principles enshrined in the UN's Global Compact and the UN's 17 Global Goals. These in turn originate in the UN Declaration of Human Rights.

The Global Compact is a network of enterprises under the auspices of the UN in which members work to strengthen implementa-

tion of the ten principles regarding human rights, labour law, the environment and anti-corruption. Examples of human rights include the right to education, to health and well-being and to social security.

The UN's Global Goals for Sustainable Development (SDGs), adopted in 2015, are the path we have chosen to create a more sustainable future. The 17 goals define the world we aspire to, and each goal has various sub-goals. Good education for all (goal 4) is the goal to which AcadeMedia contributes the most and the one that, in our view, has the most powerful impact on the other goals.

Global agreements define what we want to achieve, but it is how we humans act in any given situation that determines how well we succeed. This concerns several billion people who, according to their own individual circumstances, have to make decisions that will give them, our society and our planet a better future. To the individual, it may be about reducing their personal carbon footprint by consuming and travelling less, or in more climate-friendly ways. To a major shareholder in a company, it may be about formulating policies that guide many people on to a more sustainable path.

Human rights and an ethical approach

AcadeMedia's core business has obvious points of contact with both the Global Goals and the Declaration of Human Rights.

Learning is therefore one of the areas of sustainability where AcadeMedia can contribute most. Employees and the environment are two other areas that AcadeMedia has chosen to prioritise.

Both we as an organisation and our employees as individuals should always maintain an ethical approach towards everyone who in any way is affected by our work. Everyone must be able to rely on their rights being respected. Our Code of Conduct and our whistleblower system, which are available to all, are two important elements of policy and supervision within our organisation. For more information on the system, including instructions on how to report an incident, see page 39. During the financial year, we received 34 (17) whistleblower reports.

The UN Declaration of Human Rights, adopted in 1948, consists of 30 articles. These describe both what all people have a right to, such as education and health care, and what all people have a right to be free from, such as slavery. Human rights apply to everyone, and no distinction should be made between people.

The UN's Global Goals may be described, somewhat oversimplified, as a way of implementing the Declaration of Human Rights. AcadeMedia contributes to all 17 goals through the education we provide. See the following pages for a review of how AcadeMedia is working on the various goals to contribute to a more sustainable society and a world where the Declaration of Human Rights is respected.



Our contribution to attainment of the global goals

AcadeMedia's biggest and most important contribution to a sustainable future is our core business, education. Through our teaching and what it provides, we contribute to all 17 Global Goals. Our curricula, for example, emphasise the environmental perspective as an important element of teaching, and the

syllabuses specify what pupils should learn. As an organisation, AcadeMedia can also have a direct impact on a number of the Global Goals through the priorities we set and decisions we make.

WHY IMPORTANT AND WHAT INFLUENCE DO WE HAVE?		EXAMPLES OF GOVERNANCE DOCUMENTS AND POLICIES	READ MORE ABOUT ¹ ...
LEARNING			
UN's Global Goals	AcadeMedia's core business contributes indirectly to all UN Global Goals through education.		
Goal 4 Quality Education	Through our core activities, we can equip our children and students with knowledge for the future. More specifically, a reliable compass and sound understanding of issues such as the environment/climate, human rights and personal responsibility.	<ul style="list-style-type: none"> – School legislation – Curricula – the AcadeMedia-model 	... goal achievement, page 35 ... the segments, pages 9–19
Goal 10 Reduced Inequalities	We focus actively on equal opportunity plans and follow up learning at different levels in order to allocate resources fairly.		
EMPLOYEES			
Goal 8 Decent Work and Economic Growth	Our most important resource is our nearly 20,000 employees. Their work environment and well-being is important to the quality of our core business. We encourage our employees to take part in skills development, peer learning and career development within AcadeMedia's operations. AcadeMedia believes that the trade unions, which are represented on our Board, are of great importance to the employees and the organisation.	<ul style="list-style-type: none"> – Work Environment Act – Cooperation with trade unions – Whistleblower policy – Code of Conduct 	... our employees, pages 37-41 ... trade union cooperation, page 37 ... our whistleblower function, page 39 ... our payroll survey, page 38 ... gender distribution, page 38
Goal 5 Gender Equality			
ENVIRONMENT			
Goal 7 Affordable and Clean Energy	Most of our operations are conducted in premises, totalling around 860,000 sq m., where considerable volumes of energy are used in heating, lighting, ventilation, cooking and other power systems. By actively choosing type of energy source where we can, and influencing our landlords where the choice lies with them, we can reduce our carbon footprint.		
Goal 12. Responsible Consumption and Production	Five days a week, nearly 200,000 individuals are brought together on our premises, overseen by our 20,000 employees. Educational materials, cleaning products, food and computers are purchased on a considerable scale each year. What we buy, and how we ensure and teach that all materials are used in a long-term sustainable way – and that they are recycled properly when they can no longer be used – makes a difference. Our procurement policy, training, and well-designed physical environments where it is easy to do the right thing are our main tools.	<ul style="list-style-type: none"> – Meals policy – Procurement policy – Travel policy – Code of Conduct 	... food waste management, pages 43 and 44 ... of our CO2-footprint, page 43 ... our cooperation with our suppliers, page 43 ... our environment- and climate-related work, pages 42-44
Goal 13 Climate Action	One of the most important tools in combating climate change is knowledge of the problems that exist and of what we as a society – and every individual – can do differently to make a difference. Through our core business, we can impart knowledge and insight to our students and employees.		

¹. Pages 45-46 Non-financial key performance indicators provide a complete presentation



Establishing support and a clear path forward

The aim of AcadeMedia's sustainability work is to make a journey of change to create a better AcadeMedia, and an even more responsible education sector. One important step towards achieving this was taken at the Board's annual strategy meeting held by Group Management. The meeting approved the plan for an intensification of work which was presented by Group Management.

Sustainability work is supervised at overall level by the CEO, who has appointed a sustainability officer. Operational activities are carried out by a three-person project team. Three departments, AcadeMedia Academy, Finance and Communications, contribute resources and expertise to drive the work forward on a day-to-day basis. Other key staff making a big difference during this transformation journey are Procurement, Real Estate and Meals. Those working in an operational capacity are supported by a steering group consisting of five members of Group Management. This organisation was established less than two years ago.

The project team has largely achieved its aims, which included developing further appropriate and measurable targets for the Group's sustainability work and additional KPIs, as well as initiating and supporting segments, brands and units in various sustainability projects. The project team was also tasked with systematising the sustainability work. The Covid-19 pandemic affected last year's work on sustainability, and so it was difficult to achieve a consensus on clear and measurable goals. Otherwise, work continued according to plan.

In the 2020/21 fiscal year, the first step was to focus on two areas: learning and environment/climate. We also conducted an in-depth stakeholder dialogue, to verify that the areas we have chosen are in line with the views of our stakeholders.

The sub-areas of learning and environmental and climate impact that we have chosen to focus on are:

- Learning and education for sustainable development
- Reducing CO₂
- Sustainable procurement
- Recycling
- Food waste

Stakeholder dialogue conducted

The areas we chose were prioritised by our stakeholders during the in-depth discussions held throughout the year. The aggregated results of these interviews are shown in the figure below. More on the stakeholder dialogue and a stakeholder analysis are provided on page 27.

Cooperation partners

Much of the material that AcadeMedia produces is shared with other providers. During the Covid-19 pandemic, this has come to the fore. AcadeMedia's comprehensive planning right at the outbreak of the Covid-19 pandemic in Europe was published in en-

tirety, both on AcadeMedia's website and on that of the Association for the Independent School Sector. AcadeMedia's crisis management organisation was also contacted by several other education organisations, both municipal and independent, and in all cases shared both material and experiences. During the Covid-19 pandemic, we acted as representatives of the Association for the Independent School Sector in meetings with the Swedish Ministry of Education and Research, the Swedish National Agency for Education, the Swedish Schools Inspectorate, the Swedish National Association for Ideology-Based Schools and the Swedish Association of Local Authorities and Regions (SALAR). These meetings, chaired by the Ministry of Education and Research or the National Agency for Education, were intended to enable us together to create tools to enable the organisations to provide all students/participants with the education to which they are entitled, and at the same time prevent the spread of the virus.

AcadeMedia is member of a number of organisations. Examples of organisations of which we are members:

- The Swedish Association of Independent Schools
- PBL (Private Barnehagers Landsforbund) in Norway
- Deutsche KiTA Verband
- Association of Private Education Providers
- Ifous, which is an independent research institute that focuses on creating benefit for Swedish schools

WHICH OF OUR PRIORITIES DO YOU THINK ARE MOST IMPORTANT?

	STUDENTS	MANAGERS	TEACHERS	TRADE UNIONS	SALAR*	SKOLVERKET**	INVESTORS	AVERAGE
LEARNING AND EDUCATION FOR SUSTAINABILITY	1	1	1	1	4	1	1	1
REDUCING CO ₂	2	2	3	4	2	5	3	2
REDUCED FOOD WASTE	3	4	2	2	1	5	4	2
RECYCLING	5	4	3	3	5	5	2	4
SUSTAINABLE PROCUREMENT	4	3	5	4	3	5	5	5

*SWEDISH ASSOCIATION OF LOCAL AUTHORITIES AND REGIONS (SALAR) ** SWEDISH NATIONAL AGENCY FOR EDUCATION



The photo is taken at Pyslingen Trolleborgen in Vällingby

Quotes

During the dialogue with our stakeholders, many wise voices took time to speak with us. We would like to share their thoughts and ideas. The selection reflects the views expressed by a large number of individuals.

"Sort more – we're happy to help. Start now on sorting paper hand towels in the toilets."
(Supplier of cleaning products)

"Management must show the way."
(Upper secondary school principal)

"Calculating your own food waste creates an awareness of your own impact, on both major and minor levels. That can then be used to reinforce teaching."
(Upper secondary school student)

"It's important that we set an example through procurement, transport, waste sorting and more. In great and in little things."
(Compulsory school principal)

"Continuing education is important, as is inclusion of social sustainability by strengthening equivalence, for example."
(Trade union representative)

"Focus on how to lead teaching for sustainable development and engage in collaboration with other stakeholders."
(National Agency for Education)

"Get better at telling students how bad the situation really is and devise competitions in schools for the best ideas for becoming more sustainable. That way, you get the students on board."
(Upper compulsory school student)

"Set tough metrics linked to environmental areas."
(Staff member)

"You can make the biggest difference by educating the adults of tomorrow. But you also need to get better at measuring and reporting your carbon footprint."
ESG rating organisation

"Do we have to buy new furniture that matches throughout the school?"
(Middle compulsory school student)

"Create tasks that relate to sustainability issues and are close to the everyday of students lives in areas such as sustainable fashion, gender norms, recycling."
(Compulsory school teacher)

"Everyone has to be part of it. You just have to start measuring and reporting."
(Investor)

Generated and distributed economic value

AcadeMedia provides education for nearly 200,000 individuals every day. We are also a workplace for just over 18,000 employees. We rent a total space of 860,000 sq m. in Sweden, Norway and Germany. School voucher funding and other income are used

to pay salaries, buy services and goods and pay interest and taxes. Tax that benefits our employees, society and central government finances. This creates payment flows, and a level of prosperity that affects all AcadeMedia's stakeholders.

Tax is an important sustainability issue for all societies and their citizens. AcadeMedia has operated a tax policy since 2014. The policy states that in areas where the rules are unclear, the Group shall act prudently, with caution and transparently.

State subsidies

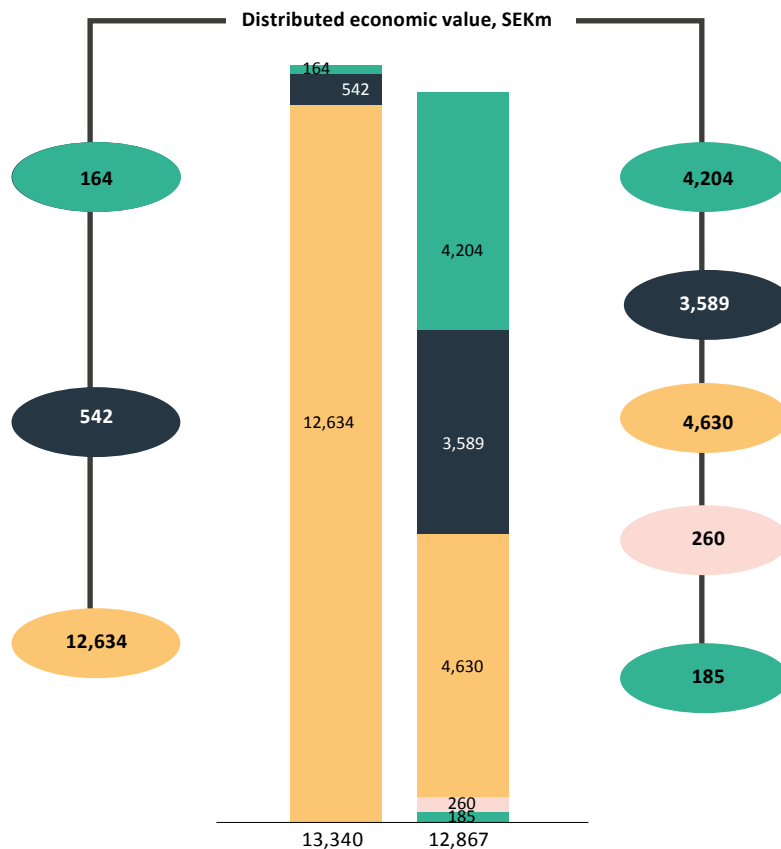
State subsidies include subsidies for the lower compulsory school initiative, smaller classes, skills development and before- and after-school care initiatives. For more information on State subsidies, see Note G7.

Parental fees*

Parental fees is received from the preschools in all three countries in which AcadeMedia operates. Fees in Sweden and Norway are regulated by the State. In Germany, the amounts are also regulated by each federal state, but preschools have the option of charging a fee themselves.

Education-related income*

Consists of school voucher funding and participation fees, mainly received from the municipalities where we operate.



* Parental fees are included in Education-related income

Problems in society where AcadeMedia makes a difference

Through our activities, AcadeMedia also plays a part in resolving a number of societal issues, problems that only change marginally over time.

WELFARE SYSTEM UNDER PRESSURE

Welfare systems need skilled workers, and a tax base capable of financing an ageing population. We are working to provide more education for the resources that society allocates, enabling more people to earn a living and contribute to society, while training more people in professions that are necessary for welfare to develop in a positive direction.

INTEGRATION

The time for an individual arriving in Sweden to get work and become self-sufficient is too long. Our investment in apprenticeships, and Swedish for Immigrants, is helping to reduce this time.

SKILLS SUPPLY

Every year, we provide education and training for nearly 200,000 children, young people and adults.

SKILLS SHORTAGE/TEACHER SHORTAGE

There is a shortage of qualified school teachers and other personnel in all the countries where AcadeMedia operates. We are addressing this shortage by investing in skills development, and by being an attractive employer.

LACK OF LEADERSHIP IN THE EDUCATION SYSTEM

Research shows conclusively that good leadership at all levels is vital in enabling students/participants to succeed in their studies. AcadeMedia focuses on leadership development at several levels via a number of different programmes. See also page 38.

Society

Social security costs, pension costs, income taxes, value-added tax, withholding tax, property tax

Suppliers

Costs of food, teaching materials, rents (leasing fees) etc.

Employees

Salaries and other remuneration

AcadeMedia

Total investments (excluding acquisition). For example, in properties and inventory.

Shareholders

Dividend (proposed by the Board of Directors for 2020/2021 of 1.75 SEK per share)

Risk and risk management

Exposure to risk is a natural part of all types of business. AcadeMedia therefore maintains a risk management plan. The focus is on identifying risks, preventing risks and preparing action plans that will mitigate any damage that such risks may cause.

Many risks can be eliminated through internal procedures, while various policies, action plans and education can be used to minimise others that to a greater extent are beyond the control of the Company. A description of the risk assessment process, monitoring and other related activities is provided in the Corporate Governance Report on pages 56-59.

Categorisation of risks

AcadeMedia categorizes risks as

- **Operational** – Risks associated with day-to-day operations.
- **External** – Risks attributable to external factors beyond AcadeMedia's control.

- **Financial** – Risks related to AcadeMedia's financial position and financing.

- **Sustainability risks** – Risks associated with AcadeMedia's sustainability focus areas – employees, learning and environment and climate. Risks associated with social responsibility are also included in the category of sustainability risks.

The most significant risks in each category are shown in the table alongside. In the context of this year's review of the Group's risks, the impact, likelihood and AcadeMedia's ability to manage each risk were analysed. The findings are summarised in the table alongside.

Sustainability encompasses all areas of risk. We have therefore elected to highlight all sustainability risks on the basis of our three focus areas in sustainability. These are: Employees (E), Learning (L) and Environment and Climate (E/C). Social conditions are included in the area Employees.

A description of each risk, potential impact and management is provided in the section on Risk and Risk Management, on pages 60-66.

RISK	
Operating risks	
2. Employees and skills	(L) (E)
4. Access to premises	(L)
6. Personnel expenses	(E)
8. Quality risks including risks related to non-compliance with contracts	(L)
9. Shutdowns and disruptions	(L) (E)
External risks	
13. Crises	(L)(E)
Sustainability risks	
19. Absence due to illness	(E)
20. Employee turnover	(E)
21. Gender equality	(E)
22. Quality of education	(L)
23. Expectations that we take responsibility	(L)
24. Korruption	(E)
25. Transparency	(E)

Learning = (L) Employees = (E) Environment and Climate (E/C)



The photo is taken at Pysslingen Trolleborgen in Vällingby.

Focus area: learning

AcadeMedia's largest and most significant contribution to a sustainable future is our core business, education. Through our teaching and what it provides, we contribute to all 17 Global Goals.

Our curricula emphasise the environmental perspective as an important element of teaching, and the syllabuses specify what pupils should learn. As an organisation, AcadeMedia can also have a direct impact on a number of the Global Goals through the priorities we set and decisions we take.

Our core mission has a clear link to the UN's Sustainable Development Goals

One of AcadeMedia's goals is to be a leader in learning, with the ambition that everyone who attends one of our institutions should achieve the goals of their education: "100% - everyone to reach their goal". Our core mission is also closely linked to the area of sustainability where we can make the greatest contribution: the UN's Global Goal 4 - Good Education for All. This fourth goal in turn has major impact on the extent to which our other objectives are achieved. For example, education has a considerable impact on the chances of eradicating poverty and creating

peaceful and inclusive societies. Through our programmes, we also equip people with an understanding and knowledge of the sustainability challenges that the world faces.

It is with this conviction that we aspire to lead the development of the education of the future, based on our mission – Change through education.

Systematic work on quality assurance makes a difference: the AcadeMedia Model, our quality assurance system, is the common toolkit

At AcadeMedia, we strive to constantly create the most favourable learning environments for our children, students and participants. By providing a good environment and quality teaching, we can help people and communities to develop and grow. We do this on the basis of our quality management model, the AcadeMedia model, which has been developed and refined over a dec-

ade. Thanks to research, proven experience and qualified correlation analyses, we know what works, and it is with this knowledge that we are building for the future. We have identified four success factors: focus on the mission, proactive follow-up, collegial collaboration and active resource allocation.

These, together with our quality themes, form the core of the AcadeMedia model. They are factors that have major impact on how well we achieve our learning goals.

Close monitoring of goal achievement

Goal achievement is followed up and reported at three different levels – unit, principal and Group. The Group's Quality Report, which is published shortly after the Annual and Sustainability Reports, provides a good overview of the current situation and forms the framework for prioritising development efforts.

The photo is taken at Sjölin's Södermalm in Stockholm.



FOCUS AREA: LEARNING

Goal achievement 2020/21

Many people probably thought we would see falling grades as a result of the pandemic. Instead, quite the reverse transpired, both for us at AcadeMedia and for large parts of the rest of the country. National statistics for the 2020/21 school year show that more compulsory school students qualified for upper secondary school and that the proportion of upper secondary school students graduating within three years also increased.

While it is encouraging that more and more students are moving on to the next stage of the education staircase, it is also important to get a clearer picture of the impact of the pandemic on grades and the educational development of students in this period. Given that the national exams were cancelled for the second year in a row, analysis has become more difficult and everyone should probably wait before drawing definitive conclusions from this year's grading results.

PRESCHOOL: In Swedish preschools, goal achievement is measured through a self-assessment twice a year. Eight areas are measured to obtain an overall picture of whether the school's activities give the children the opportunity to develop in accordance with the objectives of the preschool's own curriculum. Quality improved sharply during the year.

Our Norwegian preschools have adapted the same method to their own activities, under the title of Espira BLIKK, and outcomes have been favourable there as well. A survey on the well-being of children during the pandemic, was conducted there with the conclusion that children were not significantly affected by the restrictions imposed.

In Germany, AcadeMedia's quality management model, the AcadeMedia Model, is being integrated more clearly into activities. A focus has been placed on quality for many years, and more consistent ways of measuring quality are now being created in order to work from a common base.

COMPULSORY SCHOOL: In compulsory school, goal achievement is measured by the proportion of students in year 9 with at least an 'E' grade in all subjects, the percentage eligible for upper secondary vocational programmes and the average assessment level of students in year 9.

In AcadeMedia compulsory schools, the results for year 9 improved compared to the previous year and are now above the national average (for 2020) in terms of assessment level, percentage with at least an E in all subjects and eligibility for upper secondary vocational programmes.

Looking at all pupils in year 9, AcadeMedia compulsory schools show a more positive trend in results for boys than for girls, and little or no difference between boys and girls in terms of the percentage with at least an 'E' in all subjects or in eligibility for upper secondary vocational programmes. However, the average assessment level for boys is lower than for girls.

UPPER SECONDARY SCHOOL: In upper secondary school, goal achievement is measured by the percentage of students who meet the requirements for graduation and the grade point average (for all students graduating with full diplomas).

In AcadeMedia upper secondary schools, a very positive trend is evident in the results of the percentage of students graduating (+1.4 percentage points), such that the graduation rate in 2021 exceeds the national average for 2020. The grade point average of AcadeMedia upper secondary schools is on a par with that of the previous year (14.2).

In terms of programme type, it is clear that the graduation rates for the programmes leading to university are increasing in all programmes and are above or in line with the national average for 2020. The graduation rate for vocational programmes is also rising overall, but there are greater variations in graduation rates among the different programmes and the extent to which results are in line with the national average (2020).

Regarding outcomes for boys and girls, we can see a positive trend in results for both groups in 2021, in terms of the percentage with a diploma. However, in terms of the grade point average, the results for boys remain on a par with the previous year, while those for girls have risen. The results for girls are higher than for boys, in terms of both graduation rates (+4) and grade point averages (+1.4).

ADULT EDUCATION In Adult Education, goal achievement is measured differently, depending on the format. Statistics for the segment as a whole are compiled on two occasions – a mid-year measurement in August and a full-year measurement in January-February.

The results are summarised in the table on the right, with some comments below.

- **KOMVUX (BASIC ADULT EDUCATION)** Results are marginally higher than last year. No major differences between classroom teaching (face-to-face teaching) and distance teaching are evident here.
- **UPPER SECONDARY SCHOOL EDUCATION FOR ADULTS** Results are marginally higher than last year. No major differences between classroom teaching (face-to-face teaching) and distance teaching are evident here.

RECOMMENDATION LEVEL	2020/21	2019/20	2018/19
Preschool – Norway	4.5 ¹	4.5 ¹	84.7%
Preschool – Germany (Joki) ²	84%	–	88%
Preschool – Germany (KTS) ²	81%	–	79%
Preschool – Germany (StepKe) ²	77%	–	76%
Preschool – Germany (Espira) ²	86%	–	–
Preschool – Sweden	88%	86%	83%
Compulsory School – students	70%	68%	65%
Compulsory School – guardians	81%	78%	74%
Upper Secondary School – students	76%	69%	68%
Adult Education – students/participants (total) (Spring Semester Autumn Semester) ³	87.7%	86.4%	86.4% 84.3%

¹ According to the national user survey, Espira's recommendation level is 4.5 on a five-point scale.
² No surveys were conducted in Germany in 2019/2020 because of the Covid-19 pandemic.
³ Since 2019/20, the recommendation rate in adult education is followed up once a year.

- **HIGHER VOCATIONAL EDUCATION** Of those who graduated in higher vocational education in 2020, 84 percent had a job six months later. In a normal year, nine out of ten get a job six months after graduation. This indicates that the pandemic's impact on the labour market also affected goal achievement in higher vocational education in 2020.
- **SWEDISH FOR IMMIGRANTS (SFI)** In SFI, goal achievement is measured in terms of how many hours of teaching a student needs from the start of the course to completion of the course with a passing grade. This is termed the learning path. In 2020, AcadeMedia's SFI learning path increased sharply, from 247 to 291 hours. The increase is viewed as being due to the greater use of distance learning.

Every Praktiska Gävle student to reach their goal

On 17 April 2019, Praktiska Upper Secondary School in Gävle received a letter from the Swedish Schools Inspectorate. The letter contained notice of a penalty of SEK 650,000. The school was given three months to rectify its shortcomings.

"They had criticisms of just about everything, from grading to safety. I have to admit that I wondered if we shouldn't close the school", says Joakim Ekenberg, who heads ten schools in AcadeMedia's practical upper secondary school area.

The decision was to do the opposite. The quality of the school had to be improved, fast. To achieve that required a lot of practical effort, and a clear goal. The goal was the obvious one: all students must succeed. In the spring semester of 2021, that goal was achieved, with all 31 students who completed a national upper programme a few weeks before doing so with an upper secondary school diploma in their hands. In addition, 80 percent of them have found work. The programmes the school offer include Children and recreation, Construction and civil engineering, and HVAC and property. In all, around 150 students attend Praktiska Upper Secondary School in Gävle.

Principal Nils-Åke Andersson took up his position at the school in August 2019. At the time, he had 25 years of experience as a principal, and a further five years of experience of assignments at the Swedish Schools Inspectorate and the Swedish National Agency for Education.

"Experience is important in situations like this, you can never get away from that. I know the regulations, I know what we can do. And I know a good deal about how to go about it", he says.

However, experience and knowledge are not always enough – resources are also needed. Resources were created.

"We received increased resources from the centre, including to boost student health. A lot had to be done at once and at the same time we needed to work together on key functions to succeed.

"But the most important thing was the input of the teachers. They worked incredibly hard and concentrated on the things that help students succeed," says Nils-Åke Andersson.

First time someone believes in the students

Many of the pupils attending the school have bad experiences from compulsory school. Not all are eligible for upper secondary school, so when they arrive at school in the autumn semester, it takes a lot of time has to improve their compulsory school skills. Nils-Åke Andersson:

"Educational research agrees on two things. The first is that leadership at all levels is important. And that belief in the ability of all students to succeed is crucial to their actual success.

"We are often told that this is the first time they have felt that someone believes in them.

Part of having faith in someone is daring to make demands. That is what the teachers, and the head teacher, do at Praktiska in Gävle.

"As a teacher here, you have to be clear, straightforward and a good adult role model. You shouldn't be a friend to the students, they already have friends, they don't need more", says Nils-Åke Andersson.

Head teacher Nils-Åke Andersson and his boss, School Superintendent Joakim Ekenberg, keep coming back to what they see as the key to the turnaround the school's management and staff have managed to achieve.

"It's about seeing what can help an individual succeed and investing the resources needed to make it happen", says Nils-Åke Andersson.

"For every action we take, we always ask whether it really helps the students to achieve their educational goals. If the answer to the question is no, we do not do it".

When the decision on the penalty notice came from the Swedish Schools Inspectorate in April 2019, a quarter of all pupils left school without an upper secondary school diploma. In December of the same year, the school received what is known as a green report, i.e. a report without criticism. The penalty notice was cancelled, and the head teacher and all the staff were able to continue working to improve the quality of the school.

From 75 to 100 percent

Today, 100 percent of students succeed in obtaining an upper secondary school diploma. When Joakim Ekenberg is asked what has changed specifically in his work, he says "attitude, attitude, attitude". And he makes a list:

- All those who work at the school do so with the understanding that they are there for the students, and that all students have the right to succeed.
- A daily morning meeting with all employees is held; this helps everyone to work together.
- More and better monitoring of the teaching.
- Better knowledge of grading and assessment to ensure a comprehensive assessment based on the proficiency requirements.
- Many special interventions for pupils at individual level.

Principal Nils-Åke Andersson summarises the conclusions as follows:

"It's important that everyone who works here understands our mission and is both able and willing to work with the students that we have. Many of the students are wobbling a bit, our social commitment is to do everything we can to help them get to where they want to be, to get an education and then get a job".

Focus area: Employees

AcadeMedia's vision is that we should lead the development of education for the future. Our people are the obvious key to how we as an organisation succeed in that aim. When employees feel good and develop, AcadeMedia does the same. Together we can make a difference for our children, students and participants.

The pandemic has had a major impact on the day-to-day lives of our employees. Absenteeism at preschool has been high among both children and employees. Some aspects of compulsory, upper secondary and adult education were fully or partially conducted in the form of remote and distance teaching during the school year. The effects of the pandemic have created anxiety and uncertainty in many places and so AcadeMedia adjusted even more as an employer to provide increased support to employees. The well-being and sense of security of our employees are more important than ever before.

Security in unpredictable times

During the school year, AcadeMedia's HR department kept constant focus on employee work environments based on the changes in their working conditions. We monitored the work environment of employees, for instance via the employee survey and complementary pulse surveys in parts of the organisation. AcadeMedia also maintains a highly-developed trade union collaboration both at group level and locally. Cooperation during the pandemic has intensified with good results.

An essential condition for any feeling of security in unpredictable times is good access to information. AcadeMedia has endeavoured to ensure that employees always have access to up-to-date, clear and relevant information concerning how we as an organisation are dealing with the pandemic. This has taken the form of policies, various types of guidelines and a large number of FAQs on AcadeMedia's public intranet, the employee website.

The AcadeMedia Academy has developed extensive support materials for leaders and educators, including training videos, to offer reassurance and guidance on how to navigate the pandemic.

Work on core values

AcadeMedia's core values are based on courage, passion and trust. During the school year, work on self-leadership and values continued. We offered courses to build culture, increase motivation and the ability to lead oneself based on values. Our work on values also permeated through the development programmes that were implemented.

Trade union cooperation

AcadeMedia's Swedish operations have collective agreements with the Almega Service Employer Association (independent school agreement with our union partners the Swedish National

Union of Teachers, Swedish Teachers' Union, Swedish Municipal Workers' Union and Vision) and the Almega Service Associations (education agreement covering the Swedish Association of Graduate Engineers and Unionen). At AcadeMedia, the Swedish Municipal Workers' Union has 0.6 full-time positions, the Swedish Teachers' Union has a National Division with 4.8 full-time positions and the National Union of Teachers has a Group branch of 4.0 positions. These positions are paid for by AcadeMedia. Within the framework of the independent school agreement, AcadeMedia has signed a local partnership agreement with the Swedish Teachers' Union and National Union of Teachers. The teachers' unions also have seats on AcadeMedia's Board of Directors.

Anti-corruption

AcadeMedia's employees must at all times comply with the requirements of the AcadeMedia Code of Conduct. The Code is a Group-wide framework covering human rights, labour, environmental and anti-corruption issues. AcadeMedia's procurement policy provides our employees with access to pre-negotiated framework contract suppliers, ensuring that the Group's procurement of goods and services is conducted correctly, reducing the risk of corruption and bribery. The Procurement Policy and Code of Conduct are monitored by all staff and are available on AcadeMedia's open intranet.

Work environment policy

The work environment is one of the single most important issues to the Group. Our work environment policy therefore begins with the words: "A good work environment is a competition issue and due to this also a strategic issue for AcadeMedia and its operations." Our work environment efforts endeavour to create a physically, mentally and socially positive and stimulating workplace for all employees and students/participants, where the risk of occupational injuries and work-related ill health is prevented.

Staff security policy

Security issues of various kinds are becoming increasingly important in the world of schools. The problems of society at large also exist here. Many employees have a profound impact on many people, and some of the decisions and messages that need to be made and communicated can be difficult for many to accept. Violence and threats are also on the rise in schools. Against that background, AcadeMedia operates a personal security policy that states how we respond to various security issues. Our focus on coping with emergencies remains, while at the same time increasing resources in place for prevention. The policy is available on AcadeMedia's open employee website, and is also free for others to use either, in part or in its entirety.



FOCUS AREA: EMPLOYEES

Activities during the year

Employee satisfaction survey

In the annual employee satisfaction survey, we analyse how our employees feel and whether they believe they are given the opportunity to perform their work.

The findings from the customer and employee satisfaction survey indicate consistently high results in the employee satisfaction index (NMI) since 2013. Moreover, the survey shows that 87 percent of employees are proud of their workplace, and three out of four see good opportunities for professional development. Employee ratings for confidence in AcadeMedia's management remain strong at 86 percent. When asked whether they would recommend their workplace to others, 84 percent of employees respond positively. All of the above results show improvements over last year's survey. From 2021 onwards, a question on AcadeMedia's vision is included: three out of four believe that AcadeMedia is leading the development of the future of education.

Payroll survey

Every year, AcadeMedia performs an annual payroll survey to ensure that we pay equal salaries. We focus mainly on gender pay gaps, but also on other intersections, such as age category and employment rate within each segment.

The gender pay survey covers 6,193 teachers in all school segments (excluding hourly employees), of whom 3,970 are women and 2,232 are men. The gender distribution is most even in the upper secondary segment. In our school segments, women employees earn slightly more on average than their male colleagues. Women's salaries are 1.6 percent higher than men's in preschools, 1.4 percent higher in compulsory schools and 1.5 percent higher in upper secondary schools. In the adult education segment, men earn on average 0.3 percent more than women. The gender pay gap is considered small, and may be due to factors other than gender (such as education, level of experience and region), but this work continues to be monitored on an ongoing basis.

Skills development for employees

During the school year, AcadeMedia Academy increased the production rate of digital courses and training programmes for managers, educators and other personnel. This resulted in several new training packages that can be used in operations and by teams at their convenience. The majority of the new programmes have also been published publicly for others to learn from and be inspired by. New networks were set up to create

connections between administrators and directors in all parts of AcadeMedia's operations. A similar forum was also created for all educators, with a focus on a joint approach to skills development. In addition, continuous digital meeting forums were held for support staff, focusing on culture, collaboration and the AcadeMedia roadmap. Some of the most popular courses that were developed are aimed at educators and deal with lesson design and goal achievement in mathematics.

Leadership development

Through the pandemic, AcadeMedia's leaders have been subject to new and more complex demands. To support their work, AcadeMedia Academy has developed, in collaboration with a crisis management expert at the Swedish Defence University, a training course on leading in low-intensity crises. The course provided leaders and educators with research-based tools to lead and make decisions during the pandemic. The majority of regularly performed leadership development programmes were converted into digital form. During the spring, the seventh edition of the programme "Talent Programme for Aspiring Leaders" was launched. In addition, a new school management programme for preschool, compulsory school and upper secondary school head masters was implemented. For adult education managers, a similar programme called "Leadership Development with Networking" was implemented. Another initiative was a masterclass in differentiated and peer learning for management teams, as well as managers' meetings for all heads of staff.

Community and school development

During the school year, we were able to contribute to an initiative, "the More Teachers Forum", organised by the Ministry of Education. Together with other governing bodies and trade unions, we developed proposals to make the teaching profession more attractive, to improve quality and to give teachers more time to teach. AcadeMedia also participated in various seminars related to how to boost teaching and professional development. In addition, we took part in research projects, for example on "The work environment and health of Swedish school leaders" and "Lessons on integration". Collaborating partners were the Universities of Lund and Umeå and the independent non-profit association SNS, the Swedish Center for Business and Policy Studies.

During the year, we also developed support and inspiration for staff to support their learning and teaching in the area of sustainable development. Furthermore, we collect-

EMPLOYEES	Note	2020/21	2019/20	2018/19
Number of full-time employees		13,360	12,686	12,405
Percentage of women				
AcadeMedia		71.7%	72.0%	72.5%
Senior executives		58.0%	60.0%	55.0%
Board of Directors		56.0%	47.0%	43.0%
Employee turnover (SE)	1, 2	15.0%	18.4%	22.6%
Absence due to illness (SE)	1, 3	4.7%	4.6%	4.4%
Employee Satisfaction Index (SE)		74	72	71
Employee Satisfaction Index (NO)	4	4.4	4.3	4.4
Leadership Index (SE)	1	79	77	77
Number of whistleblower reports	5	34	17	11
Number of justified whistleblower reports	5	5	4	1

1 Statistics are only available for the Swedish business.

2 (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees).

3 Aggregated average short-term absence due to illness <90 days.

4 Since 2018/19, Espira has measured employee satisfaction on a five-point scale.

5 Whistleblower reports are received and handled by an external party, who ensures whistleblower anonymity and carries out an initial assessment. During the year, 25 unjustified whistleblower reports were submitted. For more information, see page 39.

ed and disseminated instructive examples from our activities and initiated R&D projects to develop teaching on sustainability.

During the year, AcadeMedia had the opportunity to help other municipalities with initiatives connected with school development. In the spring, AcadeMedia also participated in the international Teacher Tech Summit conference, which brought together 45,000 educators from around the world.

FOCUS AREA: EMPLOYEES

Code of Conduct and whistleblower function

Our Code of Conduct, which is updated each year, represents the framework for an ethical approach to our day-to-day work. The perspective of the child should permeate everything we do, and issues related to anti-corruption and how we treat each other – whether colleagues or other stakeholders in various situations – are particularly important to us.

The whistleblower function is our most important instrument of support and control for the Code of Conduct. The whistleblower function has been in place for almost ten years and is available to all. Information on how to use the function is published on the AcadeMedia website and in this Sustainability Report.

What happens in a whistleblower case

Anyone wishing to make a whistleblower report can do so anonymously or give their name. If the person decides to give their name, their identity can be protected from AcadeMedia; only the independent party receiving the report can see the person's identity. About 40 percent of those who report choose to share their identity with the AcadeMedia whistleblower committee or its chairman.

When a person submits a whistleblower report, an independent provider first makes an initial assessment and confirms that the report has been received and is being attended to. All reports are processed and feedback is sent to the whistleblower. If the report is considered justified, it is investigated either by AcadeMedia's legal staff or by an external, independent party. AcadeMedia's whistleblower committee decides how the matter is to be investigated. The committee consists of AcadeMedia's General Counsel, HR Director, and a representative of the Board of Directors. It is chaired by AcadeMedia's Head of Communications and Public Affairs.

In the event that a report is not considered to be justified, and so is not investigated as a whistleblowing case, the whistleblower is usually asked whether we may proceed with the notification of the staff concerned. Often it is an issue that HR or a trade union can investigate. If the whistleblower agrees, which is generally the case, the issue is referred in accordance with the person's wishes.

During the year, 34 whistleblower reports were made, nine of which were judged to be justified. Of the nine, a couple refer to the same issue, so the number of unique justified cases is five.



Protection of privacy

Work to protect the privacy of individuals was stepped up during the year. The organisation was strengthened by the addition of full-time position at Group level.

When the EU's GDPR regulation was introduced in 2018, AcadeMedia published a web-based course – a course that is mandatory for everyone working in the Group. However, the course is open to everyone and is widely used outside the Group. During the year, the course was updated to be in line with the legislators' interpretations of the GDPR.

AcadeMedia operates a separate data protection policy governing how we handle personal data and how we act when an incident occurs. The personal data of students is the responsibility of the provider concerned. This means that responsibility rests with the board of directors of the company holding the permit to provide educational services. For example, Vittraskolorna AB is responsible for personal data relating to all children and students at Vittra schools. Every business, like Vittra, has a data protection officer. AcadeMedia has a total of four data protection officers whose role it is to ensure protection for personal privacy. During the year, we had six personal data incidents reported to IMY, the Swedish Authority for Privacy Protection (formerly the Swedish Data Protection Authority). None of these have led to any actions on the part of IMY.

When a personal data incident is reported, the data protection officer contacts the person reporting the incident to make sure that the incident has been reported correctly and that all necessary information has been provided. Next, the data protection officer is informed. If the incident arises from automated processing of personal data, a check is also made to ensure that AcadeMedia's IT department is contacted so that appropriate action can be taken. The data protection officer then makes a judgement as to whether there is any risk to the rights and freedoms of those registered (those who are affected by the incident in that their personal data is used in an unauthorised way), whether the incident should be escalated to IMY and whether those registered are to be informed. The person responsible for deciding on the issue based on the assessment/recommendation of the data protection officer is the personal data controller. All cases are documented in AcadeMedia's case management system.

During the year, some requests were received for better-adapted methodological support for personal data incidents and a clearer case flow for the notifier.



HOW TO MAKE A WHISTLEBLOWER REPORT:

A report can be made in three different ways:

- Anonymously through the Trumpet reporting tool, by entering the organisation code EMS274.
- By letter, sent to Trumpet, Box 479, SE-201 24 Malmö, Sweden.
- By phone, on 020-10 30 91 (the line is always open), quoting organisation code EMS274.



FOCUS AREA: EMPLOYEES

AcadeMedia's policies

AcadeMedia is a decentralised organisation, in which our four education segments enjoy considerable freedom. Our Group-wide governance is managed via a number of overarching policies and guidelines that apply to everyone. These are listed here, and can be read in full on AcadeMedia's public intranet, our employee website.

- Anti-drugs policy
- Work environment policy
- Cookie policy
- Data protection policy
- Company car policy
- Information security policy
 - Information security policy for student health service's medical interventions – AcadeMedia's Upper Secondary School segment
 - Information security policy for student health service's medical and psychological interventions – Preschool and Compulsory School segment
 - Policy for use of digital tools
 - Procedure for digital investigations
- Procurement policy
- IR policy
- Gender equality policy
- Communication policy
 - Guidelines and agreements relating to Internet use
 - Insider information policy
 - Social media guidelines
 - Crisis management guidelines
 - Internal communication policy
- Salary policy
- Pension policy
- Staff car policy
- Staff security policy
- Event/meeting policy
- Policy on gratuities
- Rules on image processing
- Recruitment policy
- Travel policy
- Guidelines on own teaching material
- Guidelines on work at home
 - Guidelines on insurance when working abroad within AcadeMedia Group
- Tax policy
- Duty of confidentiality
- Code of Conduct
- Dividend policy
- Whistleblower policy
 - Submitting a whistleblower report

During the pandemic, we have created specific guidelines and procedures to make it easier for both employees and managers. These have been based on material from the Public Health Agency of Sweden and the regions, but clarified and adapted for preschool, compulsory school, upper secondary school and adult education. Some have been in place for a very short time (such as end-of-school/student guidelines), others for the entire pandemic. All have been updated regularly. A selection of the policies related to the pandemic follows here.

- Guideline as to when remote and distance teaching is permitted
- Guidelines for rapid tests in case of outbreaks in unit
- Checklist for head teachers to prevent infection in unit



- Procedure for the protection of pregnant women during the Covid-19 pandemic
- Procedure for reporting serious incidents linked to Covid-19 to the Swedish Work Environment Authority
- Guidelines on home working

Tough year for employees

The past year was a challenging one for the staff at Espira's preschools in Norway. With a number of infection control measures and many outbreaks of infection, the environment at preschools was very different for both children and staff.

In May 2020, the Norwegian authorities introduced a traffic light model to demonstrate which infection control measures should be taken in Norway's preschools. Green indicates an almost normal situation, or "operational situation" as the Norwegian authorities call it. Yellow requires various forms of infection control measures while Red means strict infection control measures.

Most Norwegian preschools operated at Yellow level over the past year. The exception was preschools in Oslo and nearby municipalities, where the infection rate was high. There, preschools operated at Red level for much of the winter and spring of 2021.

High educational quality

In the past year, there were nearly 80 outbreaks of infection in Espira's preschools. Espira's crisis management teams aided pre-

schools, and in some cases municipalities, to cope with these outbreaks. In Norway, all outbreaks of infection have been managed using the enhanced TIC* (Testing-Isolation-Infection Tracking-Quarantine) method, which is very strict and leads to high levels of absence in preschools affected by infection outbreaks.

However, the preschools have always ensured that their activities were maintained at a high level of educational quality. In addition, thanks to Espira's digital solutions, employees who were able to do so worked from home during quarantine periods.

"The most demanding part for the staff has been that they constantly have to switch between different infection control modes, in our case between Yellow and Red levels. You have had to keep yourself constantly informed about many things, including illness among colleagues and when to come to work or not. It's been exhausting to be online all the time.

"It's also been difficult for our staff to make sure that both employees and parents comply with current infection control rules", says Marianne Bye, Espira's Regional Manager for the Oslo area.

Difficult to follow rules

The issue of ensuring that everyone follows the rules has been difficult to deal with in all of AcadeMedia's activities, whether in preschool, compulsory school, upper secondary school or adult education. The rule that only symptom-free people can be on site is both important and difficult to enforce, as there are various exceptions. Allergy symptoms are an obvious example. What do you do with a child who has a known allergy that causes similar symptoms to Covid-19? In Sweden, such children have been exempted, provided the allergy is already known and the allergy medication works on the child concerned. Similar rules have also been applied in Norway and Germany.

Lessons that simplify the way forward

So what have Espira's staff learned that the organisation can take away from the Covid-19 pandemic?

"Our staff have learned to interact with both colleagues and parents online. I think all staff members will be a little more reluc-

tant to meet and instead use the digital solutions that Espira has established over the past few years", says Marianne Bye.

"The digital promise has been important in both educational and administrative work. The combination of digital and physical meetings saves a lot of time, not least in administration. Time that we can instead spend on our educational work with the children. Many people give feedback that it is safe to work in a solid chain like Espira, you always get help, there is always someone there".

Read more about the traffic light system here:

<https://www.helsedirektoratet.no>
Search for "traffic light model".

*<https://www.fhi.no/nettpub/coronavirus/testing-og-oppfolging-av-smittede/forsterket-tisk2/>

Focus area environment and climate

Last year, AcadeMedia chose to focus more closely on the environment. Our biggest impact on the environment is through education, and as an organisation we must live as we learn. We are at the beginning of our transformation journey, which is high on our agenda.

The pandemic has helped to stimulate interest and increase understanding of how we can change our behaviours and our direction. Put simply, we have to do more. Through our core business, education, we can make the biggest difference in the global endeavour to create change and contribute to a sustainable society. But we as an organisation must also live as we learn.

Building on our core business and the UN's global goals, we know how we can contribute

During the year, AcadeMedia placed extra focus on environmental and climate issues, as we have identified this as an area where we need to improve. We have identified five environmental and climate change areas based on our business, the UN's global goals, external expectations of us and AcadeMedia's vision, mission and objectives. This is where we have the greatest opportunity to make a difference, and which we will prioritise going forward. These contribute directly to UN Sustainable Development Goals 7, 12 and 13.

Where we can make the biggest difference

Teaching and education for sustainability

AcadeMedia can make the biggest difference in creating a more sustainable world by communicating the challenges we face together and what we can do in other ways to make a difference. How we do this is described in more detail on pages 34-36 in the Learning section.

Reducing our CO₂ footprint

Most of our operations are conducted on premises measuring 860 000 sq.m. in all, where considerable volumes of energy are consumed in heating, lighting, ventilation, cooking and other power systems. By actively choosing type of energy source and by knowing and making active choices related to energy consumption, we can reduce our carbon footprint. The travel habits of our employees, the choice of food for our lunches and procurement in general also contribute to our CO₂ footprint.

Cutting down on food waste

AcadeMedia always strives toward more sustainable school meals, with focus on quality, health, and environment. Every day we serve around 80,000 meals. Our meals policy includes guidelines on full vegetarian days, reducing animal protein and including organic food, in all cases to reduce food waste and shrink our carbon footprint.

Reducing our use of resources

Our employees and students spend a large part of their active hours – Monday to Friday – on our premises and so consume considerable resources. Everything from food, toilet paper and equipment in chemistry labs to playground equipment. What we consume and caring about what we have makes a difference, as does how we act when the resource is used up or no longer needed.

Sustainable procurement

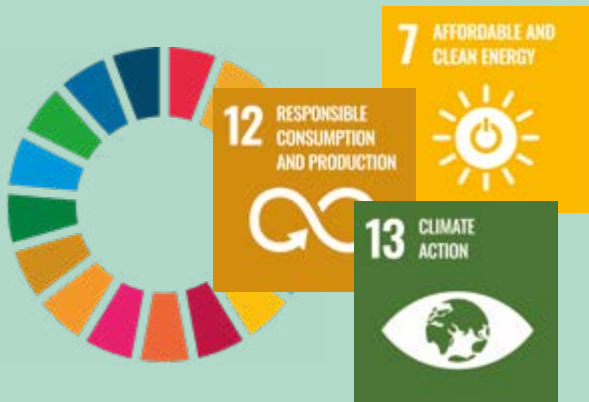
AcadeMedia is a decentralised organisation, in which each head teacher and local manager makes purchases for their own unit. Each year, thousands of purchases are made for several billions. Sustainable use of resources is therefore the result of thousands of personal decisions, guided by systems and policies designed to make it easy to do the right thing. One important measure of how well we do this is the proportion of our purchases that are made through our framework agreements.

Our stakeholders have clear ideas about the order of priorities

When we asked our stakeholders what we should focus on to reduce our carbon footprint and help achieve the global goals, the answers were clear: we make the biggest difference through our core business by educating and encouraging more sustainable behaviours. Next, they believe we can make the biggest difference by focusing on our CO₂ footprint and food waste. This financial year, we chose to do just that - focus on CO₂ and food waste.

OUR STAKEHOLDERS

	STUDENTS	MANAGERS	TEACHERS	TRADE UNIONS	SALAR	SWEDISH NATIONAL AGENCY FOR EDUCATION	INVESTORS	AVERAGE
TEACHING AND EDUCATION FOR SUSTAINABILITY	1	1	1	1	4	1	1	1
REDUCING CO ₂	2	2	3	4	2	5	3	2
REDUCED FOOD WASTE	3	4	2	2	1	5	4	2
RECYCLING	5	4	3	3	5	5	2	4
SUSTAINABLE PROCUREMENT	4	3	5	4	3	5	5	5



FOCUS AREA: ENVIRONMENT

AcadeMedia's environmental work during the year

ENVIRONMENT	Note	2020/21	2019/20	2018/19
PROPERTY				
Number of sq.m		869,674	-	-
Electricity used in buildings – own leases (actual) kWh	2	22,130,063	19,749,211	20,521,249
Electricity used in buildings – included in the lease (estimated) kWh	3	23,980,211	-	-
Electricity used in buildings – Total kWh		46,110,274	-	-
Electricity used in buildings – kg CO ₂	2,3	483,269	-	-
COMPUTERS				
Number – Purchases		20,341	15,290	-
CO ₂ footprint (PCF)		4,946,620	3,992,662	-
CO ₂ footprint (PCF) per computer	1	243	261	-
ON-DUTY TRAVEL				
Air – Number	5	304	4,227	6,024
Rail – Number	5	3,165	18,293	22,295
CO ₂ footprint (total)	5	38,181	660,526	824,469
MEALS				
Percentage of organic produce	4	21,2%	22,5%	21,2%
Meals, kg of food waste (rough estimate)	6	780,000	-	-
Meals, kg of CO ₂ (rough estimate)	7	20,200,000	-	-

1) As a result of the pandemic, our environmental and climate footprint is likely to be slightly lower in 2019/20 and 2020/21 than in a normal year.
 2) Electricity contracts over which we have control are for hydropower. Emission factor applied hydropower kg/kWh 0.0045.
 3) Electricity contracts over which we have no control, electricity is included in the rent; we have estimated that the electricity consumption is in line with the Group in general and the calculation is based on consumption per sq. m. Emission factor applied Swedenmix kg/kWh 0.016.
 4) Measures that are presented in the summary of non-financial KPIs on pages 45–46.
 5) The number of trips and the environmental impact of the trips are compiled from the Group's travel agency service. Trips booked outside their system are not included in the compilation.
 6) Food waste is calculated as 50 grams per meal averaging 350 grams (excluding beverages). The calculation includes lunch in the school segments 178 days a year; other meals such as snacks and breakfast are not included.
 7) Kg CO₂ is calculated assuming 2 vegetarian meals per week and 1 glass of milk/meal.

CO₂ survey

During the year, we started mapping our energy consumption to understand our current position. At the start, we chose to focus our efforts on surveying the footprint created in buildings, computer purchases, food, and travel. In parallel with this work, we are reviewing procedures and processes in order to achieve systematisation of information gathering.

- **Property:** AcadeMedia conducts teaching on a total area of approximately 860,000 square metres. We have control over what electricity is used in 50 percent of our buildings, and it is fossil-free. The other 50 percent is included in rent and the energy source is decided by landlords.
- **Computers:** At the start of the school year, more than 20,000 computers are delivered to our schools. As they are an integral part of teaching, the basic number is difficult to influence. However, we can make some impact through our choice of computer. The greatest influence comes through education, where we make our students and staff aware that a computer comes with more than a price tag. It also has an environmental resource footprint, and caring for it and ensuring it has a long life and is recycled properly limits the negative environmental impact.
- **Food:** From a CO₂ perspective, the food we serve is the single biggest footprint from our operations. We serve around 80,000 meals every day, 178 school days a year. At our pre-schools and in our before-school and after-school care, the number of meals is even higher. In addition, we serve snacks and in some cases breakfast at a number of our units.
- **Travel:** During the financial year, the number of journeys decreased sharply and we became more proficient in using digital meeting solutions. The expectation is that

the number of journeys after the pandemic will increase, but not to the same levels as before.

Food waste

Food waste came into closer focus last year. Partly through a project to systematically monitor food waste in the school canteens, and partly through a collaboration with nearby grocery stores in which food waste is put to good use at the school. Read the interview with Rickard Lundberg, Head of Meals, and Anna Blomqvist, Meal Developer on page 44 about how this work was undertaken.

- **Food waste in school canteens:** During the year, one unit engaged in a pilot study for food waste monitoring, where food waste is divided into four categories – food waste, plate waste, kitchen waste and buffet waste. This autumn, the project will be expanded to a further eight locations. Surveying food waste is one part of reducing food waste, but another, equally important, part is understanding the reasons why food is not eaten.

In parallel with the work at the units, we are looking into the possibility of establishing a system for collecting information.

Sustainable procurement

We have entered into dialogues have been entered into with major suppliers on how we can work together to reduce our carbon footprint. The focus of the dialogue has encompassed not only the carbon footprint of the product and service, but also the teaching perspective. In other words, how can we engage and educate children, students and staff so they adopt more considered behaviour.

An untypical year with misleading outcomes

The pandemic and the resulting distance learning have affected our environmental metrics. We do not yet know the extent of the impact.

Some activities

Many important actions, large and small, are taken every day in our units to reduce AcadeMedia's carbon footprint.

- The AcadeMedia Academy has developed an environmental training course and videos that are available to all employees. Digital sessions have also been performed, focusing on skills development in sustainable development teaching for educators and leaders.
- Through Sweden's largest food waste project, we save tons of food every year. Through the AcadeMedia Academy, our chefs receive skills development training to make the transition to more sustainable meals.
- Our preschool operations in Sweden, Norway and Germany are all working on sustainability, an issue that is as important as it is obvious to employees, guardians and children. In Sweden, for example, a nationwide sustainability day was held at all pre-schools.
- In our Swedish schools, we organised environmental competitions of various kinds, but are also engaged in cooperation on various aspects. Some operations have a very strong focus on sustainability, including KLARA Upper Secondary School, where courses are steeped in the UN's Sustainable Development Goals with a number of national and international social projects and exchanges.
- Our adult education operations are eco-certified in accordance with ISO 14001. One of the year's initiatives was to green a number of mechanic training courses by rebuilding their vehicle workshops and technical facilities.

Schools reducing climate footprint by saving food

Every day, AcadeMedia serves around 80,000 meals. We have high ambitions to develop school meals in a sustainable way. By participating in Sweden's largest project to combat food waste, 15 tons of food that would have been thrown away fed people instead. This is equivalent to car-generated carbon dioxide emissions over a total distance of 850,300 kilometres.

At AcadeMedia, three people currently work centrally on meal issues. Their primary mission is to develop school food in a sustainable way with focus on keywords quality, health and environment. These watchwords should permeate the entire process, from procurement to what is served on the plate.

"Our goals include having two full vegetarian days a week in every preschool and school and reducing animal protein by half. By 2022, we aim to serve 40 percent organic/KRAV-certified products. We're on the right track", says Rickard Lundberg, Head of Meals at AcadeMedia.

Sweden's biggest food waste project

During the year, four compulsory schools participated in Sweden's biggest project to combat food waste, funded by the government innovation agency Vinnova. The project, called *Resvinn*, is a collaboration between 50 companies and organisations whose common goal is to develop efficient redistribution systems for food waste in Sweden.

"It's a good way to put our resources to good use. Through this project, we save food that's been sorted out in shops to be thrown away. This may be bananas that are starting to get small brown spots or a large pack of pears where one has gone bad, but the others are fine," says Anna Blomqvist, Meal Developer.

Every school has a shop attached to it. The shops mainly rescue fruit and vegetables, but to some extent also larger products where the outer packaging has been damaged or broken. Both Anna Blomqvist and Rickard Lundberg see great benefits in participating in the project. It benefits everyone involved.

"We can see that students are becoming more aware that some ingredients have a longer shelf life than they think, and when they taste the results, they are pleasantly surprised. The products also bring innovation to kitchens. Chefs are often curious to see what goes into the "secret" basket of rescued food. They need to use their imagination quickly to put the ingredients to good use", says Anna Blomqvist.

In order to develop sustainability in this area, it is essential that chefs are given the opportunity to develop their skills. Every year, chefs are offered in-house courses with a view to reducing our carbon footprint.

Awareness is the first step

"We offer training in areas such as vegetarian and Indian cooking, as well as study visits to schools that have successful sustainability projects. The courses give employees the opportunity to gain new perspectives on what constitutes healthy food and how we can use our ingredients in different ways", says Anna Blomqvist.

Food rescue is an important part of AcadeMedia's sustainability work. In the next school year, a collaboration with the International Hotel and Restaurant School, AcadeMedia's upper secondary school, will start. In the project, upper secondary school students will educate year 7-9 students about food waste. A project in partnership with Generation Waste will also be launched to measure food waste in ten preschools and schools. The survey will be conducted via an app where food waste is divided into four categories: food waste, plate waste, kitchen waste and buffet waste. The app then provides each chef with detailed feedback on where the potential for improvement is greatest.

"The participating preschools and schools are likely to be fairly representative of our other units, so the data we get from the project can be utilised when we look at new innovative solutions to reduce food waste across AcadeMedia", says Anna Blomqvist.

"Becoming aware of what your food waste looks like is the first step to reducing it. Many preschools and schools are already making good strides, and we want to use the project to move forward as a Group and identify more methods that all preschools and schools can use", says Rickard Lundberg.

Photo from Internationella Hotell- och Restaurangskolan (The International Hotel- and Restaurantschool).

Non-financial KPIs



The photo is taken at Pyslingen Giraffen, in Hässelby.

OTHER

	Note	FULL YEAR				
		2020/21	2019/20	2018/19	2017/18	2016/17
EMPLOYEES						
Average number of full-time employees		13,360	12,686	12,405	11,863	10,564
Percentage of women in the AcadeMedia Group		71.7%	72.0%	72.5%	74.0%	73.6%
Percentage of women among senior executives		58,0%	60.0%	55.0%	44.0%	25.9%
Percentage of women on Board of Directors		56,0%	47.0%	43.0%	36.0%	4.9%
Employee turnover (SE)	1, 2	15.0%	18.4%	22.6%	26.3%	
Absence due to illness (SE)	1, 3	4.7%	4.6%	4.4%	4.8%	
Employee Satisfaction Index (SE)		74	72	71	71	72
Employee satisfaction (NO)	4	4.4	4.3	4.4	4.4	4.4
Leadership index	1	79	77	77	79	79
ENVIRONMENT						
Electricity used in buildings – kg CO ₂	5	483 269	–	–	–	–
Computers (purchased)– kg CO ₂		4 946 630	3 992 662	–	–	–
Travel – kg CO ₂ footprint (total)		38 181	660 526	824 469	–	–
Meals – kg of CO ₂ (rough estimate)		20 200 000	–	–	–	–
Percentage of eco-certified produce		212	22.5	21.2	22.3	21.1
TRANSPARENCY						
Number of unique visits to AcadeMedia’s public intranet		206,296	299,249	267,780	100,541	71,787
Number of unique visits to AcadeMedia’s Code of Conduct		351	279	470	410	357
Number of whistleblower reports	6	34	17	11	9	7
Number of justified whistleblower reports	7	9	4	1	6	4

1 Statistics are only available for the Swedish business.

2 (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees).

3 Aggregated average short-term absence <90 days

4 Espira has measured employee satisfaction on a five-point scale since 2018/19. Past years have been restated on a five-point scale from a six-point scale was used in previous years.

5 AcadeMedia’s CO₂ footprint is described in more detail on page 43.

6 Whistleblower reports are received and handled by an external party, who ensures whistleblower anonymity and carries out an initial assessment.

During the year, 25 unjustified whistleblower reports were submitted.

7 Of the nine justified whistleblowing cases, a couple concerned the same matter. The number of unique justified cases is therefore five.

QUALITY

	2020/21	2019/20	2018/19	2017/18	2016/17
PRESCHOOL					
Recommendation level – Norway	4.5	4.5 ¹	84.7%	83.9%	86.5%
Recommendation level – Germany (Joki) ²	84%	–	88%	92%	99%
Recommendation level – Germany (KTS) ²	81%	–	79%	–	–
Recommendation level – Germany (Stepke) ²	77%	–	76%	61%	–
Recommendation level – Germany (Espira) ²	86%	–	–	–	–
Recommendation level – Sweden	88%	86%	83%	82%	81%
Satisfaction with the preschool’s activities – Sweden	87%	84%	84%	84%	–
COMPULSORY SCHOOL					
Percentage eligible for upper secondary school ³	92.8%	91.8%	91.3%	90.6%	90.1%
Percentage with lowest passing grade (A–E) in all subjects ³	85.0%	83.9%	82.3%	83.0%	82.7%
Average assessment level ³	249.5	246.7	242.3	245.8	241.9
Recommendation level – students	70%	68%	65%	64%	64%
Recommendation level – parents	81%	78%	74%	73%	72%
Satisfaction with teaching – students	74%	72%	70%	69%	–
Satisfaction with teaching – parents	82%	78%	77%	76%	–
SECONDARY SCHOOL⁵					
Percentage with diploma (based on students with “leaving certificate” ³)	91.8%	90.3%	89.5%	88.7%	89.4%
Grade point average (based on students with “leaving certificate”) ³	14.2	14.2	14.1	14.1	14.1
Percentage students with diploma within three years ⁴	–	76.5%	74.5%	74.2%	73.6%
Recommendation level – students	76%	69%	68%	68%	66%
Satisfaction with teaching – students	78%	72%	69%	69%	–
ADULT EDUCATION⁷					
Average number of hours per completed course/“learning path” – SFI	291	247	240	270	255
Percentage with lowest grade E – Komvux (basic adult education)	87.6%	87.3%	88.0%	90.2%	89.8%
Percentage with lowest grade E – upper secondary school for adults	85.0%	83.9%	83.3%	85.0%	83.0%
Percentage with diploma – higher vocational education	68%	66%	69%	70%	65%
Recommendation level – students/participants (total)(Spring Semester Fall Semester) ⁶	87.7%	86.4%	86.4% 84.3%	84.0% 84.9%	84.6% 84.9%

1 According to the national user survey, Espira’s recommendation level is 4.5 on a five-point scale.
 2 No surveys were conducted in Germany in 2019/2020 because of the Covid-19 pandemic.
 3 Note also that the figures for 2019/20 have been adjusted in line with now re-published national statistics.
 4 2020/21 reflects the percentage of students starting in school year 18/19 who received their diploma.
 5 Preliminary results 2020/21.
 6 The recommendation rate in adult education is monitored once per year.
 7 Vux learning outcomes based on full year, not academic year.



The photo taken at
 Pysslingen Trolleborgen,
 in Vällingby

GRI Index

The Global Reporting Initiative (GRI) is an independent organisation that has created a standard for sustainability reporting. AcadeMedia's Sustainability Report is inspired by GRI. The GRI index below contains references to where in our Annual and Sustainability Report each GRI disclosure can be found.

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
GENERAL DISCLOSURES				
GRI 102	102-1	Name of the organisation	Back cover	
	102-2	Activities, brands, products and services	9-19	
	102-3	Location of headquarters	74, back cover	
	102-4	Location of operations	2, 3, 74, 79	
	102-5	Ownership and legal form	74, 110-111	
	102-6	Markets served	3, 20-22	
	102-7	Scale of the organisation, including number of employees, operations, sales and capital	2-3, 49, 78, 80, 110-111	
	102-8	Information on employees and other workers	80-82	Reporting covers all Group employees, including all subsidiaries in the three countries in which we operate.
	102-9	Supply chain	25	
	102-10	Significant changes to the organisation and its supply chain	9-19, 110-111	As of 1 July 2019, AcadeMedia has a new segment structure. All the Group's independent preschools were brought together in one segment and the compulsory schools formed a separate segment.
	102-12	External initiatives	29	
	102-13	Membership of associations	30	
	102-14	Statement from senior decision-maker	6-7	
	102-16	Values, principles, standards and norms of behaviour	8, 37, 40	
	102-18	Governance structure	56-59	The CEO has overall responsibility for sustainability work. Support function managers are responsible for analysis and actions, whereas the sustainability manager is responsible for reporting and communication.
	102-40	List of stakeholder groups	27	
	102-41	Collective bargaining agreements	37	Norway and Germany have similar systems to the Swedish collective agreement, in what are known as tariff agreements. Both our Norwegian and German operations use these.
	102-42	Identifying and selecting stakeholders	27	
	102-43	Approach to stakeholder engagement	27	
	102-44	Key topics and concerns raised	27, 30	
102-45	Entities included in the consolidated accounts	9-19, 49, 78-79		
102-46	Defining report content and topic boundaries	23-25		
102-47	List of material topics	26, 29		
102-48	Restatements of information		No changes from the preceding year.	
102-49	Changes in reporting		CO ₂ mapping is reported for the first time.	

Continued on next page

Sustainability – GRI Index (cont.)

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
GENERAL DISCLOSURES				
	102-50	Reporting period	49	
	102-51	Date of most recent report		This is AcadeMedia's second sustainability report based on a GRI index. Our most recent annual accounts with statutory sustainability report were published on 27 October 2020.
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	Back cover	Head of Sustainability Paula Hammerskog, paula.hammerskog@academedia.se
	102-55	GRI content index	47-48	
	102-56	External assurance	48	The auditor has stated their opinion on the statutory Sustainability Report. This statement of opinion does not include a check against GRI standards.
Management approach				
Management approach	103-1	Explanation of the material topic and its boundary	26	
	103-2	The management approach and its components	30-33	

Auditor's opinion on the statutory Sustainability Report

To the Annual General Meeting of AcadeMedia AB (publ),
corp. reg. no. 556846-0231

Duties and allocation of responsibilities

The Board of Directors is responsible for the Sustainability Report for the financial year 1 July 2020–30 June 2021 on pages 23-48 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Focus and scope of review

Our review was conducted in accordance with FAR recommendation RevR 12: Auditor's opinion regarding the statutory sustainability report. This means that our examination of the Sustainability Report is

substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination provided a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm 28 October
PricewaterhouseCoopers AB

Patrik Adolfsen
Authorised Public Accountant
Principal auditor

Eva Medbrant
Authorised Public Accountant

SPECIFIC DISCLOSURES

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
ECONOMY				
Economic performance				
GRI 201	201-1	Direct economic value generated and distributed	32	
	201-3	Defined benefit plan obligations and other retirement plans	82-83	On 1 January 2020, a new pension scheme was introduced in Norway, which affected around 90 percent of the persons then employed and required them to be transferred to a premium-based pension plan.
Korruption				
GRI 205	205-1	Operations assessed for risks related to corruption	37	
Supplier environmental assessment				
GRI 308	308-1	Supplier environmental assessment	25	
SOCIAL ISSUES				
Employment				
GRI 401	401-1	New employee hires and employee turnover	38	
Occupational health and safety				
GRI 403	403-1	Occupational health and safety management system	37-40	
Diversity and equal opportunities				
GRI 405	405-1	Diversity of governance bodies and employees	38	
	405-2	Ratio of basic salary and remuneration of women to men	38	
Customer health and safety				
GRI 416	416-1	Customer health and safety	9-19, 37-40	

Administration Report

The Board of Directors and the Chief Executive Officer of AcadeMedia AB (publ), referred to below as AcadeMedia, corporate registration number 556846-0231, registered office in Stockholm, Sweden, hereby submit their Annual Report and consolidated financial accounts for the financial year 1 July 2020–30 June 2021.

Business overview

AcadeMedia is the largest independent education provider in northern Europe. In 2020/2021 nearly 88,000 children and students attended AcadeMedia's preschools, compulsory schools and upper secondary schools. A further approximately 100,000 people took part in one of AcadeMedia's adult education programmes. On average, during the 2020/21 financial year, AcadeMedia had just over 680 preschools, compulsory schools, upper secondary schools and adult education units, located throughout Sweden and Norway, as well as in parts of Germany.

AcadeMedia operates along the entire education ladder, from preschool to adult education. Operations are divided into four segments: Preschool, Compulsory School, Upper Secondary School and Adult Education. The education programmes are in principle exclusively commissioned by customers from the public sector, such as municipalities in Sweden, Norway and Germany, as well as the Swedish Public Employment Service and the National Agency for Higher Vocational Education in Sweden.

Significant events during the financial year

A number of important events occurred during the 2020/21 financial year.

Compulsory school segment launches new educational profiles

In the autumn, the compulsory school segment clarified its educational offering with the launch of

new educational profiles. In all, 28 units were re-named, 22 as Noblaskolan and six as Montessori Mondial. Read more about our compulsory school segment on pages 14–15.

Acquisition of Swedish Education Group

During the year, the Group completed its acquisition of Swedish Education Group (Segab). Segab operates compulsory schools and upper secondary schools, as well as various vocational training programmes under the brands Enskede Byskola, Snitz, Cybergymnasiet, Donnergymnasiet, and KYH. Read more about our segments on pages 9–19.

AcadeMedia's higher vocational schools awarded new record allocation

AcadeMedia's higher vocational schools received a record allocation of programmes starting in autumn 2021 and the business is growing faster than the market. Overall, the allocation contributed towards an increase in the number of training places at AcadeMedia's higher vocational schools to 9,500 (7,500) in autumn 2021. Read more about our Adult Education segment on pages 18–19.

The Covid-19 pandemic has led to extensive operational changes.

In autumn 2020, authorities and politicians across Europe believed that the pandemic would quickly subside and public optimism ran high. As the autumn progressed, it became clear that the pandemic would continue to have a major global impact for a long time to come. In Sweden, preschools remained open, while in Germany and Norway they were open to a much greater extent than in spring

2020. In all three countries, individual preschools were wholly or partly closed on several occasions due to high infection rates among children and/or staff.

In Sweden, upper secondary schools returned to predominantly face-to-face teaching, as the official recommendation for distance teaching was withdrawn in June 2020. However, the possibility to keep all or part distance teaching remained as means to reduce the risk of crowding in public transport and on school sites. As the spread of infection increased, so too did the proportion of upper secondary schools availing themselves of this option. Some groups of students, such as those on introductory programmes and those in need of special support, continued to receive all teaching in person at their school in the autumn. In December 2020, the infection situation in Sweden was so serious that the government decided also to allow upper compulsory schools to switch to distance teaching. The majority of AcadeMedia's upper compulsory schools used this option at some point during the spring semester. A month or so before the end of the spring semester, most of our upper secondary schools reverted almost entirely to face-to-face teaching.

As a result of the slowing economy and rising unemployment, the demand and resources for adult education programmes increased considerably.

Revenue and earnings

GROUP, SEK m.	FULL YEAR				
	2020/21	2019/20	2018/19	2017/18	2016/17
Net sales	13,340	12,271	11,715	10,810	9,520
Adj. EBITDA	1,297	1,066	931	872	827
Adj. EBITDA margin, %	9.7%	8.7%	7.9%	8.1%	8.7%
Operating profit	1,169	973	635	622	615
EBIT margin, %	8.8%	7.9%	5.4%	5.8%	6.5%
Adjusted operating profit/loss, EBIT*	934	728	634	670	638
Adjusted EBIT margin, %	7.0%	5.9%	5.4%	6.2%	6.7%
Net financial items	-402	-417	-69	-68	-80
Profit before tax	767	556	566	555	535
Profit for the year	594	431	431	430	416
Earnings per share, basic (SEK)	5.64	4.09	4.09	4.30	4.41
Earnings per share, diluted (SEK)	5.62	4.09	4.09	4.29	4.40
Free cash flow	1,117	805	356	688	658
Number of children and students**	87,823	82,433	79,493	73,366	66,070
Number of full-time employees	13,360	12,686	12,405	11,863	10,564

* See definitions of key performance indicators on pages 114–115. ** Excl. Adult Education.

All figures as of 2019/2020 financial year are reported in accordance with the accounting standard IFRS 16 Leases, unless otherwise stated. The segments are reported exclusive of IFRS 16 effects. The financial years 2018/19 and earlier have not been restated.

Volume growth and net sales

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

Adjusted EBIT and operating profit (EBIT)

Adjusted EBIT for the full 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 its operating profit compared to last year as a result of more participants in all business areas and increased capacity utilisation. The Compulsory School and Upper Secondary School Segments also showed higher earnings and margins, driven by increased numbers of students. Cancelled and postponed activities due to the pandemic led to lower expenses during the second and third quarters. In the fourth quarter, costs increased as a result of a higher level of activities once Covid-19 restrictions were lifted.

The pandemic delayed new openings and created staff recruitment difficulties in Germany affected the number of children in the Preschool Segment. Staff planning in Sweden and higher school voucher funding in Norway mitigated the effect of temporarily lower capacity utilisation in Germany.

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

Items affecting comparability

Items affecting comparability amounted to SEK -7 million (36).

ITEMS AFFECTING COMPARABILITY

(SEK m.)	2020/21	2019/20
Integration expenses, Segab	-12	-
Transaction costs	-2	-
Retroactive revenue from previous years	22	11
Restructuring costs	-15	-11
Write down of assets	-	-17
Pension adjustment, Norway	-	53
SUM TOTAL	-7	36

A pension adjustment in Norway refers to the profit (curtailment gain) that arose when around 90 percent of all employees in Norway transferred to a new pension plan on 1 January 2020. For more information regarding this change, see Note G6.

Net financial items

Net financial items amounted to SEK -402 million (-417), including SEK -365 million (-360) in interest expense from property related lease liabilities. Other financial items were lower than last year at SEK -37 million (-56).

Profit and comprehensive income for the year

Profit after tax increased to SEK 594 million (431). The tax charge for the full year totalled SEK -173 million (-125), representing an effective tax rate of 22.6 percent (22.5).

Comprehensive income for the year totalled SEK 651 million (345), impacted positively by actuarial gains of SEK 43 million (-14) – resulting from higher interest rates – and translation differences of SEK 14 million (-72).

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

Earnings per share were SEK 5.64 (4.09) basic and SEK 5.62 (4.09) diluted.

Financial position and cash flow**Cash flow**

Following implementation of IFRS 16 in 2019/2020, lease payments are recognised under the heading of financing activities. In the statement of cash flows presented below, lease payments related to the rental of real estate are reported, as previously, under operating activities. Cash flow from operating activities for the financial year amounted to SEK 1,357 million (1 069). The increase was a result of both the higher profit and an improved position in net working capital, SEK +190 million (+142). The improved position in working capital reflects higher prepaid income, among other items.

Cash flow from investing activities has been divided into investments related to existing operations¹ and investments related to expansion². Investments in existing operations over the full year were lower than last year, at SEK -241 million (-264) contributing to a free cash flow³ of SEK 1,117 million (805) before expansion. Expansion investments in the period totalled SEK -196 million (-111), with acquisitions affecting cash flow in the amount of SEK -235 million. Expansion investments were also affected by sales proceeds of SEK +62 million, received during the first quarter 2020/21 and attributable to the

divestment of a property in Oslo in the fourth quarter 2019/20. In total, cash flow from investing activities amounted to SEK -437 million (-375).

The cash flow from financing activities totalled SEK -487 million (-678). This included a dividend of SEK -158 million (-132) paid to shareholders. All in all, the cash flow for the 2020/21 financial year amounted to SEK 433 million (16).

Financial position

With the adoption of IFRS 16, leased premises are recognised as right-of-use assets and lease liabilities, respectively, on the balance sheet. As per 30 June 2021, total assets have increased by in all SEK million 7,049 million (6,949) due to this change in accounting principles. The financial position adjusted for the effects of IFRS 16 receives comment in the following.

Equity as per 30 June 2021 amounted to SEK 5,529 million (4,925). The equity/asset ratio increased to 53.3 percent (51.5).

The Group's interest-bearing net debt, excluding property-related lease liabilities, amounted to SEK 1,222 million (1,797). The reduction in net debt is due to improved earnings and consequently a positive cash flow.

Excluding property loans, the adjusted net debt amounted to SEK 526 million (1,138). The Group's property loans, which consist of long-term loans in the Norwegian State Housing Bank (Husbanken) and short-term construction loans, increased by SEK 37 million over the past year to SEK 696 million (659). Currency effects were SEK +16 million.

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

The net liability in relation to adjusted EBITDA was 0.9 (1.7), meeting the Group's financial target that the net debt relative to adjusted EBITDA shall be lower than 3.0. The property-adjusted net debt divided by adjusted EBITDA was 0.4 (1.1).

Developments by segment**Preschool Segment**

AcadeMedia's Preschool Segment operates preschools in Sweden, Norway and Germany. In Sweden, we operate in a large number of municipalities, with a total of 109 units. In Norway, Espira is the third largest preschool provider, with 106 units. In Germany, AcadeMedia operates 58 preschool units. At the end of the financial year, the segment comprised in all 273 units.

Preschools in all three countries were open during the fourth quarter, with only temporary closures due to local outbreaks. The financial effect on the full year is limited to Germany, where growth in number of children slowed down as parents delayed the start of preschool for their children, leading to lower capacity utilisation. All operations are planning for normal operations next autumn.

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

Adjusted operating profit (EBIT) increased to SEK 176 million (174). The adjusted operating margin was 4.6% (4.7). The result was positively affected by better staff planning in Sweden and higher voucher

CASH FLOW

SEK m.	Full year	
	2020/21	2019/20
Cash flow from operating activities before changes in working capital	1,168	926
Cash flow from changes in working capital	190	142
Cash flow from operating activities	1,357	1,069
Investments regarding existing activities ¹	-241	-264
Expansion investments ²	-196	-111
Cash flow from investing activities	-437	-375
Cash flow from financing activities	-487	-678
CASH FLOW FOR THE YEAR	433	16
<i>Free cash flow before expansion investments³</i>	<i>1,117</i>	<i>805</i>

1 Investments in existing operations consist of investments in leasehold property, equipment, non-current intangible assets, non-current financial assets and sale of non-current financial assets.

2 Expansion investments are investments in owned preschool buildings in Norway, and in business combinations.

3 Free cash flow before expansion investments is the cash flow from operating activities less investments in existing operations.

funding in Norway. SEK 18 million higher pension costs in Norway, slowed growth. 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 pension adjustment in Norway of SEK 53 million.

In Sweden, capacity utilisation was 90.9 percent (91.4), in Norway 90.2 percent (90.9) and in Germany 90.1 percent (89.7).

In total, 13 preschools were added during the financial year: one acquisition in Norway and twelve new units – nine in Germany, one in Norway and two in Sweden. In addition, two preschools were closed in Sweden.

The plan for the 2021/22 financial year is to open 15 new units in Germany. In Norway, the contract with Oslo municipality to operate two preschools was terminated. This will impact annual sales and EBIT negatively in the amounts of NOK 54 million and NOK 8 million, respectively, from the first quarter of 2021/22.

Compulsory School Segment

AcadeMedia's Compulsory School Segment runs compulsory schools and integrated preschools in many municipalities in Sweden under six brands. The schools operate entirely on the basis of the school voucher funding system. The segment had 116 units at financial year-end, including 38 integrated preschools.

The pandemic continued to have limited effect on operations. Classes were mainly conducted in classroom, subject to clear guidelines on how to limit spread of infection. Distance teaching was adopted to a certain extent at our upper compulsory school levels.

The average number of students increased by 6.0 percent to 26,696 (25,179). Net sales rose 8.5 percent to SEK 3,260 million (3,005) following the increase in student numbers and the annual adjustment of school voucher funding.

Adjusted operating profit was higher than last year at SEK 198 million (176), positively affected by higher student numbers, insurance payouts of SEK 9 million and a reduction of SEK 4 million in social security fees for young employees. Personnel costs were SEK 4 million higher than last year due to a lower take-up of annual leave. Expenses relating to insurance cases were charged to earnings in the preceding financial year.

Items affecting comparability, relating to retroactive revenue from previous years, amounted to SEK 3 million (0). Operating profit (EBIT) amounted to SEK 201 million (176). The operating margin was 6.2 percent (5.9).

During the year, capacity utilisation was 92.9 percent (93.0).

During the financial year, the Group added three compulsory schools and an integrated preschool via acquisitions of the Swedish Education Group and Stims (the Stockholm Internationella Montessori School). Altogether, the Group grew by the addition of approximately 1,030 children and students via the acquisitions. In addition, during the year one compulsory school expanded with an integrated preschool. At the end of the financial year, one small compulsory school closed.

In addition, the Compulsory School segment launched two new educational profiles, No-blaskolan and Montessori Mondial, clarifying its educational offerings.

Upper Secondary School Segment

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 separate brands, offering both academic and vocational programmes. The schools operate entirely on the basis of the school voucher funding system. At the end of the financial year, the segment consisted of 150 units.

The upper secondary schools operated distance teaching for almost three semesters. The national recommendation for distance teaching was withdrawn on 1 April 2021, after which distance teaching decisions reverted to the principal organiser.

Developments by segment

	STUDENT ENROLMENT (AVERAGE)		NET SALES, SEK M		ADJ. 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 Segment	39,680	36,400	4,424	3,999	398	354	9.0%	8.9%	402	365	9.1%	9.1%
Adult Education	- ¹	- ¹	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	-	-
Effects of IFRS 16	-	-	-	-	-	-	-	-	243	209	-	-
Total	87,823	82,433	13,340	12,271	934	728	7.0%	5.9%	1,169	973	8.8%	7.9%

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

AcadeMedias distance teaching decisions are based on the local and regional situation at any given time. Most schools partly operated distance teaching during the fourth quarter.

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 recorded was attributable to more students in existing units, new units, acquisitions and the annual adjustment to higher school voucher funding.

The adjusted operating profit was SEK 398 million (354), representing a margin of 9.0 percent (8.9). Profit and margin were primarily affected by higher student numbers, the acquisition of Segab and somewhat lower costs as activities were cancelled or postponed due to the pandemic.

Items affecting comparability amounted to SEK 4 million (11), the items consisting of retroactive revenue from previous financial years and restructuring expenses. Operating profit (EBIT) totalled SEK 402 million (365), with an operating margin of 9.1 percent (9.1).

Capacity utilisation declined marginally during the year, to around 87.7 percent (87.9).

In autumn 2020, four new upper secondary schools opened, admitting just over 300 students. The ac-

quisition of Segab added four new units and 2,300 students. Three new schools, located in Malmö, Västerås and Norrköping, will open in the autumn semester 2021. In addition, one upper secondary school in Karlskrona was closed at the end of the financial year, with impact from the first quarter 2021/22.

Adult Education Segment

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education, with a presence in about 150 locations. The segment operates in three main customer groups: Municipal Adult Education (58 percent of sales), Higher Vocational Education (26 percent) and Labour Market Services (13 percent).

Net sales increased by 18.8 percent to SEK 1,850 million (1,557). Operating profit (EBIT) increased to SEK 255 million (131), with a margin of 13.8 percent (8.4). Higher numbers of participants in all business areas and higher capacity utilisation contributed to the high margin. In the second quarter, the loss-making Vocational and Preparatory Modules contract with the Swedish Public Employment Service was terminated.

The expectation remains that the EBIT margin in the Adult Education segment should average 9–11 percent over time.

AcadeMedia has a relatively young contract portfolio and no major changes are anticipated in the next financial year.

AcadeMedia's higher vocational schools are expected to offer 9,500 programme places this autumn, compared with 7,500 places last year. The increase arises partly through the acquisition of Segab and partly through being allocated more educational places in the January 2021 round. As a result of the Group's favourable allocation, AcadeMedia is gaining market share. The number of applications for the autumn start is again high this year.

The market for higher vocational education has reached a plateau after years of strong growth. In the longer run, however, the Employment Service's Director-General believes that the market will continue to grow as this form of education matches the needs of the labour market and helps develop skills within the labour force.

The outlook on the labour market has improved, although unemployment remains high. In particular, numbers of the long-term unemployed are at record levels. The Employment Service's matching services specifically target the unemployed and a step-by-step implementation of the "Rusta och matcha" matching service is in progress. However,

the transition from old to new contracts is slow and volumes are lower than expected.

Seasonal variations

AcadeMedia's four segments show different seasonal variations. The three school segments show recurring fluctuations, in which the first half of the financial year, July to December, typically reports weaker sales and earnings. This is mainly due to school holidays, annual leave, and the annual salary review. The second half of the year, January to June, is stronger, as sales typically rise because of annual school voucher funding reviews and higher numbers of children and students. The adult education segment shows more irregular seasonal variations. However, with a stable portfolio of contracts, the fourth and first quarters are typically weaker, while the second and third are stronger due to the distribution of training days over the year. However, the seasonal variations in the Adult Education segment may show sharp deviations from this pattern in the event of major contractual changes or changes in community initiatives.

The following is a summary of the key events driving seasonal variations for AcadeMedia during the year. The description of AcadeMedia's seasonal variations is a summary based on experience and general patterns.

Covid-19 has had a major impact on our operations, and so 2019/20 and 2020/21 were atypical years. However, from a financial perspective the impact was limited. If the pandemic is continues, this may change seasonal variations.

School holidays and annual leave

Part of the first quarter of the Group's financial year coincides with the school summer holidays. During this period, no activities take place and the Group's revenue is lower than in the other quarters. Staff costs are also lower as personnel take annual leave. This also applies to our Norwegian operations.

In the Adult Education Segment, the number of working days or education days in the period may have some effect on revenue. These are governed

by break periods and major public holidays such as Christmas, New Year and Easter.

Salary adjustments

The salaries of the Group's employees are adjusted annually. The highest proportion of the Group's employees are teaching staff, whose salaries are adjusted as of 1 September each year. After that, personnel expenses rise without a corresponding increase in school voucher funding. This means that margins are usually lower in the second quarter of the financial year.

School voucher funding review

School voucher funding is adjusted at the end of the calendar year in Sweden, Norway and Germany. Consequently, revenues increase during the third and fourth quarters without any actual change in the cost structure. Normally, the fourth quarter is the strongest in terms of revenues. Partly for the above reason, and partly because direct costs are lower. For example, the requirement for school meals provision goes down and the holiday period begins, while revenues do not decline at the same rate.

In the spring, some retroactive reimbursements from the municipalities may also be received, depending on whether the municipal accounts show higher costs than budgeted in school voucher calculations.

Growth in student numbers

At preschool school, new children are enrolled continuously throughout the year, particularly in May and June, with a corresponding increase in revenue. However, at upper secondary schools, the number of students decreases throughout the year due to students dropping out. Student attrition is also evident over the summer holidays.

Norway's rules on staff density accentuate the seasonal variation. Preschools in Norway show the same seasonal variation, but the pattern is accentuated by national rules on staff density. Younger children require higher staff densities than older children. The change, when younger children are considered older, takes place at the end of the calendar year. This leads to a higher level of staffing in the first half of the year than in the second half.

Sustainability Report

AcadeMedia's foremost contribution to a sustainable society is our core activity: education. The prime duty of our personnel is to deliver education of a good standard to all, a formula that is stated in one of the UN's Global Sustainable Development Goals. We strive to be a responsible employer, we work to reduce our climate footprint and our strong focus on transparency is in line with what society demands and expects of a private sector provider in a public sector market.

In the 2020/21 financial year, the Board decided that sustainability is one of AcadeMedia's priorities. Sustainability will also be integrated into our next roadmap, which will set the strategic direction for the Group. At Group level, a comprehensive stakeholder analysis has been performed with both quantitative surveys of and qualitative interviews with our key stakeholders. These interviews were conducted with students, teachers, municipalities, trade unions, public authorities, investors, banks and suppliers. Our findings are presented in the Sustainability Report. We also placed extra focus on environmental matters and started mapping our footprint in relation to food waste and CO₂. In-depth dialogues with suppliers on how we can work together on these issues were initiated.

We conduct our sustainability work in three focus areas: learning, employees and environment. Sustainability work is integrated into our operations and performed on a major scale at our units. AcadeMedia is a decentralised organisation and sustainability work is controlled via a number of policies, of which the Code of Conduct is the overriding document. All policies are published on AcadeMedia's open access employee website. Group management is ultimately responsible for AcadeMedia's sustainability work.

AcadeMedia's Sustainability Report can be found on pages 23–48 of this integrated Annual and Sustainability Report.

Education

AcadeMedia's main contribution to a sustainable society is our core business, education, which is

also the UN's 4th Global Goal. However, our contribution goes beyond providing everyone who attends one of our schools or programmes with a quality education that prepares them for the future. We also contribute by educating and sharing knowledge on sustainability issues, ranging from human rights to the environment and climate.

To measure the quality of our teaching and our schools, we closely monitor a number of quality and performance indicators. A selection of these indicators is included on page 46 of this integrated Annual and Sustainability Report. A more comprehensive account is included in our annual quality report. The single most important objective is for all students to achieve the goals of their educational programme.

Employees

Our most important resource is our nearly 20,000 employees. Their work environment and well-being is important to the quality of our core business. We encourage our employees to take part in skills development, collegial learning and career development. The right to form and join trade unions and to collectively bargain wages is a given. Within the framework of the independent schools agreement in Sweden, AcadeMedia also has local cooperation agreements with the Swedish Teachers' Union and the National Federation of Independent Schools, where AcadeMedia pays for more than nine full-time positions. The teachers' unions also have seats on AcadeMedia's Board of Directors.

To measure the well-being of our employees, we monitor a number of key indicators, including staff turnover, absence due to illness, gender equality and employee satisfaction. A selection of these indicators, and how AcadeMedia works on employee issues is presented on pages 37–41 of this integrated Annual and Sustainability Report.

Environment

Five days a week, nearly 200,000 individuals gather on our premises, overseen by our 20,000 employees. Educational materials, cleaning products, food and computers are purchased each year on a considerable scale. The same applies to the amount of

energy consumed in the operation of our premises, which measure a total of around 860,000 sq m. Through active choices in what we buy, by ensuring and teaching that it is used in a long-term sustainable way – and that it is recycled properly when it can no longer be used – we can make a difference. Our purchasing policy, training, well-designed physical environments where it is easy to do the right thing, are our main tools in reducing our environmental footprint.

We are at the start of mapping our current situation, and our students ranked environmental and climate issues as most important in the stakeholder analysis. We must ensure that what we teach is reflected in the environments in which we conduct our education. A selection of indicators that we have started to monitor, and how AcadeMedia works on environment and climate issues is presented on pages 42–44 of this integrated Annual and Sustainability Report.

Guidelines for remuneration to senior executives

The guidelines for remuneration of the CEO and other senior executives, as set out below, were adopted at the Annual General Meeting held on 26 November 2020, and remain valid for 2021/22. The principles thus do not apply to forms of remuneration adopted by the AGM.

How the guidelines promote the Company's business strategy, long-term interests and sustainability

In brief, AcadeMedia's business concept is to develop and conduct leading, distinct educational institutions on all steps of the education ladder. AcadeMedia's strategies to achieve that are based on the following elements (Roadmap 2023):

1. Clear focus on education and well-defined brands
2. Knowledgeable and committed employees and managers
3. Common quality management model (the AcadeMedia Model)

4. Continuous improvement and innovative solutions

5. Long-term sustainable growth.

A prerequisite for the successful implementation of AcadeMedia's business strategies and for safeguarding the long-term interests of the company, including its sustainability, is the ability to recruit and retain qualified employees. This requires the Company to offer competitive remuneration. The aim of these remuneration guidelines is to provide AcadeMedia with an environment that attracts, motivates and retains qualified employees.

AcadeMedia has also established long-term share-based incentive plans. Further information on these plans are provided in Note G5 Personnel costs.

Forms of remuneration, etc.

Remuneration of senior executives shall be in line with market conditions and may consist of fixed cash remuneration, variable cash remuneration, pension benefits and other benefits. In addition - and independently of these guidelines - the AGM may resolve to approve, for example, share-based and share price related remuneration.

The fixed cash salary forms the basis of the total market remuneration required to attract senior executives. The fixed cash salary should take into account the individual's responsibilities and performance.

The variable cash remuneration may not exceed fifty (50) percent of the total fixed cash salary during the measurement period. Compliance with the criteria for the payment of variable cash remuneration must be measurable over a period of one year.

For the CEO, pension benefits and other insurance shall be defined-contribution plans. Variable cash remuneration shall not be pensionable. Pension premiums for defined-contribution pensions shall

not exceed thirty (30) percent of the fixed annual cash salary.

For other senior executives, pension benefits shall be defined-contribution, unless the executive is covered by a defined-benefit pension under mandatory collective bargaining provisions. Variable cash payments shall be pensionable to the extent that this is required by mandatory collective agreement provisions. Pension premiums for defined-contribution pensions shall not exceed twenty-five (25) percent of the fixed annual cash salary.

Other benefits may be paid if this is deemed to be in line with market conditions, and in such cases shall constitute a minor part of the total remuneration. Such benefits must not exceed a total of ten (10) percent of the fixed annual cash salary.

In the case of employment relationships governed by rules other than those of Swedish law, appropriate adjustments have to be made to pension and other benefits in order to comply with such mandatory rules or established local practice.

Termination of employment

In the event of termination by the Company, the notice period must not exceed twelve months. Fixed cash remuneration during the period of notice and severance pay must not exceed in total an amount equal to the fixed cash remuneration for two years for the CEO and for one year for other senior executives. In the event of termination by the Company officer, the period of notice must not exceed six months and will include no right to severance pay.

In addition, remuneration may be paid for any anti-competitive commitment.

Criteria for the award of variable cash remuneration, etc.

Variable cash remuneration shall be aimed at promoting AcadeMedia's business strategy and long-term interests, including its sustainability, by:

- Promoting the Group's objectives by rewarding good performance.
- Helping to develop commitment and motivation on the part of managers, who in turn will motivate their employees.
- Creating clarity by communicating and contracting objectives and expected work performance.
- Developing an attractive image to aid the recruitment of new managers.
- Incentivising existing managers to stay in the Group.

The variable cash remuneration shall therefore be linked to predetermined and measurable criteria, which may be financial or non-financial. These may also be general or personalised quantitative or qualitative targets. The criteria shall be designed to promote the Company's business strategy and long-term interests, including its sustainability, by, for example, establishing a clear link to the business strategy or promoting the long-term development of the executive.

At the end of the measurement period for the fulfilment of criteria for the payment of variable cash remuneration, the extent to which the criteria have been met shall be determined. The Board of Directors may, at its discretion, withdraw or reduce all variable salary components for an individual if the individual has shown a lack of judgement and has disregarded negative consequences in terms of quality in order to maximize financial objectives. As regards financial targets, the assessment shall be based on the established financial basis for the current period.

The Board of Directors shall have the option, in accordance with the law or the contract, and subject to any restrictions that may result therefrom, to recover, in whole or in part, variable remuneration paid on the basis of irregularities.

Decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on proposed guidelines for remuneration to senior executives. The Board shall draw up proposals for new guidelines at least every four years and submit them to the Annual General Meeting for resolution. The guidelines shall remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate the variable remuneration programmes for Group management, the application of the guidelines for remuneration of senior executives and the current remuneration structures and levels in AcadeMedia.

Deviation from the guidelines

The Board of Directors is permitted resolve to deviate temporarily from the guidelines in whole or in part if there are specific reasons for doing so in an individual case and if a deviation is necessary in order to satisfy the long-term interests of the Company, including its sustainability, or to ensure the financial viability of AcadeMedia. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration issues, including decisions on deviations from the guidelines.

A more detailed description of the incentive programmes is provided in Note G5.

Review of the guidelines prior to the 2021 AGM

Prior to the 2021 AGM, the Remuneration Committee has conducted a review of the guidelines. The proposed amendments do not significantly alter the guidelines but are merely editorial in nature.

Related party transactions in the Group

Salaries and other remuneration to senior executives and the Board of Directors are paid as described in Note G5. The senior executives also participate in the Group's incentive programmes as described in Note G5.

Mellby Gård has offered the CEO of AcadeMedia the opportunity to acquire synthetic options in AcadeMedia issued by Mellby Gård, the largest shareholder in AcadeMedia. AcadeMedia AB is not party to the transaction. The options were acquired at a price corresponding to their estimated market value. In order to finance the cost of acquiring the synthetic options, Marcus Strömberg sold 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 AcadeMedia's CEO to acquire options provided by Mellby Gård.

During the first subscription period for the LTIP 2017 share option programme in February 2021, members of executive management sold 220,500 options to AcadeMedia's majority shareholder Mellby Gård. The options were sold at a price corresponding to the market value of the options.

In January 2021, AcadeMedia acquired additional shares in Hypocampus AB and now owns 27% of the total number of shares. Hypocampus AB is now an associated company.

Further details of the Group's transactions with related parties are provided in Note G30.

Authorisation

The 2020 Shareholders' Meeting authorised the Board of Directors to resolve to issue new shares corresponding to a dilution of no more than five percent. This authorisation was not exercised during the year.

Parent Company

The Parent Company AcadeMedia AB (publ) is listed on the stock market and exercises certain management functions such as those of the CEO.

Operations are conducted in individual subsidiaries that, directly or indirectly, are 100 percent owned by the Parent Company. At year-end, AcadeMedia had 153 (143) wholly owned subsidiaries, as listed in Note P8. All education services are provided by subsidiaries owned by AcadeMedia AB, referred to below as the AcadeMedia Group.

Revenue during the year totalled SEK 8 million (8). Operating profit (EBIT) for the year was to SEK -14 million (-17). Profit after tax was SEK 11 million (50).

The Parent Company's assets consist essentially of participations in Group companies and receivables from Group companies. 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 interest-bearing external loans as of 30 June 2021 totalled SEK 803 million (957).

Share capital and shareholders

AcadeMedia AB (publ) is a public limited company that has been listed on Nasdaq Stockholm since June 2016.

During the third and fourth quarter, AcadeMedia fulfilled its obligations in accordance with two incentive programmes, the share-based incentive programme and the warrant programme, both adopted in 2017. Altogether, 42,337 Class C shares were converted to ordinary shares and 240,500 ordinary shares were subscribed. The total number of shares increased by 240,500 and the number of votes by 278,603.3 votes.

As of 30 June 2021, the share capital was SEK 105,788,845 (105,548,345) and the number of shares totalled 105,548,345 shares (105,548,345), represented by 105,582,940 ordinary shares (105,300,103) and 205,905 Class C shares (248,242), 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 is not aware of any shareholder agreement or the like between the owners of the Company.

Dividend policy and proposal

AcadeMedia's main responsibility is to provide a quality education for the funding it receives. This shall be done as efficiently as possible. AcadeMedia's free cash flow will primarily be reinvested in the business in order to maintain high quality and finance future growth. The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets as to quality and financial position.

Board of Directors' proposal to the AGM

The Board proposes that the Group's income statement and balance sheet be presented to the Annual General Meeting on 30 November 2021 for adoption.

The Board proposes to the Annual General Meeting that a dividend of SEK 1.75 (1.50) per share be paid for the 2020/21 financial year.

AVAILABLE FOR APPROPRIATION BY THE AGM

PARENT COMPANY	SEK
Retained earnings	2,476,808,019
Profit for the year	10,877,938
Amount to be carried forward	2,487,685,957
The Board proposes that the retained earnings be appropriated as follows:	
Dividend to shareholders (SEK 1.75 per share)	184,770,145
To be carried forward	2,302,915,812
SUM TOTAL	2,487,685,957

Board of Directors' statement regarding the proposed dividend

The Board hereby issues the following statement regarding the dividend proposal, in accordance with Chapter 18, Section 4 of the Swedish Companies Act. The Company's profit available for appropriation as per 30 June 2021 amounts to SEK 2,476,808,019 and profit for the year to SEK 10,877,938. A profit of SEK 2,487,685,957 is available for appropriation by the AGM before the decision regarding dividend for the 2020/21 financial year. Provided that the 2021 AGM resolves in accordance with the Board's proposal on appropriation of profits, SEK 184,770,145 will be paid as dividend and SEK 2,302,915,812 will be carried forward. Full coverage is available for the Company's restricted equity following the proposed appropriation of profit.

Regarding the proposed dividend, the Board has taken into account the consolidation requirements and liquidity of the Company and the Group through a comprehensive assessment of the financial position of the Company and the Group, and the ability of the Company and the Group to fulfil their commitments in the long term. The proposed dividend does not jeopardise the Company's ability to perform the investments deemed necessary. The Company's financial position does not give rise to any other conclusion than that the Company can continue operating, and that the Company is expected to fulfil its obligations in the short and long term. In addition to the assessment of the Company's consolidation requirements and liquidity, the Board of Directors also took into account all other known circumstances that may have significance in terms of the Company's financial position. With reference to the above, the Board of Directors considers the proposed dividend paid to subsidiaries is justifiable in view of the requirements which the type of operations, size and risks of the Company and the Group place on the size of the Company's and the Group's equity, consolidation requirements, liquidity and position in general.

Outlook and financial targets

Market outlook

All four of AcadeMedia's businesses are in the field of education. The business models are structured differently, but all four are in the main financed by public funds. External factors that may affect the demand for our services include demographic trends, urbanisation, proportion of parents and care givers with children in preschools and schools, state of the general economy, unemployment, integration, and trade and industry's need for suitably qualified personnel. The finances of the municipalities, along with government initiatives and prioritisations, can also affect the markets in which we operate.

A considerable need remains for new preschool places in major areas of Europe. Germany, where at the financial year-end AcadeMedia ran 58 preschools, has a shortage of more than 350,000 preschool places, with the most urgent need in regions including North Rhine-Westphalia, Bavaria and Baden-Württemberg. The shortage of preschool places is a major problem for society when people, especially women, are struggling to be able to maintain their professional lives while establishing a family. Political decisions in Germany are helping to make preschool places available to all. Free preschool was introduced in a number of Germany's federal states in 2019. The preschool market in Sweden and Norway is mature, and most children of preschool age attend preschool. The forecast demographic trend in both countries regarding the number of children of preschool age is negative for the next five years, at -7.1 percent in Sweden and -4.8 percent in Norway, as an average over the countries as a whole. In the years following re-growth is expected. AcadeMedia's strategy, especially important in times of lower child populations, is to ensure that our preschools are the first choice and that new preschools are established in growth areas.

Demand for compulsory school places in the main areas where AcadeMedia is established is expected to show a positive trend according to Statistics,

Sweden (SCB). The number of children aged 5–15 years in Sweden is expected to remain stable, at -0.4 percent, over the next five years.

Student numbers in upper secondary schools are rising, and over the next five years the number of students is expected to increase by 9.6 percent, also according to SCB. To deal with the growing number of students, AcadeMedia has since autumn 2017 opened 18 new upper secondary schools and established upper secondary school campuses with several separate schools on the same site. In autumn 2021, three more schools will open and in autumn 2022, two new upper secondary campuses will open in Stockholm, where existing schools will relocate and be given the opportunity to expand.

The adult education market in Sweden remained buoyant over the past financial year. High unemployment, an effect of the ongoing pandemic, coupled with skills shortages in many sectors, has led to a considerable need for training and reskilling. To mitigate the effects of the Covid-19 pandemic, the government has launched a number of packages of measures with extra funding, including for higher vocational education, municipal adult education and labour market services. AcadeMedia is the market leader in adult education in Sweden, with a broad contract portfolio, and is well-equipped to contribute in many of the initiatives that are currently in progress. In the long term, AcadeMedia holds a strong position in an attractive adult education market.

A more detailed description of the market is provided on pages 20–22.

Ongoing policy studies

Publicly funded independent schools in Sweden and Norway have been, and continue to be, subject to major scrutiny by public authorities, the media, and elsewhere. The governing parties can commission studies as a basis for future legislation. A common feature of various political proposals is that the processes they go through are usually long-winded and the proposals have to be scrutinised by various consultation bodies, in which AcadeMedia often participates. In the face of

wide-ranging criticism, it can be difficult to mobilise a majority in Riksdagen, and in such cases the government may then decide to proceed with individual elements of the proposal. These also have to be expressed as legally viable proposals that also need to pass a vote in the Parliament of the country concerned. The following is not a comprehensive account of existing studies, and their status may have changed since the Annual Report was published. To read more about the risks associated with changes in laws and regulations and political risks, see the Risk Overview on page 60

The final version of a Parliamentary bill requiring that the principle of public access should also apply to independent schools is currently pending in the Swedish Government Offices. If Riksdagen passes the bill, it will have major impact on AcadeMedia in Sweden, in part via a heavier administrative burden and higher administrative costs.

In spring 2020, two reports from government inquiries concerning education were presented in Sweden. The first is the report from the inquiry into equitable schools with reference to the preschool class and compulsory school. Proposals include making it compulsory to offer choice of school to all, removing waiting times as a criterion of choice for independent schools, the introduction of a quota system and entitling municipalities to make deductions from the school voucher funding they

receive to offset extra costs that they incur. The proposal to make it compulsory to offer choice of school to all appears positive, but on the whole the report's proposals risk favouring poorly-performing schools and distorting the allocation of resources between municipal and independent schools. Municipalities already make considerable deductions and, for example, administrative costs are to a great extent not included in school voucher funding. In exactly the same way as independent schools, municipalities continuously organise and structure their activities according to the number of students attending, while at the same time a certain measure of uncertainty exists in all activities. To put forward proposals to the effect that municipalities should be able to make this kind of deduction in addition to those already being made is highly dubious from an equal terms perspective and risks having major negative impact on the whole independent school sector.

The second inquiry presented proposals on planning and structuring in Komvux and the upper secondary school sector. It is proposed that the government should establish regional frameworks for the offering in the upper secondary school sector, and that the educational offering should be based to a greater extent on the needs of the regional labour market. The proposals represent major, costly changes to the system and it is highly

uncertain that the proposals will lead to greater efficiency or better provision of skills.

In Norway, a political debate about private preschools continues, and changes were made to regulations on staffing during the year. An inquiry is currently under way regarding changes to various aspects of the funding system, requirements as to the organisation of preschools, accounting requirements, and reporting obligations to the municipality on the sale of independent preschools. This is part of the process of reviewing the existing system of regulation for preschools in Norway. There has also been discussion of whether to require that preschools should be organised as a separate legal entities.

On 7 June 2018, Sweden's Riksdagen rejected the proposed cap on profits for Swedish welfare service companies as advocated in the "Reepalu Investigation".

Financial targets

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

AcadeMedia's financial targets are unchanged from earlier years. Adoption of IFRS 16 Leases has not affected the financial targets, as the targets are still defined and accounted for excluding the effects of

IFRS 16. Below, AcadeMedia's financial targets are presented:

- **Profitability:** AcadeMedia's profitability target for operating profit (EBIT) excluding non-recurring items shall amount to 7–8 percent of net sales over time.
- **Growth:** AcadeMedia intends to grow organically by utilising spare capacity in existing units, and by opening new units. AcadeMedia also intends to continue to grow by taking over education units, as well as through continued consolidation of the market through acquisitions. AcadeMedia's target for sales growth is five to seven percent annually, excluding major acquisitions.
- **Indebtedness:** AcadeMedia's target for indebtedness is to have an interest-bearing net debt, relative to operating profit before depreciation and amortization (EBITDA) and excluding non-recurring items, with a maximum factor of three. During brief periods, however, deviation from this target may occur, such as in the case of major acquisitions.

In the view of the Board of Directors, the financial position is stable and other objectives have been fulfilled. The Board of Directors therefore proposes an ordinary dividend of SEK 1.75 per share (1.50) for the 2020/21 financial year. This corresponds to SEK 185 million (158), 27 percent (29) of the profit for the period excluding IFRS 16.

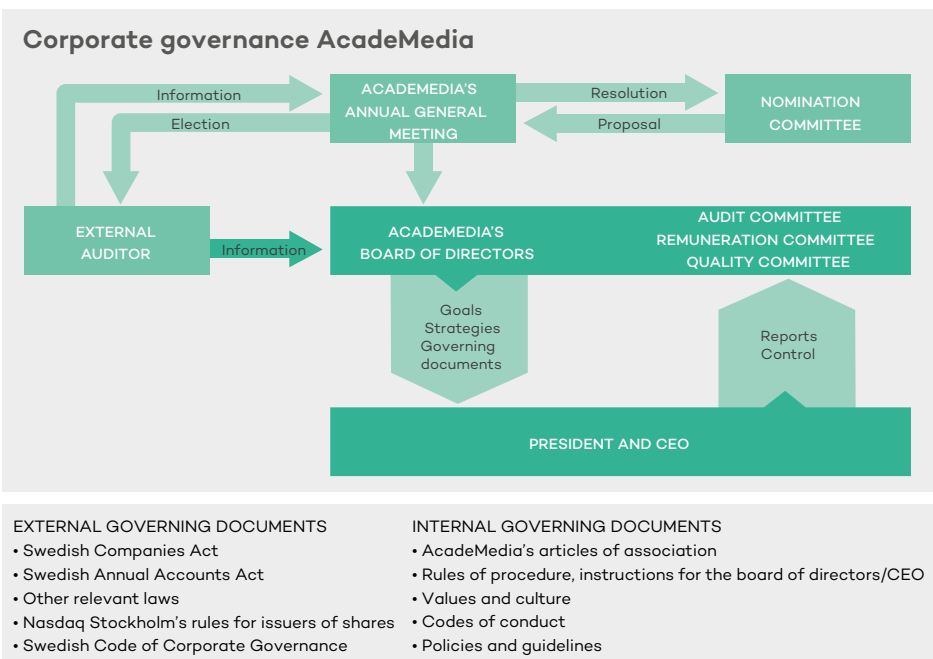
Significant events after the end of the financial year

- On 7 July, the compulsory school Vittra Kungshagen, Nyköping, was completely destroyed in a fire. The school will be rebuilt, and rental agreements have been signed for temporary premises until reconstruction is complete. Additional costs 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 payments are expected to cover the major share of the costs.
- The number of children and students in the first quarter of 2021/22 was higher than ever. Preliminary student numbers for autumn 2021 show an aggregate average growth of around 7 percent in AcadeMedia's three school segments, to approximately 91,600 children and students. Almost 16,000 of these are attending the first year of upper secondary school.

Annual General Meeting

The Annual General Meeting will be held on at 2.00 p.m. on 30 November 2021 at Näringslivets Hus, Storgatan 19, Stockholm.

Corporate Governance Report



AcadeMedia AB (publ) is a public limited company with its registered office in Stockholm. Its shares were listed on 15 June 2016 on the Mid Cap List of Nasdaq Stockholm.

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

- a fit-for-purpose organisation,
- quality management, risk management and internal control, and

- transparent internal and external reporting.
- Corporate governance at AcadeMedia is managed via principles established in external and internal systems of regulation. The external system of regulation consists of relevant laws/rules, including the Swedish Companies Act, the Swedish Annual Accounts Act and IFRS, Nasdaq Stockholm's Rules for Issuers of Shares and the Swedish Code of Corporate Governance ("the Code"). The internal system of regulation consists of the Company's Articles of Association and the control instruments that AcadeMedia has established in the form of rules of procedure for the Board of Directors, as well as internal instructions, policies and guidelines to Board committees, the Chief Executive Officer and the operational organisation.

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

This Corporate governance report was prepared in accordance with the Swedish Annual Accounts Act and the Code.

Deviations from the Code

In share-matching plans for senior executives, which expired in February 2021, AcadeMedia set quality targets partly on the basis of qualitative criteria. This constitutes a deviation from section 9.4 of the Code, which states that variable remuneration should be linked to predetermined and measurable criteria. Achievement of quality goals has been measured in detail via various quantitative measures from school unit level up to Group level and is described in detail in AcadeMedia's annual quality report and on the Company website. As part of the programme, AcadeMedia's Board of Directors has also evaluated whether management has used good judgement in its quality improvement work. This is aimed at ensuring that operations develop in a way that is beneficial for the students and is sustainable in the long term, for the Company. The Board decided that the conditions for the programme had been met and that the allocation of matching shares should therefore take place.

Shares and shareholders

AcadeMedia's ordinary shares were listed on the Nasdaq Stockholm exchange in 2016 and are traded on Nasdaq Stockholm Mid Cap. The number of shares in issue is 105,582,940 ordinary shares, each carrying an entitlement of one vote per share, and 205,905 C series treasury shares, each carrying an entitlement of one tenth of a vote per share, but no right to representation at the Annual General Meeting (in all, 105,788,845 shares in the Company). The biggest shareholder in AcadeMedia since its IPO has been Mellby Gärd. On 30 June 2021, the company

owned 21.3 percent of the capital and 21.4 percent of the votes. Other major shareholders are shown on the list of shareholders on page 110.

The 2020 Annual General Meeting authorised the Board of Directors to resolve to issue new shares corresponding to a dilution of no more than five percent.

Shareholders' meeting

The shareholders' meeting is AcadeMedia's highest decision-making body, at which the shareholders exercise their right of decision over the affairs of the Company. The shareholders' meeting resolves issues such as the adoption of income statements and balance sheets, appropriation of the Company's profit or loss, discharge from liability of members of the Board of Directors and the Chief Executive Officer, election of members to the Board of Directors and auditor, as well as remuneration of Board members and the auditor.

The Annual General Meeting (AGM) of shareholders shall be held within six months from the end of the financial year. AcadeMedia's 2021 AGM will be held on 30 November 2021. Notice convening a shareholders' meeting shall be published via a press release and by having the notice posted on the Company's website. The day after the notice has been published it shall be printed in the Swedish National Gazette (Sw.: Post och Inrikes Tidningar). At the same time, the notice shall be published in the financial newspaper Dagens Industri.

Right to participate in shareholders' meetings

Shareholders wishing to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden, and must notify the Company of their participation no later than on the date indicated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may

be accompanied by a maximum of two advisors. Shareholders may register for the shareholders' meeting in several different ways, as detailed in the notice of the meeting.

Shareholders are entitled to vote for all shares in the Company held by the shareholder. Since the decision of the 2020 Annual General Meeting to amend the Company's Articles of Association, the Board of Directors has the option to collect proxies in accordance with the Swedish Companies Act and to decide that shareholders can exercise their vote by post before the Annual General Meeting.

Shareholders' initiatives

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

Nominating Committee

The Nominating Committee is tasked with presenting proposals to the shareholders' meeting regarding election of and fees to Board members and auditor. The Nominating Committee shall also propose the chairman for the AGM. The Nomination Committee shall perform its duties in accordance with the Code and the instructions to the Nomination Committee adopted by the Annual General Meeting.

The Nomination Committee applies section 4.1 of the Code as a diversity policy, whereby the Nomination Committee shall ensure that the Board, in view of AcadeMedia's business, stage of development and circumstances in general, has an appropriate composition, characterised by diversity and breadth in terms of the skills, experience and back-

ground of the members elected by the General Meeting. Furthermore, the Nomination Committee shall work towards the goal of achieving a gender balance on the Board.

According to the instructions to the Nominating Committee, AcadeMedia's Nominating Committee shall consist of one representative of each of the three biggest shareholders, based on their holding in the Company at the end of the financial year's third quarter and as can be determined from Euroclear's shareholder register and other reliable information provided to the Company at that point in time. The Board Chairman shall serve as a co-opted member. The composition of the Nomination Committee for the 2021 Annual General Meeting was announced on 10 May 2021 and is as follows:

- Rune Andersson (Chairman), Mellby Gård, 21.19 percent of votes at the end of the third quarter.
- Joachim Spetz, Swedbank Robur Fonder, 9.82 percent of votes at the end of the third quarter.
- Erik Durhan, Nordea Fonder, 7.66 percent of votes at the end of the third quarter.
- Anders Bülow, Chairman of the Board (co-opted).

Board of Directors

Composition of the Board of Directors

According to AcadeMedia's Articles of Association, the Board of Directors, as elected by the shareholders' meeting, shall consist of no less than three and no more than ten members. The Company's Board of Directors currently consists of seven members, including the Chairman, elected by the shareholders' meeting for the period until the AGM in 2021. Employee organisations are entitled by law to appoint employee representatives to the Board with the same rights and duties as other Board members. The Swedish Teachers' Union and the National Union of Teachers in Sweden have each appointed one member and one deputy to serve on the Board. The list to the right shows AcadeMedia's Board members, when they were first elected to the Board and whether the elected members are independent of the Company, management and/or the principal owner. The composition of the Board

of Directors of AcadeMedia meets the requirements for independent Board members. None of the members of Group management have significant shareholdings or partnerships in companies with which the Company has material business relationships.

Anders Bülow has been AcadeMedia's Chairman of the Board since 2017. The Chairman is elected by the AGM.

Division of work

The Board of Directors is responsible for ensuring that the Company's organisation is fit-for-purpose in order to administer the Company's affairs in the best way possible, for continuously assessing the Group's financial situation and ensuring that the business is conducted in accordance with the Articles of Association, the Swedish Companies Act, the Code and other applicable laws and regulations, as well as with the Board's rules of procedure. The Chairman supervises the work of the Board and ensures that the Board fulfils the functions that are incumbent on the Board and that this work is conducted in an efficient and well-organised way.

The Board follows written rules of procedures that are reviewed and adopted annually at the statutory Board meeting. The rules of procedure govern Board functions and allocation of duties between Board members and the Chief Executive Officer, as well as between the Board and its various committees. At the statutory Board meeting, the Board also adopts the instructions to the Chief Executive Officer, including instructions for financial reporting.

The Board meets according to an annually fixed schedule. In addition to these Board meetings, additional meetings may be convened to address issues that cannot be referred to a regular Board meeting. In addition to Board meetings, the Chairman and the Chief Executive Officer maintain continuous dialogue concerning management of the Company.

Board of Directors' work during the 2020/21 financial year

During the financial year the Board held thirteen meetings at which minutes were recorded. Board member attendance is presented in the table

BOARD COMPOSITION, INDEPENDENCE AND ATTENDANCE IN 2020/21

Member	Elected	Position	Independent of		Attendance			
			The Company and executive management	The Company's major shareholders	Board meetings	Audit Committee	Remuneration Committee	Quality Committee
Anders Bülow	2016	Chairman of the Board	Yes	No	13 (13)	5 (5)	–	–
Silvija Seres	2015	Board member	Yes	Yes	12 (13)	–	5 (5)	4 (4)
Johan Andersson	2017	Board member	Yes	No	13 (13)	5 (5)	5 (5) ⁵	–
Pia Rudengren	2017	Board member	Yes	Yes	13 (13)	5 (5) ⁵	–	–
Anki Bystedt ¹	2017	Board member	Yes	Yes	13 (13)	–	–	2 (4)
Håkan Sörman ²	2017	Board member	Yes	Yes	13 (13)	–	3 (5)	4 (4) ⁵
Ann-Marie Begler ³	2020	Board member	Yes	Yes	10 (13)	–	2 (5)	2 (4)
Anders Lövgren	2016	Employee representative	–	–	13 (13)	–	–	4 (4)
Sofia Lundström ⁴	2020	Employee representative	–	–	12 (13)	–	–	4 (4)
Anna Lundmark Boman ⁴	2021	Employee representative	–	–	9 (13)	–	–	–
Pernilla Larsson	2016	Deputy employee representative	–	–	10 (13)	–	–	–
Christian Liljeros ⁴	2021	Deputy employee representative	–	–	0 (13)	–	–	–

1. On the occasion of the 2020 AGM, Anki Bystedt stepped down as a member of the Quality Committee and instead began serving as a member of the Remuneration Committee.

2. On the occasion of the 2020 AGM, Håkan Sörman stepped down as a member of the Remuneration Committee.

3. Ann-Marie Begler was elected as a new member of the Board at the 2020 AGM and at the same time joined the Quality Committee.

4. Sofia Lundström resigned as employee representative in June 2021. Anna Lundmark Boman (former deputy employee representative) was elected as new employee representative and at the same time Christian Liljeros was elected as new deputy employee representative. Accordingly, neither attended all meetings during the financial year.

5. Committee Chairman

above. The Secretary at the Board meetings was Chief Legal Officer Jonas Nordström. Board members received written information on the issues to be discussed prior to each meeting.

During the 2020/21 financial year, the work of the Board was greatly impacted by the Covid-19 pandemic. All of this year's Board meetings were held remotely and the effect of the pandemic on AcadeMedia's operations was a constant issue.

During the year, as in previous years, the Board continuously monitored the performance and finances of the Group and the segments, and reviewed and analysed the Company's financial reporting. The Board maintained its focus on quality work, both in monitoring quality indicators and via discussions of how quality should be measured and how AcadeMedia's quality model can be further developed. The Board's strategy discussions

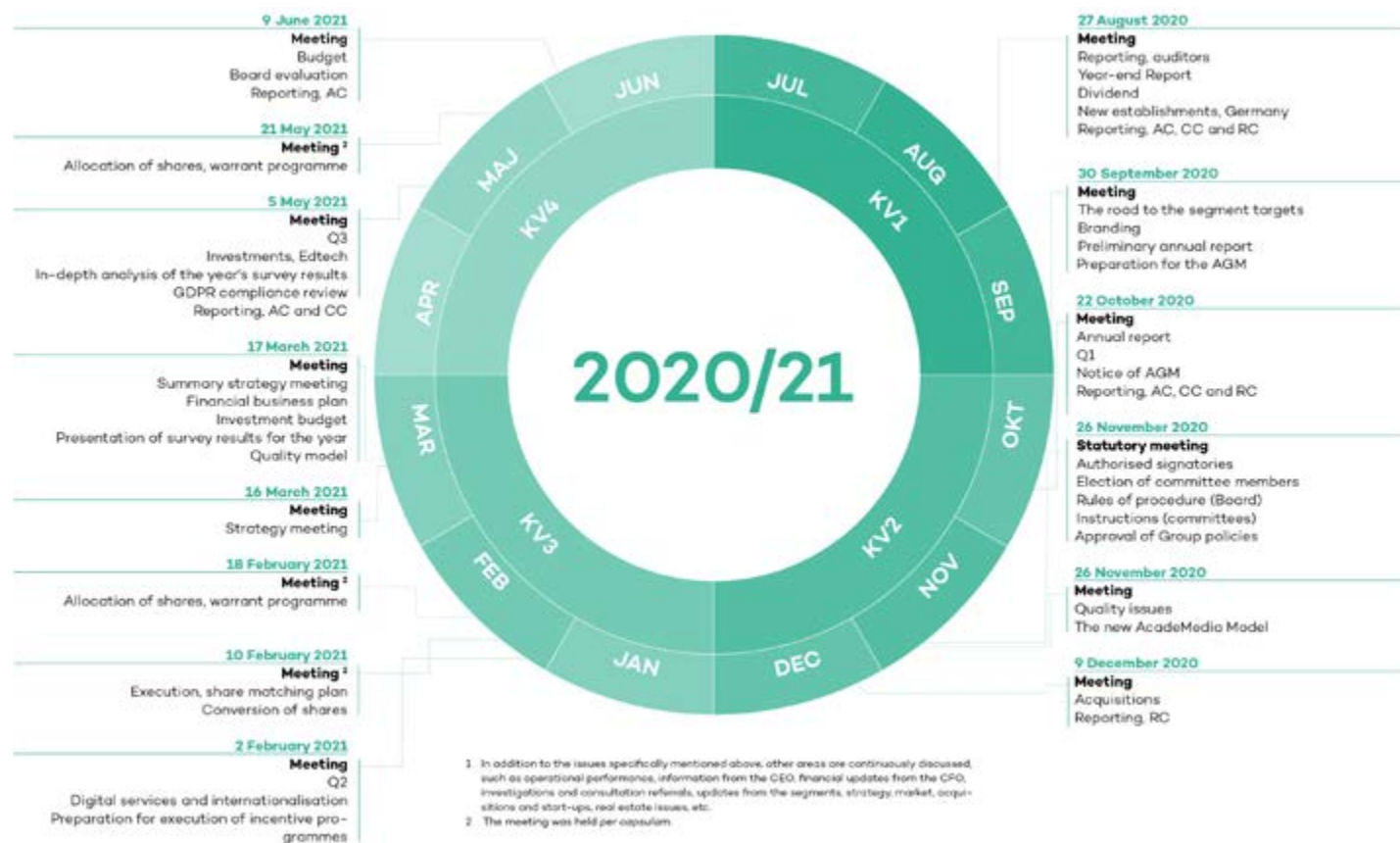
focused on the desired future business mix, taking into account financial performance targets, capital commitment and growth potential. These discussions resulted in decisions on priority growth areas.

Other matters regularly dealt with by the Board included governance issues such as the development and updating of policies, internal controls etc., and decisions on growth and expansion projects including acquisitions, investments, and major real estate affairs.

Audit Committee

AcadeMedia's Board of Directors has established an Audit Committee comprising three members, who are independent of the Company and its management: Pia Rudengren (Chair), Anders Bülow and Håkan Sörman. The Company's CFO takes part in the Audit Committee's meetings, which are also regularly attended by the Company's auditors. The

Audit Committee shall *inter alia*, without prejudice to the other responsibilities and tasks of the Board of Directors, monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control, compliance and risk management; keep informed of the auditing of the annual report and the consolidated accounts and of the conclusions of the Swedish Inspectorate of Auditors (Revisorsinspektionen) regarding quality controls of the Company's auditor; examine and monitor the auditor's impartiality; and pay particular attention as to whether the auditor is providing the Company with other services besides audit services. The Committee is also tasked with evaluating the audit work and providing this information to the Nominating Committee, as well as assisting the Nominating Committee in the preparation of proposals regarding election of auditors and auditors' fees.



The Audit Committee has a scheduled annual cycle of five planned meetings each year. Five meetings were also held during the 2020/21 financial year, at which the Audit Committee addressed a number of issues that were specific to this financial year. These include acquisition accounting, unit monitoring, the impact of the Covid-19 pandemic and financing issues.

Remuneration Committee

The Board of Directors of AcadeMedia has a Remuneration Committee comprising three members:

Johan Andersson (Chairman), Anki Bystedt and Silvija Seres. The Remuneration Committee prepares proposals concerning remuneration principles and remuneration, as well as other terms of employment for the CEO and senior executives. The Remuneration Committee is also tasked with monitoring and evaluating variable remuneration programmes for management, application of the guidelines for remuneration to senior executives as adopted by the AGM, and the structures and levels of remuneration in the Group.

The Remuneration Committee held five meetings during the financial year. In addition to the day-to-day issues dealt with by the Remuneration Committee, particular focus during the year was on the preparation of the remuneration report in accordance with the Swedish Companies Act, together with the introduction of new long-term incentive schemes for the Company's employees.

Quality Committee

The Board of Directors of AcadeMedia also has a Quality Committee comprising three members:

Håkan Sörman (Chairman), Silvija Seres and Ann-Marie Begler. Employee representatives Anna Lundmark Boman and Anders Lövgren also serve on the Quality Committee. The purpose of the Quality Committee is to take a more active role on issues connected with systematic quality work, digitalisation, branding and leadership development.

The Quality Committee held four meetings during the financial year. During the year, particular focus was placed on issues including development of performance reviews, enhanced goal and performance management, quality monitoring and measurement, work on the new AcadeMedia Model, development of existing and new brands and Ed-Tech and distance teaching.

Evaluation of the Board's work

The Board's work is evaluated annually via a structured process in which all Board members and deputy members answer questions about how they feel the Board performed in a number of areas. The areas assessed include whether the Board's skills and composition are fit for purpose, and the focus and direction of the Board's work. The Chairman of the Board is responsible for the evaluation, and ensures that the results are presented and discussed on the Board, as well as at the Nominating Committee. Thus, the evaluation serves as a basis for the Board's further work and development, as well as for the Nominating Committee's work. The evaluation of the Board's work in 2020/21 was distributed prior to the Board meeting on 9 June 2021 and was subsequently presented to the Nominating Committee. All Board members elected by the AGM participated in the survey, which was reviewed orally, and various development areas were discussed.

Remuneration to Board members and shareholdings

The 2020 AGM resolved that remuneration for the period until the next AGM shall be paid at SEK 600,000 per year to the Chairman of the Board and SEK 263 000 per year to each of the other Board members who are not employed by the Group. In addition, the Chair of the Audit Committee will re-

ceive a fee of SEK 158,000 and each of the other members of the Audit Committee who are not employees of the Group will receive SEK 79,000. SEK 65,000 will be paid to the Chairman of the Remuneration Committee, SEK 33,000 to each of the other members of the Remuneration Committee who are not employees of the Group, SEK 105,000 to the Chair of the Quality Committee and SEK 53,000 to each of the other members of the Quality Committee who are not employees of the Group.

For information on the board of directors and their shareholdings, see page 68, and for information on the remuneration paid to the Board members for the 2020/21 financial year see Note G5.

Chief Executive Officer and Senior Management

Marcus Strömberg has been President and Chief Executive Officer of AcadeMedia since 2005. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the instructions to the CEO.

The CEO shall attend to the day-to-day administration and coordinate the activities of the Company, with the care and to the extent required to handle these affairs, and in accordance with the Articles of Association, the rules of procedure for the Board, the instructions to the CEO, applicable legislation and other guidelines and directions issued by the Board. The CEO shall ensure that the Company's accounting records are kept in accordance with applicable legislation, and that the management of assets is conducted in a proper manner with a satisfactory measure of control and follow-up.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information to enable its members to evaluate the Company's financial position on an ongoing basis. In addition, the CEO must continuously keep the Board of Directors informed of developments in the Company's operations, sales trends, the Com-

pany's earnings and financial position, liquidity and credit status, major business events and all other events, circumstances and conditions that may be assumed to be of material importance to the Company's shareholders.

The CEO is supported by a Group management team consisting of the Heads of Preschool Sweden, Preschool Norway, Preschool Germany, Compulsory School, Upper Secondary School and Adult Education, as well as the CFO, Head of Human Resources, Head of Communication and Public Affairs and Business Development Director.

For more information about the CEO and other senior management, along with their shareholdings, see page 69.

For a description of the remuneration and terms of employment for the CEO and senior management for the 2020/21 financial year, and of the Company's outstanding incentive programmes, see Note G5 and AcadeMedia's Remuneration Report on the Company's website.

Internal control and risk management

Internal control framework

Under the Swedish Companies Act, the Board of Directors is required to ensure that the Company's organisation is structured such that the Company's accounting records, management of assets and financial position are controlled in a proper manner. The Code provides clarification on this point and stipulates that the Board is responsible for internal control. AcadeMedia's procedures for internal control are based on two perspectives: internal control and risk management related to operations and internal control and risk management related to financial reporting. Internal governance and control shall ensure reliable financial reporting and that operations at any one time meet the requirements and expectations applying to a company that operates a publicly funded business. AcadeMedia's internal control structure for financial reporting is based on the COSO model. It consists of five main components, which together

provide a basis for effective internal control: Control environment, Risk assessment, Control activities, Information and communication, and Monitoring.

In parallel with the procedures for financial accounting and financial reporting, AcadeMedia's internal control and risk management are largely based on systematic and wide-ranging quality management. AcadeMedia has developed its own quality system in the form of the AcadeMedia Model. The purpose of the quality model is both to minimise risk and to improve quality in our schools. Within the Group's preschools, compulsory schools and upper secondary schools, internal audits have been carried out for several years to verify that operations meet the requirements of laws, regulations and other statutes, and serve as tools for development and improvement initiatives. In adult education, internal audits/self-monitoring are carried out in various ways depending on the type of operation. Where shortcomings are identified, an action plan is drawn up and each shortcoming must normally be remedied within three months. In order to monitor and control ongoing regulatory and inspection cases, case logs of all pending cases are kept. The Group's Head of Quality and Legal Counsel prepare, on a monthly basis, a list of units for which risks and material deficiencies exist. The list is reported to the executive management of Group and also, on a quarterly basis, to the Board. The results of the annual quality survey are published annually for the entire Group, for each principal organiser and for each education unit on their respective websites.

Control environment

The control environment forms the basis of the internal control system for financial reporting. One important part of the control environment is that authorities and responsibilities should be clearly defined and that control documents should be in place, in the form of internal policies and guidelines for areas of central importance. The Board of Directors annually adopts a number of control documents intended to serve as the basis of effective internal control and to establish and maintain a high standard of ethics in the Group.

These documents include the Board's rules of procedure, instructions to the CEO, the Code of Conduct, delegation of authorities, attestation instructions, financial policy and information policy, and are available on the Company's intranet. AcadeMedia's financial management manual is a central part of this documentation. AcadeMedia's CEO has delegated responsibility for implementation and enforcement of formalized guidelines for financial reporting and internal control to the CFO. The CFO reports to the Audit Committee, which has a specific responsibility for monitoring the effectiveness of the Company's internal control and governance

Risk assessment

AcadeMedia continuously assesses the risks in its business. Such risks consist of both operational and financial risks, as well as risks relating to financial reporting and compliance. The most significant risks are documented in a risk register, which is evaluated by AcadeMedia's Group management and each risk has a designated risk owner. The risk analysis also includes an assessment of the capacity for risk management. Risk assessment with regard to financial reporting is based on the materiality of items (quantitative), the degree of complexity and the risk of fraud. These are then linked to financial processes to ensure that controls are in place to manage the risks concerned. For more information on risks and risk management, see pages 60–66 and Note G26.

Control activities

Control activities are designed to manage the risks identified as material to internal control of the financial reporting at AcadeMedia. The controls used consist partly of control activities aimed at preventing risks of errors in reporting, such as rules on attestation, appropriate allocation of responsibilities (duality) and authorities, and partly of control activities aimed at detecting and correcting errors and deviations, such as analysis of results, reconciliations, checking of error lists and random sampling.

Information and communication

AcadeMedia maintains communication and information channels that are designed to enable appro-

priate and accurate information to be distributed quickly both internally and externally. The Board of Directors receives monthly business reports including both operational and financial information. Internal governing documents are incorporated into the Company's management system and are posted, where relevant, on AcadeMedia's intranet.

AcadeMedia's governing documents, in the form of policies, guidelines and manuals are, to the extent they refer to financial reporting, communicated primarily via the intranet and the Group's financial management manual. The financial management manual is updated continuously to reflect changes in external requirements and changes in AcadeMedia's business that require clarifications and instructions.

AcadeMedia has a Communication Policy with guidelines on internal communication to employees and to external stakeholders. Financial communication is subject to a policy on investor relations to ensure that the provision of information to the capital markets is conducted in line with applicable rules.

Monitoring

AcadeMedia's work on internal control and risk management is performed primarily via Group management's continuous follow-up of operations in relation to set goals, by formulating KPIs and by focusing on early warning signs. The Company's key procedures for financial reporting, including key controls and their appropriateness, are continuously assessed by the CFO and the CFO's organisation. Compliance with the financial management manual, policies and legislation is reviewed. Any deviation either results in corrective actions or improvement of processes and procedures. The Audit Committee summarises and reports to the Board on the status of action plans identified.

Internal audit

The Board of Directors conducts an annual review of the need for an internal audit function. Based on the Audit Committee's assessment, the Board has resolved that no separate internal audit function should be established. In the Board's view, the quality management system, combined with

well-established financial processes for follow-up and assessment of controls in operation within the Group Controller function, provides sufficient reliability in financial reporting without the need for an independent internal audit unit.

Auditing

The auditor shall review the Company's annual report and accounts, as well as the administration of the Company by the Board of Directors and the CEO. After the end of each financial year, the auditor is required to present an audit report and a consolidated audit report to the AGM.

According to the Company's Articles of Association, the Company shall have no less than one and no more than two auditors, with no more than two deputy auditors. The Company's auditors are PricewaterhouseCoopers AB, with Patrik Adolfsen as principal auditor and Eva Medbrant as co-signatory. Patrik Adolfsen is an authorised public accountant and partner at PwC. He has many years of experience auditing companies listed on a regulated market and companies in the service sector. Patrik Adolfsen has served as auditor for clients such as Anticimex, Attendo, Bonava and Pandox. Eva Medbrant also has many years of experience auditing companies listed on a regulated market.

The Audit Committee conducts an annual evaluation of the auditors' work and independence.

The Company's auditors are presented in more detail in the section "Board of Directors, executive management and auditors" on pages 67–69.

For information on the remuneration paid to the auditors for the 2020/21 financial year, see Note G4.

Risk and risk management

Exposure to risks is a natural part of all types of business. For this reason, AcadeMedia operates a risk management plan. The focus is on identifying risk, preventing risk, and preparing action plans that will enable any damage that such risks may cause to be limited.

Many risks can be eliminated through internal procedures, while various policies, action plans and education can be used to minimize others that to a greater extent are beyond the control of the Company. A description of the risk assessment process, monitoring and other related activities is provided in the Corporate Governance Report on pages 56–59.

Categorisation of risks

AcadeMedia categorizes risks as

- **Operational** – Risks associated with day-to-day operations.
- **External** – Risks attributable to external factors beyond AcadeMedia's control.
- **Financial** – Risks related to AcadeMedia's financial position and financing.
- **Sustainability risks** – Risks associated with AcadeMedia's sustainability focus areas – employees, learning and environment and climate. Risks associated with social responsibility are also included in the category of sustainability risks.

The most significant risks in each category are shown in the table alongside. In the context of this year's review of the Group's risks, the impact, likelihood and AcadeMedia's ability to manage each risk were analysed. The findings are summarised on the following pages.

Sustainability encompasses all areas of risk. We have therefore elected to highlight all sustainability risks on the basis of our three focus areas in sustainability. These are: Employees (E), Learning (L) and Environment and Climate (E/C). Social conditions are included in the area Employees.

A description of each risk, potential impact and management is provided on the following pages.

RISK

Operational risks

1. Fluctuations in demand and student enrolment
2. Employees and skills (L) (E)
3. Permits
4. Availability of premises and rental costs (L)
5. Leasing commitments
6. Personnel expenses (E)
7. Reputation and brand
8. Quality risks including risks related to non-compliance with contracts (L)
9. Shutdowns and disruptions (L) (E)

External risks

10. School voucher funding, compensation levels and the general economy
11. Changes in laws and regulations
12. Political risks
13. Crises (L) (E)

Financial risk

14. Credit risk
15. Interest rate risk
16. Liquidity and refinancing
17. Financial reporting
18. Currency risk

Sustainability risks

19. Absence due to illness (E)
20. Employee turnover (E)
21. Gender equality (E)
22. Quality of education (L)
23. Expectations that we take responsibility (L)
24. Corruption (E)
25. Transparency (E)

(E) = Employees (L) = Learning (E/C) = Environment/Climate



Risk overview – Operational risks

Operational risks are those associated with day-to-day operations.

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>1. Fluctuations in demand and student enrolment</p> <p>Demand for education services follows demographic factors and the major trends in society and the educational system. A growing population and local competition, combined with society's willingness to increase investment in education services are driving demand.</p>	<p>AcadeMedia competes with both public and other private and voluntary education providers. Competition is often highly concentrated to the local area and can increase if new schools/providers get established. A decline in the Group's reputation and appeal could cause lower student and participant enrolment, which would affect sales, while low capacity utilisation would affect margins and profitability.</p>	<p>AcadeMedia focuses on delivering high quality educational services and works systematically on quality monitoring and business development to achieve a good reputation and be viewed as an attractive option.</p>
<p>2. Employees and skills</p> <p>AcadeMedia's employees are our most important resource and play an essential part in enabling us to deliver on our mission. The ability to recruit and retain highly-trained and competent staff is a critical success factor in enabling us to provide high quality education.</p> <p>The German preschool market is in a build-up phase and demand for preschool places is significantly outstripping supply. There currently a shortage of qualified employees, an essential factor in expansion.</p>	<p>A lack of competent staff can have a negative impact on the quality of education (see quality risks) and can hamper our opportunities for expansion. In addition, there is always a risk that individual employees might not perform in accordance with the Group's quality standards and internal guidelines.</p>	<p>AcadeMedia is working actively to create positive workplaces and be an attractive employer. By offering good development opportunities, quality leadership and skilled colleagues, as well as favourable conditions for performing their work, we attract more people to want to come and work for us, and who choose to stay and develop within AcadeMedia. AcadeMedia closely monitors its business performance and continuously offers professional development. However, the organisation is decentralised and AcadeMedia relies on all levels of management to ensure that employee performance is in line with established requirements and internal guidelines.</p>
<p>3. Permits</p> <p>The Group has permits to operate preschools in Sweden, Norway and Germany, as well as compulsory schools and upper secondary schools in Sweden. The Schools Inspectorate in Sweden is the authority that issues permits for opening new compulsory and upper secondary schools in Sweden. There is an extensive regulatory framework for issuing permits. The application process is time-consuming and has associated costs and fees. Permits to run preschools in Sweden, Norway and Germany are issued by the municipality concerned.</p> <p>In the adult education business, conditions and quality requirements for the education programme are governed by the contract the Company has with the Swedish Public Employment Service or the municipality, or by permit from the Swedish National Agency for Higher Vocational Education. Parts of the adult education programme (for example, Swedish for Immigrants) must also comply with the Swedish Education Act.</p>	<p>The Schools Inspectorate in Sweden is also the supervisory authority for compulsory and upper secondary schools, and regularly inspects the Group's various Swedish units. School inspections may lead to injunctions ordering remedial measures. Injunctions must be actioned within the time stipulated by the Inspectorate. If a school fails to follow the instructions issued by the Inspectorate, penalties may be imposed or the permit to conduct education services withdrawn. Similarly, for preschools in Sweden, Norway and Germany, municipalities may issue injunctions and withdraw permits in the event of failure to comply with laws and regulations. Responsibility for compliance with the authority's requirements rests with the principal organiser.</p>	<p>In AcadeMedia's case, different subsidiaries are principal organisers of the units for which they have permits. The practical work of ensuring compliance with legal requirements is delegated to the principal, or similar. Coordination takes place at Group and principal organiser level in order to develop and ensure regulatory compliance.</p>
<p>4. Availability of premises and rental costs</p> <p>AcadeMedia's operations are primarily conducted in rented premises. A prerequisite for appeal, growth and uninterrupted operation is access to good premises in attractive locations. Mobility on the part of students and adult participants increases with age. Preschools are dependent on the demography of the surrounding area, while upper secondary programmes in central city locations are perceived as more desirable by students. The current trend of urbanisation means the availability of central locations is more restricted, which may limit opportunities for expansion.</p> <p>The availability and cost of rented premises are determined by the general economic climate. Both public sector and other independent providers operate in the same market when it comes to the availability and cost of premises.</p>	<p>A shortage of premises and increased costs for premises could have a negative impact on the Group's opportunities for expansion, operations, financial position and earnings.</p> <p>Under Swedish and Norwegian law, equal terms must apply for independent and municipal providers, and increased costs in general in the industry should not affect AcadeMedia in the long term. However, there is at times inadequate application of the equal terms principle and transparency by municipalities. There is no guarantee that any increases in the costs of premises will immediately, or in general, be compensated by a corresponding increase in school voucher funding.</p>	<p>In order to identify and enable new establishments and expansions, AcadeMedia's real estate managers are in contact with municipalities, real estate developers and property owners with a view to developing existing properties.</p>

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>5. Lease undertakings</p> <p>AcadeMedia operates with long leases. The length of the lease is determined by the type of operation, the stability of the underlying business and the degree of adaptation that is required, as well as to a certain extent the location of the premises and any alternative use.</p> <p>Adult education activities have the shortest lease terms, since the business is unpredictable and the lease term is in many cases linked to the length of the contract procured. In school operations, lease terms are generally longer, since the business is stable and is intended to be performed over a long period. In the cases of preschool and compulsory school, premises are to a high degree tailored to the activity and longer lease terms may then be required. In the cities, longer leases may be contracted, since the demand for school activities and alternative use is high which reduces the risk.</p>	<p>Long leases offer stability, but at the same time represent a risk if volumes decline, in that the costs are fixed. Rental costs are the second highest cost item, representing between 10 and 20 percent of a school's cost base, depending on the amount of the rent. This means that efficient use of premises and high capacity utilisation are important in terms of enabling the business to maintain a healthy margin. If a lease needs to be terminated prematurely, this may require that the remainder of the contract length to be paid out. AcadeMedia operates many schools and there are cases where volume losses at individual schools lead to closure and costs arising from lease obligations. The total lease undertakings for the Group are shown in Note G18 on page 88 and in Note G28 on page 92.</p>	<p>Continuous quality work aims to enhance the attractiveness of schools, in order to achieve high occupancy rates and reduce the risk of early lease termination.</p>
<p>6. Personnel expenses</p> <p>AcadeMedia's operations are labour-intensive and in 2020/21 personnel expenses accounted for 67 percent (67) of the cost base. Salary increases are applied, partly negotiated at central level without, or with limited, involvement of AcadeMedia. In Sweden, higher qualification requirements for teachers, combined with a general teacher shortage and political pressure, have pushed teachers' salaries upward.</p>	<p>Under Swedish and Norwegian law, equal terms must apply for independent and municipal providers, and increased costs in general in the industry should not affect AcadeMedia in the long term. However, the application of equal terms and transparency on the part of the municipalities is, at times, insufficient. At times, a lack of consistency in application of equal terms and insufficient transparency means there is no guarantee that any salary increases will immediately or at all be offset by a corresponding increase in school voucher funding.</p>	<p>Personnel costs make up a major portion of the cost base and salary growth is governed by collective agreements, which means that AcadeMedia has a limited ability to influence.</p>
<p>7. Reputation and brand</p> <p>School and education affect people's lives, and so there is strong engagement and interest from students and parents, public authorities, the media and other stakeholders. Dissatisfaction with schools or breaches of rules can result in individual schools coming under scrutiny of the authorities and the media, leading to a blow to the reputation of the individual school or the principal organiser.</p>	<p>Breaches of rules or perceived misconduct can quickly spread and lead to a deterioration of AcadeMedia's public reputation. This may reduce the attractiveness of our schools and have a negative impact on student numbers. Negative publicity from other independent school providers can also have an impact, by negatively affecting the reputation of the sector.</p>	<p>Work on quality is an important part of protecting the Group's operations, as is the relevance, accuracy and transparency of our communication.</p>
<p>8. Quality risks including risks related to non-compliance with contracts</p> <p>The education services that the Group provides are audited and inspected by the Schools Inspectorate in Sweden, municipalities in the respective country and other procurers with whom the Company enters into a contract.</p>	<p>Inadequate external control may lead to penalties, fines or other sanctions, as well as negative publicity, which would reduce the attractiveness of the Group's education services. In the worst case, this could lead to the withdrawal of permits. AcadeMedia has many education units and individual units may occasionally suffer from quality and/or reputational problems. This can result in a loss of students and a need for extra resources, which would adversely affect the profitability of the unit. Problems at an individual unit have a limited impact on the Group's sales and earnings.</p>	<p>AcadeMedia continually monitors operations to ensure that they live up to legal and contractual requirements. This also includes fast action to remedy any shortcomings. AcadeMedia has a special network of key individuals to deal with any issues within AcadeMedia.</p>
<p>9. Shutdowns and disruptions</p> <p>AcadeMedia's operations are conducted primarily on site on our premises. Disruptions preventing operations from being conducted on site may arise, for example in the event of water damage, fire or a pandemic.</p>	<p>Provided that the operation meets legal and contractual requirements and is able, in different forms or on alternative premises, to provide teaching and deliver education to students and participants, the risks to the Group's operations, financial position and earnings are regarded as limited.</p>	<p>To limit the negative consequences of downtime and disruptions, school managers and the staff concerned receive training in areas such as fire safety, IT security and GDPR. In addition, AcadeMedia has insurance coverage.</p>

Risk overview – External risks

Risks attributable to external factors beyond AcadeMedia's control

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>10. School voucher funding, compensation levels and the general economy</p> <p>AcadeMedia's revenue comes from public funds which are dependent on priorities in society and the general economic landscape. This, along with other fluctuations in budgets and education grants in each municipality, could lead to lower reimbursement per education programme, which would impact the entire sector, including AcadeMedia.</p> <p>A limited portion of revenue from preschools in Sweden, Norway and so far to a somewhat greater extent in Germany, as well as before- and after-school care in compulsory schools in Sweden, is covered by parental fees, which could also be adversely affected by a general economic downturn.</p> <p>State subsidies constitute a rising proportion of revenue, since the Swedish central government engages in various initiatives in the school sector. In 2020/21, AcadeMedia received total State subsidies of SEK 386 million (343), see Note G7. The regulations and allocation principles for these subsidies are in some cases uncertain.</p>	<p>The child and school allowance in Sweden follows a principle of equivalence, which means that independent activities benefit from the same financial conditions as the municipal organisation. As a consequence, changes in revenue follow changes in the general economy.</p> <p>State subsidies can be withdrawn if the terms of the subsidy are not met. State subsidies can also be terminated if a future government sets other priorities in the government budget.</p>	<p>When the municipalities announce their school voucher funding decisions, AcadeMedia reviews the decisions of the municipalities of greatest relevance to AcadeMedia. Decisions that are deficient or appear to violate the principle of equivalence are appealed.</p> <p>AcadeMedia has established processes and procedures to ensure that the conditions for government grants applied for are met.</p>
<p>11. Changes in laws and regulations</p> <p>AcadeMedia operates in a highly regulated market and the political, economic and regulatory environment is changing. Political factors and/or policy decisions could have a negative impact on the Group's profitability.</p>	<p>Any legislation in Sweden, Norway or Germany restricting opportunities of independent education providers for establishing operations, covering costs and/or generating profits could have a material adverse effect on the Group's ability to conduct its business, thereby negatively impacting the Group's financial position and earnings.</p>	<p>AcadeMedia closely monitors political developments in order to manage and prepare its operations for changes in requirements or conditions, and also cooperates with the Swedish Association of Independent Schools.</p>
<p>12. Political risks</p> <p>Publicly funded independent schools in Sweden and Norway have been, and continue to be subject to extensive examinations, for example, by public authorities and the media. Publicly funded activities can also be the subject of political debates. The issue has clear ideological roots and themes such as freedom of choice and profit are worthy topics for debate. The governing parties can commission inquiries as a basis for future legislation. Before a study becomes law, it must first be sent out for consultation, after which it can be rewritten based on the feedback received from the consultation bodies. The government then decides whether or not to present a bill (legislative proposal) based on the study to Parliament (Riksdagen). Parliament then votes.</p> <p>A common feature of various political proposals is that the processes they go through are usually long-winded and the proposals have to be scrutinised by various consultation bodies, in which AcadeMedia often participates. In the face of wide-ranging criticism, it can be difficult to mobilise a majority in Riksdagen, and in such cases the government may then decided to proceed with individual elements of the proposal. These also have to be expressed as legally viable proposals that need parliamentary approval in the country concerned.</p>	<p>AcadeMedia may be affected both by political decisions and by political debate.</p> <p>Decisions follow from a long process, which often creates scope for proposals to be made that solve the problem they are trying to address without creating new problems for all or parts of the sector. Should future legislation restrict the ability of independent providers to operate, this could have a material adverse effect on the Group's ability to conduct its business and thereby adversely impact the Group's operations, financial position and earnings.</p> <p>Political debate may affect the Group's ability to recruit both staff and students.</p>	<p>AcadeMedia closely monitors political developments and actively participates in debate. This is essential because the debate often has overtones that we want to add nuance to, not least for the sake of our employees.</p> <p>We write responses to government inquiries, often including our own proposals for solutions.</p>
<p>13. Crises</p> <p>An event, or a series of events, that may develop into a threat to the existence of the Company or individuals and that the organisation in which the crisis occurs is not built to cope with. These include attacks on schools, hostage-taking, cyber attacks, environmental disasters and information leaks.</p>	<p>By definition, crises pose a risk to parts or all of the business. However, the major risk in these situations is, with a few exceptions, rarely the event itself but how it is handled. There is rarely negative impact from a crisis that is managed such that those affected, those around them and, in our case, the media and the public, perceive that the event was handled to the best of our ability and that that ability was sufficient. The opposite could have a material adverse effect on the ability of units or the Group to perform activities.</p> <p>The main exception to the above is various kinds of attacks on schools. In such cases, there is a high risk to human life, and of people suffering lifelong disability due to injuries.</p>	<p>AcadeMedia has a central crisis management organisation that to coordinate the response to a crisis.</p> <p>To limit the negative consequences of a crisis, AcadeMedia holds regular training sessions in crisis management, fire prevention and IT security.</p> <p>All employees, and many staff members, in our compulsory and upper secondary school segments are also trained on how to minimise the consequences of an ongoing lethal violence attack.</p>

Risk overview – Financial risks

Financial risks related to AcadeMedia's financial position and financing

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>14. Credit risk</p> <p>Credit risk is the risk that AcadeMedia's customers will be unable to meet their payment obligations. The majority of AcadeMedia's customers are central government, municipalities and public authorities, where the risk of insolvency is minor. As a result, AcadeMedia's credit risk is considered low.</p>	<p>As the major share of AcadeMedia's revenues and receivables relate to the public sector, the credit risk is considered to be very low.</p>	<p>AcadeMedia operates continuous credit monitoring.</p>
<p>15. Interest rate risk</p> <p>AcadeMedia's interest rate risk arises in the Group's long-term borrowing, including its property loans from Husbanken (the Norwegian State Housing Bank).</p>	<p>At the end of the financial year, 100 percent of the borrowing was at a variable (six-month) interest rate. The effect of an increase in the variable interest rate of one percentage point on the Group's interest expense is SEK 20 million (25).</p>	<p>Interest rate risks are managed centrally. AcadeMedia's financial policy stipulates that the fixed interest period should as a principle rule be short, 1–6 months. Loans with a maturity of more than one year may be taken with up to 50 percent of the amount at a fixed rate.</p>
<p>16. Liquidity and refinancing</p> <p>Liquidity risk is the risk that AcadeMedia cannot fulfil its payment obligations relating to financial liabilities. Refinancing risk is the risk that refinancing for loans cannot be arranged, or cannot be arranged on acceptable terms.</p>	<p>Municipalities currently pay school voucher funding monthly in advance or in the current month. There is a risk that the municipalities will change this payment model, which would adversely affect AcadeMedia's working capital, and therefore its liquidity.</p> <p>Access to loans on competitive terms depends on AcadeMedia's financial strength and stability and the outlook for these factors. If AcadeMedia is not perceived as an attractive customer by banks, the cost of loans may increase significantly</p>	<p>Liquidity and refinancing risks are managed centrally.</p> <p>Liquidity risk is managed by ensuring that the Company always has an available liquidity reserve, by maintaining continuous forecasting of cash flows and by keeping a watch for any changes in payment models at municipalities. To facilitate liquidity planning and liquidity control, the Group operates cash pools.</p> <p>Refinancing risk is managed via credit facilities within the scope of existing loan agreements, by financing the property portfolio in Norway long term via Husbanken and by ensuring that the Group uses several banks.</p>
<p>17. Financial reporting</p> <p>Risk of errors in financial reporting.</p>		<p>AcadeMedia continuously analyses and assesses risks that could lead to errors in financial reporting. See also the section Internal control and risk management in the Corporate Governance Report for a description of AcadeMedia's internal control activities related to financial reporting.</p>
<p>18. Currency risk</p> <p>AcadeMedia conducts operations in Norway and Germany, and is therefore exposed to currency risk – mostly in NOK but also in EUR – consisting of transaction exposure and translation exposure.</p>	<p>Transaction exposure is limited, in that both revenue and costs are in all material respects denominated in the local currency. Translation exposure arises when the Group's net assets in foreign currencies are translated to SEK, and when earnings are translated to SEK.</p>	<p>Currency exposure in net assets is managed by financing such assets wholly or partly via loans in the local currency. Net assets in foreign currency on 30 June 2021 totalled NOK 636 million and EUR 17 million. Adjusted for right-of-use assets, these amounted to NOK 672 million and EUR 19 million, respectively</p>

Risk overview – Sustainability risks

Sustainability risks are those that are directly or indirectly related to the environment/climate, employees, quality of education, code of conduct and corporate governance.

Sustainability risk rankings based on our three focus areas (P) = People (L) = Learning (E/C) = Environment/Climate

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>19. Absence due to illness (P)</p> <p>For AcadeMedia to be able to carry out its activities, our employees must be in good health and have a sense of well-being. When this is not the case, individuals and by extension the organisation, are exposed to increased risk.</p>	<p>High levels of sickness absence, or long-term absences where the individual cannot be replaced, increase the risk to the ability of the organisation to maintain high quality. There is also a risk that recruitment becomes more difficult.</p>	<p>Occupational health services that are easy to access and available to all.</p> <p>Managers who are trained to recognise people at risk.</p> <p>A well-established approach to risk analysis and action plans.</p>
<p>20. Employee turnover (P)</p> <p>Employee turnover is an important factor to monitor. Too high employee turnover can impact the ability to maintain continuity in the business. There is also a shortage of skilled staff in all markets where AcadeMedia operates.</p>	<p>High employee turnover can negatively impact the quality of activities and employee well-being. It can also have negative impact on our ability to expand. High employee turnover may be linked to underlying issues in the individual unit, which could lead to recruitment problems.</p>	<p>Annual employee satisfaction survey</p> <p>Professional and leadership development via the AcadeMedia Academy</p> <p>Whistleblower function</p>
<p>21. Gender equality (P)</p> <p>AcadeMedia is a women-dominated Group where the risk is too few men, 71.7 percent are women.</p>	<p>Absence of equal working groups at all levels can have a negative effect on the quality of operations.</p>	<p>Before the pandemic, AcadeMedia began a wide-ranging values project based on courage, passion and trust. Diversity should be promoted and differences harnessed as a resource.</p> <p>Annual salary survey to ensure equal pay</p>
<p>22. Quality of education (L)</p> <p>High quality education is one of AcadeMedia's most important goals. Quality is measured in a number of ways, such as how well we meet formal requirements, how well students succeed in relation to governance documents, and how satisfied students/participants are with their education.</p>	<p>Should the quality drop to a point where this is reflected in student performance, this could potentially have a major impact on the activities involved.</p>	<p>Proactive work via the AcadeMedia model, our quality assurance system.</p> <p>A well-established process for correcting quality deficiencies in a unit, or across an entire brand.</p> <p>A majority of AcadeMedia's compulsory and upper secondary operation have attended the "Assessment and Evaluation" training course, developed in conjunction with Karlstad University.</p>
<p>23. Expectation that we take responsibility (L) (E/C)</p> <p>The expectation risk is any risk that AcadeMedia is perceived as not contributing sufficiently to the global goals. Expectations for companies to take responsibility for change at all levels of sustainability are increasing: environment, society and corporate governance. The importance of transparency in how we impact the world and contribute to this transformation is also growing.</p>	<p>Any lack of communication or lack of ambition can lead to our being perceived as insufficiently committed. This could have a negative effect on AcadeMedia's attractiveness to employees, students and investors.</p> <p>A lack of capacity to contribute to a sustainable transition may also lead to higher interest costs.</p>	<p>AcadeMedia maintains ongoing dialogue with major suppliers on how AcadeMedia can reduce its environmental impact through smarter purchasing. Dialogue is also maintained from a learning perspective, i.e. how we can communicate and teach responsible use of resources, from food waste and recycling, to taking care of your computer.</p>

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>24. Corruption (P)</p> <p>The risk that employees or suppliers systematically exploit the company for their own gain, for example through bribery or personal kickbacks. Particularly vulnerable individuals are head teachers, teachers, purchasing staff and property staff.</p>	<p>Rumours or confirmed cases of corruption could potentially cause serious damage to the unit/staff/operation concerned. That could also damage the Group as a whole, if it was seen as part of a larger or systemic issue.</p>	<p>AcadeMedia has a code of conduct and a whistleblower function. Major purchases must be made under framework agreements and the attestation scheme stipulates spending limits, as well as requiring all invoices to be subject to dual authorisation.</p>
<p>25. Transparency (S)</p> <p>Transparency risk is the risk that we do not live up to external expectations of transparency and are perceived as secretive and unwilling to share information. We are a publicly funded enterprise with a particular responsibility to manage the resources we have with care.</p>	<p>If it is perceived that we are concealing information or using resources in a questionable way, AcadeMedia's brand and name may suffer damage.</p> <p>If any discussion arising from such an event takes an unwanted turn, the risk of serious damage to the business is considerable. There is also a risk that the Company's listed share will be affected.</p>	<p>Transparency is enshrined in the Group's own governance documents and policies</p> <p>Our public intranet, the employee website.</p> <p>Whistleblower function</p>

Sensitivity analysis

A number of important factors that impact the Group's results are presented to the right in a sensitivity analysis. The estimated effect of the changes is based on the Group's results for the 2020/21 financial year, excluding the effects of IFRS 16, and each individual factor assumes that all other factors are unchanged. The sensitivity analysis illustrates the effects on the Group's results as if the changes had occurred during the 2020/21 financial year, but is not a forecast of future effects on results. The table below shows the effect of each factor on EBIT. The sensitivity as applied to equity corresponds to the EBIT effect less taxes.

Sensitivity analysis

FACTOR	CHANGE	EFFECT
Student enrolment in the three school segments	+/- 1%	+/- SEK 115 million on sales and +/- SEK 40-75 million on operating profit/loss (EBIT)*
Average personnel expense per employee	+/- 1%	-/+ SEK 80 million on operating profit/loss (EBIT)
Average student voucher funding (all countries)	+/- 1%	+/- SEK 115 million on operating profit/loss (EBIT)
Change in interest rate, Group loans**	+ 1 percentage point	- SEK 20 million on profit/loss after financial items
Exchange-rate fluctuations NOK/SEK	+/- 10%	+/- SEK 192 million on sales and +/- SEK 10 million on operating profit/loss (EBIT)
Exchange-rate fluctuations EUR/SEK	+/- 10%	+/- SEK 62 million on sales and +/- SEK 1 million on operating profit/loss (EBIT)

* The effect on operating profit/loss depends entirely on where the change in volume occurs, whether it is spread or concentrated.

** As the Group's major loan contracts have a zero interest rate floor, the Group's interest costs will not benefit from a further fall in interest rates.

Board of Directors, Group management and auditors



Anders Bülow



Silvija Seres



Johan Andersson



Pia Rudengren



Anki Bystedt



Ann-Marie Begler



Håkan Sörman



Anders Lövgren



Pernilla Larsson



Anna Lundmark Boman



Christian Liljeros

Board of Directors

ANDERS BÜLOW

About: Born 1953. Board member since 2016 and Chairman of the Board since 2017. Member of the Audit Committee.
Education: M.Sc. in Business, Stockholm University.
Other current appointments: Board member of Mellby Gård AB.
Previous appointments: Chairman of the Board of KappAhl AB (publ), Duni AB (publ), Feralco Holding AB and Cale Holding AB. Board member of Roxtec AB, Älvsbyhus Intressenter AB, Älvsbyhus AB and StudentConsulting Group AB.
Shareholding in the company: 15,833 shares held through company.
Independent in relation to major shareholders: No.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

SILVIJA SERES

About: Born 1970. Board member since 2015. Member of the Remuneration Committee and the Quality Committee.
Education: PhD. mathematics, Oxford University, M. Sc., computer science, Oslo University and MBA, INSEAD.
Other current appointments: Partner at Technorocks AS and Lørrn AS. Board member of the Det Norske Veritas Foundation and Ruter AS. Chairman of the Board of Norsk Rikstoto.
Previous appointments: Board member of Norsk Ringkringkasting AS (NRK), Oslo Børs ASA, Nordea Bank AB, Norsk Tipping AS, Statkraft AS, Aschehoug AS, Data Respons ASA, Dagbladet Medialab AS and Norman ASA.. Member of the nomination committee for Telenor ASA.
Shareholding in the company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

JOHAN ANDERSSON

About: Born 1978. Board member since 2017. Chairman of the Remuneration Committee and member of the Audit Committee.
Education: M.Sc., Chalmers University of Technology. MBA, INSEAD.
Other current appointments: CEO of Mellby Gård AB. Chairman of the Board of Feralco. Member of the Super Advisory Board at Flowbird. Board member of Roxtec AB, Älvsbyhus Intressenter AB, Optik Smarteyes AB, StudentConsulting Holding AB and the Confederation of Swedish Enterprise.
Previous appointments: CEO of Smarteyes International AB. Board member of Duni AB (publ) and Chalmers University of Technology.
Shareholding in the Company: Via Mellby Gård AB, 22,548,641 shares.
Independent in relation to major shareholders: No.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

PIA RUDENGREN

About: Born 1965. Board member since 2017. Chair of the Audit Committee.
Education: M.Sc. in Business, Stockholm School of Economics.
Other current appointments: Board member of Boliden AB (publ), Picsmart AB and Hypex Bio Explosives Technology AB. Chair of the board of Social Initiative Norden AB.
Previous appointments: CFO at Investor Aktiebolag (publ). Deputy CEO of W Capital Management AB. Board member of KappAhl AB (publ), Duni AB (publ), Swedbank AB (publ), Metso Oyj and Tikkurila Oyj.
Shareholding in the Company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

ANKI BYSTEDT

About: Born 1967. Board member since 2017. Member of the remuneration committee.
Education: M.Sc. in Business, University of Växjö. Studies at Montana State University.
Other current appointments: Secretary General of the Inquiry on Access to Vaccines against Covid-19. Government-appointed auditor for the Royal Swedish Academy of Engineering Sciences, IVA.
Previous appointments: Head of the External Relations and Communications Office, Stockholm University. Deputy County Governor at the County of Uppsala. Deputy Director General at the Ministry of Enterprise, Energy and Communications. Work at the Ministry of Finance and the Ministry of Employment.
Shareholding in the Company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

ANN-MARIE BEGLER

About: Born 1954. Board member since 2020.
Education: Degree of Bachelor of Science in Social Work. Stockholm University.
Other current appointments: Chairman of the Board of Ersta Sköndal Bräcke University College. Board member of the Swedish National Council of Adult Education and the LegiLexi Foundation. Member of the Construction Market Commission, the Healthcare Leadership Academy and the unemployment insurance funds of the GS and IF Metall trade unions.
Previous appointments: Director-General of the Swedish National Council for Crime Prevention (Brå), the Swedish Social Insurance Agency (Försäkringskassan) and the Swedish Schools Inspectorate. Deputy National Police Commissioner. Chairman of the Organising Committee for the establishment of the Schools Inspectorate.
Shareholding in the company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

HÅKAN SÖRMAN

About: Born 1952. Board member since 2017. Chairman of the Quality Committee.
Education: M.Sc. in Business, Stockholm School of Economics.
Other current appointments: Chairman of the Board of Karolinska University Hospital and Senior Consultant, Compass Rekrytering AB.
Previous appointments: County Governor of Jönköping County, CEO of the Swedish Association of Local Authorities and Regions, Mayor of Södertälje Municipality, Municipal Administrator, Täby. Head of government inquiry into municipal cost equalisation. Board member of SOS Alarm Sverige AB, KPA Pension AB, SKL Kapitalförvaltning AB and Dagens Samhälle AB.
Shareholding in the Company: 794 shares, including 444 shares via related party.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: Yes.
Independent in relation to Group management: Yes.

ANDERS LÖVGREN

About: Born 1967. Employee representative, Swedish Teachers' Union, since 2016.
Education: Vocational teacher training programme, Stockholm University.
Other current appointments: None.
Previous appointments: None.
Shareholding in the company: 111 shares.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: No.
Independent in relation to Group management: No.

PERNILLA LARSSON

About: Born 1976. Deputy employee representative, Swedish Teachers' Union, since 2016.
Education: Bachelor of Education, Kristianstad University, as well as studies at Lund University.
Other current appointments: None.
Previous appointments: None.
Shareholding in the company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: No.
Independent in relation to Group management: No.

ANNA LUNDMARK BOMAN

About: Born 1973. Employee representative since 2021, deputy member since 2020. National Union of Teachers in Sweden.
Education: Master of Physical Education, Umeå University; Bachelor of Education, Växjö University.
Other current appointments: None.
Previous appointments: None.
Shareholding in the company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: No.
Independent in relation to Group management: No.

CHRISTIAN LILJEROS

About: Born 1981. Deputy employee representative since 2021. National Union of Teachers in Sweden.
Education: Bachelor of Education, Stockholm University..
Other current appointments: None.
Previous appointments: None.
Shareholding in the company: None.
Independent in relation to major shareholders: Yes.
Independent in relation to AcadeMedia: No.
Independent in relation to Group management: No.

AUDITORS

The Company's auditors are PricewaterhouseCoopers AB with Patrik Adolfsen as Principal Auditor and Eva Medbrant as Cosignatory. PricewaterhouseCoopers AB was elected at the 2020 Annual General Meeting for the period up and until the end of the 2021 Annual General Meeting. Patrik Adolfsen (born 1973) is an authorised public accountant and member of FAR (the professional association for authorised public accountants in Sweden). Patrik Adolfsen has no shareholdings in the Company. Eva Medbrant (born 1966) is an authorised public accountant and member of FAR. Eva Medbrant has no shareholdings in the Company.



Marcus Strömberg



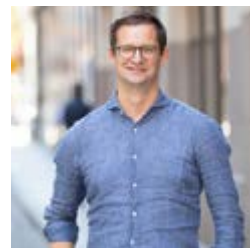
Katarina Wilson



Paula Hammerskog



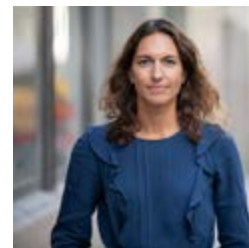
Lise-Lotte Oldmark



Kristofer Hammar



Marit Lambrechts



Veronica Rörsgård



Jens Eriksson



Christer Hammar

Executive management

MARCUS STRÖMBERG

About: Born 1967. Chief Executive Officer of the Group since 2005.

Education: M. Sc. Engineering Physics and Electrical Engineering, Linköping University.

Other current appointments: Board member of Klara Hill and IFOUS innovation, research and development in schools and preschools.

Previous appointments: Board member of Scandinavian Photo, the Swedish Association of Independent Schools, SIQ and OPG, as well as numerous assignments within Lernia.

Shareholding in the Company: 153,521 shares and 387,375 synthetic options.

KATARINA WILSON

About: Born 1971. CFO since 2019. Started at AcadeMedia in 2016.

Education: M.Sc. in Materials Technology, Royal Institute of Technology, Stockholm, MBA from Warwick Business School, England.

Previous appointments: Group Contoller and Head of Group Accounting at AcadeMedia, Group Controller at Husqvarna; various controller and finance functions at Johnson & Johnson and at Electrolux.

Shareholding in the Company: 2,044 shares.

PAULA HAMMERKOG

About: Born 1962. Head of Communications and Public Affairs since 2021 and between 2012 and 2018. Head of Security since December 2018.

Education: Journalism degree, Department of Media Studies, Stockholm University.

Previous appointments: Chair of the Board of World Imagine AB. PR consultant at GCI and Kreab and interim Director of Communications at Swedish Property Federation, Stockholm Department.

Shareholding in the Company: 14,934 shares and 100,000 synthetic options.

LISE-LOTTE OLDMARK

About: Born 1964. Head of HR since 2014 and Head of AcadeMedia Academy since 2012.

Education: A number of different management training programmes held by the City of Stockholm, Tutor Training and trained Organisation Consultant, Humanova.

Other current appointments: Board member of the Almega Service Employer Association, and the Swedish Association of Independent Schools.

Previous appointments: Several management assignments within Pyslingen Förskolor, Pyslingen Skolor and the City of Stockholm.

Shareholding in the Company: 29,941 shares and 100,000 synthetic options.

KRISTOFER HAMMAR

About: Born 1978. Director of Business Development at AcadeMedia since 2017. Worked at AcadeMedia since 2009.

Education: M.Sc. in Business and Economics, Lund University.

Previous appointments: Analyst at Bure Equity, Board member of Textilia AB.

Shareholding in the Company: 24,800 shares and 85,000 synthetic options.

MARIT LAMBRECHTS

About: Born 1957. Head of the business segment Preschool Norway since 2014 when AcadeMedia acquired Espira.

Education: D.Sc., Oslo University.

Other current appointments: Board member of PBL (Norwegian trade association for preschools) and Nasjonalt Kunnskapssenter for barnehager.

Previous appointments: Board member of Induct Software AS, Norchip AS, YA bank AS, Intempo AS, Plantasjen AS, Virke, Helsetelefonen AS, and representative for Oslo Metropolitan University.

Shareholding in the Company: 18,073 shares via company.

VERONICA RÖRSGÅRD

About: Born 1974. CEO of Pyslingen Förskolor since 2018.

Education: M.Sc. in Business and Economics, International Marketing, Mälardalen University and Université Jean Moulin III, Lyon, France.

Other current appointments: Board member of Serneke AB.

Previous appointments: IT and Personnel Director for Skanska AB, Sweden Director Alumni, Board member of Aditro.

Shareholding in the Company: 0 shares. 40,000 synthetic options.

JENS ERIKSSON

About: Born 1977. Head of Upper Secondary School Segment since 2016. Head of Compulsory School Segment since 2019.

Education: M.Sc. in Business, Stockholm School of Economics.

Previous appointments: COO & CFO Nice Entertainment Group, President & COO MTG Studios, Management Consultant, Bain & Co.

Shareholding in the Company: 48,454 shares and 80,000 synthetic options.

CHRISTER HAMMAR

About: Born 1969. Head of Adult Education business segment since 2015.

Education: Business and Economics degree, IHM.

Other current appointments: Chairman of Almega's Association of Private Education Providers and Board member of Almega's Employers' Organisation for the Swedish Service Sector.

Previous appointments: CEO of Manpower A/S and Proffice Care AB, as well as Deputy CEO and Regional Manager of Humana Assistans.

Shareholding in the Company: 25,101 shares, including 888 shares via related party, and 75,000 synthetic options.

Financial statements



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Consolidated income statement and Statement of other comprehensive income

CONSOLIDATED INCOME STATEMENT

(SEK M.)	NOTE	2020/21	2019/20
Net sales	G2, G3, G7	13,340	12,271
Cost of services sold		-1,120	-993
Other external expenses	G4, G18	-1,351	-1,237
Personnel expenses	G5, G6, G7	-8,106	-7,591
Depreciation/amortisation	G8	-1,587	-1,514
Share of income of associates	G19	0	-
Items affecting comparability	G9	-7	36
OPERATING PROFIT	G2	1,169	973
Financial income	G10	3	4
Financial expenses	G11	-405	-421
PROFIT BEFORE TAX		767	556
Taxes	G12	-173	-125
PROFIT FOR THE YEAR		594	431
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Company		594	431
		594	431
Basic earnings per share (SEK)	G13	5.64	4.09
Diluted earnings per share (SEK)	G13	5.62	4.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK M.)	NOTE	2020/21	2019/20
PROFIT FOR THE YEAR		594	431
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit/loss			
Actuarial gains and losses	G6	55	-18
Deferred tax relating to actuarial gains and losses	G12	-12	4
		43	-14
Items that will be reclassified to profit/loss			
Translation differences		14	-72
OTHER COMPREHENSIVE INCOME FOR THE YEAR		57	-86
COMPREHENSIVE INCOME FOR THE YEAR		651	345
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Company		651	345
		651	345

Consolidated statement of financial position

ASSETS			
(SEK M.)	NOTE	30 JUNE 2021	30 JUNE 2020
NON-CURRENT ASSETS			
Intangible non-current assets			
Goodwill	G14, G15, G16	6,205	5,952
Brands	G15	198	210
Other intangible non-current assets	G15	23	28
		6,426	6,191
Property, plant and equipment			
Buildings	G17, G28	1,044	1,001
Equipment	G17	312	281
Leasehold improvements	G17	479	432
		1,835	1,714
Right-of-use assets	G18	7,489	7,346
Non-current financial assets			
Shares in associated companies	G19	5	3
Non-current receivables		20	11
Deferred tax assets	G12	16	20
		41	34
TOTAL NON-CURRENT ASSETS	G2	15,790	15,285
CURRENT ASSETS			
Current receivables			
Accounts receivable	G20	218	215
Current tax assets		73	103
Other receivables		48	163
Prepaid expenses and accrued income	G21	319	224
		658	704
Cash and cash equivalents	G22	966	528
TOTAL CURRENT ASSETS		1,624	1,232
TOTAL ASSETS	G31	17,414	16,518

EQUITY AND LIABILITIES			
(SEK M.)	NOTE	30 JUNE 2021	30 JUNE 2020
EQUITY	G23		
Share capital		106	106
Other capital contributions		2,629	2,612
Translation reserves		-36	-50
Retained earnings including profit/loss for the year		2,618	2,140
TOTAL EQUITY		5,317	4,807
NON-CURRENT LIABILITIES			
Non-current liabilities to credit institutions	G26, G27, G29	1,824	1,890
Non-current lease liabilities	G26, G27, G29	6,495	6,346
Provision for pensions	G6	1	60
Other provisions	G24	59	27
Deferred tax liability	G12	101	119
Other non-current liabilities	G26, G27, G29	25	24
TOTAL NON-CURRENT LIABILITIES		8,506	8,466
CURRENT LIABILITIES			
Current liabilities to credit institutions	G26, G27, G29	195	270
Current liabilities	G26, G27, G29	1,077	1,010
Other interest-bearing liabilities	G26, G27, G29	0	0
Accounts payable	G26, G27	383	293
Current tax liability		9	7
Other liabilities		198	159
Accrued expenses and deferred income	G24, G25	1,729	1,506
TOTAL CURRENT LIABILITIES		3,591	3,244
TOTAL EQUITY AND LIABILITIES	G23, G30, G31	17,414	16,518

Consolidated statement of changes in equity

(SEK M.)	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
	Share capital (Note G23)	Other capital contributed (Note G23)	Translation reserve (Note G23)	Retained earnings (Note G23)	Total equity (Note G23)
OPENING BALANCE, 1 JULY 2019	105	2,608	22	1,855	4,589
Profit for the year	-	-	-	431	431
Other comprehensive income	-	-	-72	-14	-86
Comprehensive income for the year	-	-	-72	417	345
Transactions with owners					
New share issue	0	4	-	-	4
Dividend paid	-	-	-	-132	-132
Share-matching plan*	-	0	-	-	0
TOTAL TRANSACTIONS WITH OWNERS	0	4	0	-132	-127
CLOSING BALANCE, 30 JUNE 2020	106	2,612	-50	2,140	4,807
Profit for the year	-	-	-	594	594
Other comprehensive income	-	-	14	43	57
Comprehensive income for the year	-	-	14	636	651
Transactions with owners					
New share issue	0	17	-	-	17
Dividend paid	-	-	-	-158	-158
Share-matching plan*	-	0	-	-	0
TOTAL TRANSACTIONS WITH OWNERS	0	17	-	-158	-141
CLOSING BALANCE, 30 JUNE 2021	106	2,629	-36	2,618	5,317

AcadeMedia has no non-controlling interests.

Equity is attributable in its entirety to the shareholders of the Parent Company.

* The Group's share matching plan and warrant programme are described in Note G5.

Consolidated cash flow statement

(SEK M.)	NOTE	2020/21	2019/20
Operating activities			
Operating profit/loss		1,169	973
Adjustment for non-cash items			
Depreciation of non-current assets	G8	1,587	1,513
Changes in provisions		24	-54
Capital gain on disposal of non-current assets		0	0
Tax paid		-146	-120
Cash flow from operating activities before changes in working capital		2,634	2,311
Cash flow from changes in working capital			
Change in operating receivables		-15	54
Change in operating liabilities		254	156
CASH FLOW FROM OPERATING ACTIVITIES		2,872	2,521
Investing activities			
Acquisition of subsidiaries	G14	-235	-51
Investments in properties	G17	-23	-60
Investments in leasehold property	G17	-107	-134
Investments in equipment	G17	-128	-115
Investment in intangible non-current assets	G15	-3	-17
Sale of property, plant and equipment	G17	62	-
Investments in associated companies	G19	-3	-
Investments in non-current financial assets		-3	-
Sale of non-current financial assets		3	3
CASH FLOW FROM INVESTING ACTIVITIES		-437	-375
Financing activities			
Interest received		0	0
Interest paid*		-399	-409
Dividend paid		-158	-132
New share issue	G23	17	4
Proceeds from borrowing	G27	93	79
Repayment of debt	G27	-275	-457
Payment of lease liabilities	G27	-1,281	-1,215
CASH FLOW FROM FINANCING ACTIVITIES		-2,003	-2,130
Cash flow for the year		433	16
Cash and cash equivalents at beginning of year		528	527
Exchange-rate differences in cash and cash equivalents		5	-15
CASH AND CASH EQUIVALENTS AT END OF YEAR	G22	966	528

*Interest payments relating to lease liabilities amounts to SEK 365 million.

Notes to the Consolidated accounts

G1: General information, accounting and valuation policies

General information

The Company, AcadeMedia AB (publ), corp. reg. no. 556846-0231, is domiciled in Stockholm, Sweden. The head office address is Adolf Fredriks Kyrkogata 2, Box 213, SE-101 24 Stockholm, Sweden. The Company has been listed on Nasdaq Stockholm since 15 June 2016. AcadeMedia is an independent education provider. Operations are divided into four business segments: Preschool, Compulsory School, Upper Secondary School and Adult Education. The segments are described in the Administration Report and in Note G2.

The annual report and consolidated accounts for the financial year ending 30 June 2021, were approved for publication by the Board of Directors and the Chief Executive Officer on 28 October 2021 and will be presented for adoption at the Annual General Meeting on 30 November 2021.

Basis of preparation

Compliance with standards and laws

The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated accounts are also prepared in accordance with Swedish law, through application of the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The accounting standards described below have been applied consistently in all periods, with the exception of the changes referred to in the section "Amended accounting policies".

Certain comparative figures have been reclassified to accord with the presentation of the financial statements for the current year.

Basis of measurement

Assets and liabilities are measured at historical cost, other than as regards certain financial assets and liabilities, which are measured

at fair value. Financial assets and liabilities measured at fair value consist of any conditional purchase consideration, together with assets under management within defined-benefit pension plans.

Functional currency and reporting currency

Items included in the financial statements of the various entities in the Group are measured in the currency used in the financial environment where the company concerned has its primary operations (functional currency). In the consolidated accounts, Swedish kronor (SEK) is used, which is the Parent Company's functional currency and the Group's reporting currency.

Classification of assets and liabilities

Non-current assets consist essentially of assets that are expected to be recovered or paid for more than twelve months after the reporting date. Current assets consist of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

Non-current liabilities are liabilities where the Group has an unconditional right to pay the amount more than twelve months after the reporting date. If the Company does not have such a right, the liability is reported as a current liability.

Changes in accounting policies and basis of calculation

Lease liabilities and right-of-use assets related to property leasing were previously discounted using the implicit rate based on property yield, but from June 2021 property leasing contracts are discounted using the incremental borrowing rate. As the effect of using the marginal lending rate is not materially different from previously applied rates, accounts previously presented have not been restated.

New standards issued but not yet effective

A number of new or amended IFRS are effective from the upcoming financial year or later. AcadeMedia have not early adopted new or amended standards in the preparation of these financial statements. Such new standards and interpretations are not expected to have a material impact on the financial statements.

Principles of consolidation

The consolidated accounts cover the Parent Company AcadeMedia AB and its subsidiaries. The financial statements for the Parent Company and subsidiaries that are included in the consolidated accounts refer to the same period and are prepared according to the same accounting policies.

Subsidiaries

Subsidiaries are all companies where the Group has a controlling interest. The Group has a controlling interest in a company when the Group is exposed to or has the right to a variable return on its holding in the company, and has the ability to influence the return through its control over the company. Subsidiaries are included in the consolidated accounts as of the date the controlling interest is transferred to the Group, and are consolidated until the date the controlling interest ceases. AcadeMedia has a 100 percent holding in all of its subsidiaries.

Associated companies

Associated companies are entities over which the Group has a significant, but not controlling, influence over the entity's operating and financial management, usually through shareholdings representing between 20 and 50 percent of the voting rights. From the date at which the significant influence is obtained, investments in associated companies are accounted for in the consolidated accounts using the equity method of accounting.

According to this method, the Group's share of the associate's net profit or loss, including amortisation of any excess value, is recognised in the consolidated income statement.

Any difference at acquisition between the cost of the investment and the fair value of identifiable assets and liabilities is accounted for using the same principles as for acquisitions of subsidiaries.

Translation of foreign currencies

Foreign currency transactions

Foreign currency transactions are translated to the functional currency at the exchange rate in effect on the transaction date.

On the balance sheet date, monetary receivables and liabilities expressed in foreign currencies are translated at the exchange rate in effect on the balance sheet date. All exchange rate differences are recognised in the income statement. Exchange rate differences from operating items are recognized in operating profit/loss as other operating income or other operating expenses, while exchange rate differences relating to financial assets and liabilities are recognized as financial income or financial expense.

Financial statements of foreign operations

Assets and liabilities of foreign operations are translated to SEK at the rate on the balance sheet date, while income and expense items are translated at an average rate for the year. All exchange rate differences arising in translation are recognised in other comprehensive income and aggregated in the translation reserve in equity. At divestment of a net investment in a foreign operation, the translation differences pertaining to the net investment are recognised through profit or loss.

Intangible non-current assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is reported as intangible non-current assets. Goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition where the goodwill arose.

Goodwill is not amortised but tested for impairment annually, or more often if there is any indication of impairment. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Impairment losses is recognised immediately as an expense in the income statement and is not reversed.

Brands

Brands acquired are recognised as intangible assets with a finite useful life. Brands are carried at cost less accumulated amortisation and accumulated impairment losses.

	NUMBER OF YEARS
Brands	5-20 years

Other intangible assets

Other intangible assets consist of separately acquired intangible assets and IT systems and are measured at cost less amortisation and any impairment losses. Amortisation is applied on a straight-line basis over the estimated useful life of the asset. The useful life period is reviewed on each closing date and adjusted when necessary. The following useful lives are applied:

	NUMBER OF YEARS
Other intangible assets	3-5 years

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. Cost includes expenses that are directly attributable to acquisition of the asset. Subsequent expenditures is capitalised to the asset's carrying amount or as a separate asset only when it is likely that future economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. If the subsequent expenditure refers to replacement of a component, the carrying amount for the component replaced is removed from the balance sheet and is expensed. All other forms of repair and maintenance are recognised as an expense in the income statement during the periods in which they arise.

Property, plant and equipment are derecognised when divested or when they cannot be expected to add any economic benefit in the future. Gains or losses are calculated as the difference between the sale amount and the carrying amount of the asset. Gains or losses is recognised in the income statement in the period in which the asset was divested, as Other expenses or Other income.

Property, plant and equipment are depreciated systematically over the estimated useful life of the asset. Leasehold improvements are generally depreciated over the term of the lease. The useful life is reviewed on each reporting date and adjusted if appropriate. When the cost to be depreciated is established, the residual value is, when applicable, taken into account. The straight-line depreciation method is used for all types of asset and is based on the useful lives below.

	Number of years
Buildings	25-30 years
Equipment	3-10 years
Enhancement expenditure, leasehold property	3-20 years

Impairment

Goodwill is tested for impairment annually or more frequently if there is any indication of loss of value. Property, plant and equipment and intangible non-current assets with a definite useful life are tested when there is an indication that value of an asset has deteriorated. The impairment test is performed by calculating the asset's recoverable amount. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount.

The recoverable amount is net realisable value or the asset's value in use in operations, whichever is the higher. A judgement is made regarding the recoverable amount per cash-generating unit. Previously recognised impairment losses are reversed if the recoverable amount is considered to exceed the carrying amount. The reversal amount is, however, not greater than the carrying amount would have been if an impairment had not been recognised in earlier periods. Impairments of goodwill are not reversed.

Financial instruments

Accounts receivable and debt instruments issued are recognised when issued. Other financial assets and liabilities are initially recognised in the balance sheet when the Group becomes party to the contractual conditions of the instrument. A financial asset is derecognised when the right to receive cash flows from the instrument has expired or has been transferred. Financial liabilities are derecognised when the obligations have been discharged, cancelled or have otherwise ceased.

Financial assets and liabilities are initially measured at fair value plus transaction costs directly attributable to the acquisition. Transaction costs attributable to financial assets and liabilities that are recognised at fair value via the income statement are expensed directly in the income statement.

Financial assets

At initial recognition, financial assets are classified as those that are measured at fair value (either via other comprehensive income or via the income statement) and those that are recognised at amortised cost. Classification is made in line with the Group's business model for management of financial assets and the contractual conditions for the cash flows. The business model applied by AcadeMedia is above all "hold to collect", that is, financial assets are held in order to collect contractual cash flows. These cash flows consist solely of payment of nominal principal and interest (SPPI). AcadeMedia's financial assets are thus recognised essentially at amortised cost.

• *Financial assets measured at amortised cost:*

Assets in this category are measured at amortised cost by application of the effective interest method. Most of the Group's current assets are measured at amortised cost, including accounts receivable, cash/cash equivalents and other receivables, which are financial assets that are not derivatives and that have payment flows that are fixed or can be determined in advance. They are created when the Group provides cash to a counterparty, or goods or services to a customer, that are not held for trading.

AcadeMedia uses the forward-looking expected credit loss model to measure expected credit losses. In accordance with the rules of IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. In this method, the provision for expected credit losses is calculated on the basis of the risk of losses over the entire term of the receivable and is recognised when the receivable is initially recognised. For more information, see Note G20.

- *Financial assets measured at fair value via the income statement:* Assets in this category are measured at fair value. Changes in fair value are recognised in the income statement when they arise.
Transaction costs are expensed directly in the income statement.
- *Financial assets measured at fair value via other comprehensive income:* Currently AcadeMedia does not have any financial assets in this category.

Financial liabilities

Financial liabilities are classified as being measured at amortised cost or fair value via profit or loss. A financial liability is classified at fair value via profit or loss if it is classified as a derivative or was identified as such at initial recognition.

- *Financial liabilities measured at amortised cost:* Liabilities in this category are measured at amortised cost, net of transaction costs, using the effective interest method. This category includes items such as accounts payable, loan liabilities and other liabilities that do not fall within the category of financial liabilities measured at fair value via the income statement.
- *Financial liabilities measured at fair value via the income statement:* Liabilities in this category are measured at fair value. For AcadeMedia this category includes contingent considerations. Measurement is performed on an ongoing basis at fair value with changes in value being recognised in the income

statement. Remeasurement of a contingent purchase consideration is recognised within operating income under Other external expenses.

Offsetting

Financial assets and liabilities are recognised with a net amount only if the Group has a legal right and an intention to offset the recognised items with a net amount.

Convertible bonds

Convertible bonds that give the holder an option to convert the debt into shares are recognised as a hybrid financial instrument consisting of a debt component and an equity component. The fair value of the debt at the time of issue is calculated by discounting payment flows by the market interest rate for a similar debt instrument without any right of conversion into shares. The amount is recognised as a financial liability at amortised cost until the bond is converted or settled. The conversion right is recognised net of tax in equity as the difference between the proceeds of the issue and the fair value of the financial liability at the time of issue.

Transaction costs in connection with the issue of convertible bonds are recognised pro rata on the basis of how the issue proceeds are distributed.

Provisions

Provisions differ from other liabilities in that there is uncertainty in the timing or amount of the expenditure required to settle the obligation. Provisions are recognised when the Group has a legal or constructive obligation resulting from past events and when it is likely that a payment will be required to discharge the obligation and the amount can be reliably measured. Provisions are measured at the present value of the amount expected to be required to discharge the obligation. Restructuring reserves are recognised on closure of units and staff redundancies, and are recognised when a restructuring plan is in place and the entity has either started to implement the plan or has announced it after calculation of the costs.

Provisions for onerous contracts are recognized when expected income from a contract is lower than the incremental costs necessary to fulfil the obligations under the contract.

Contingent liabilities

Disclosure of any contingent liability is made where there is a possible obligation arising from past events, the existence of which is confirmed by one or more uncertain future events beyond the Group's control, or where there is an obligation that is not recog-

nised as a liability or a provision because it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

Remuneration to employees

Short-term remuneration to employees

Salaries, social security contributions, bonuses and other short-term remuneration to employees are recognised as an expense when the employee has performed the service.

Pensions

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

A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. For defined-contribution pension plans, the Group pays contributions to publicly or privately managed pension insurance plans on a compulsory, contractual or voluntary basis. The contributions are normally based on the salary level. The Group does not have any further payment obligations once the contributions have been paid. The Group's obligations regarding defined-contribution plans are recognised as a personnel expense in the income statement as and when they are earned by the employee performing his/her work tasks for the Company.

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

Pension expenses relating to service during the current period are recognised as personnel expenses in the income statement. Costs relating to service in previous periods are also recognised directly

in the income statement as personnel expenses. Net interest is calculated applying the discount rate to the defined-benefit pension liability and to the fair value of plan assets, and this expense is included in personnel expenses in the income statement. In the event of any change or adjustment to a defined-benefit pension plan, the effect of the adjustment is recognised as a "curtailment gain" in profit/loss for the year.

The Group's net obligation consists of the estimated present value of the pension obligations, less the fair value of the plan assets. Changes in the present value of the net obligations resulting from changed actuarial assumptions and experience-based adjustments are treated as re-measurement effects and recognised in other comprehensive income.

In the defined-benefit pension plans for the Norwegian companies, the employees make contributions to the plans according to set terms. The contribution consists of a fixed percentage of the employee's salary and is unrelated to the number of years of service. Employee contributions are recognised as a reduction in the cost of service for the period in which the services are performed.

The defined-benefit pension obligations of the Swedish companies under the ITP2 plan are secured via Alecta pension insurance. This plan is a defined-benefit plan covering several employers. The plan is accounted for as a defined-contribution pension plan, since Alecta cannot provide sufficient information on the Group's proportional share of the plan's obligations, plan assets and expenses to be able to account for the plan as a defined-benefit pension plan.

Termination benefits

Termination benefits are expensed at the earlier of (i) when the Company can no longer withdraw the offer of those benefits to the employees, or (ii) when the Company recognises costs of restructuring.

Share-based remuneration

Share-based payments in the Company pertain to the share-matching plan settled via equity instruments. The cost is determined based on the fair value of shares granted. The fair value is calculated at the grant date using an accepted valuation model known as the Monte Carlo simulation model and takes market-related conditions into account. The cost is recognised as a personnel expense in the income statement, over the vesting period, with a corresponding increase in equity. Social security contributions attributable to share-based instruments to employees are expensed over the periods in which the services are performed. The provision for social security contributions is based on the share price at the reporting date.

Leases

AcadeMedia leases properties, offices, equipment and vehicles. Leases are reported as right-of-use assets and lease liability on the day on which the leased asset is available for the Group's use.

Right-of-use assets are initially measured at cost, which consists of the initial amount of the lease liability, plus lease fees paid on or before the date of commencement, and any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the date of commencement until either the end of the right-of-use period of the asset or the end of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of remaining leasing fees over the estimated lease term. The lease term comprises the non-cancellable period plus periods covered by options to extend the lease and it is reasonably certain that the option will be exercised. As the exercise of an option to extend a lease requires a new investment decision, the IFRS 16 calculation for extension options is included only when a decision has been made to continue operations or when significant investments have been made in the property, such that there are financial incentives to continue using the premises, making it reasonably certain that the contract will be extended.

Lease liabilities include the present value of the following lease payments:

- Fixed fees after deduction of any benefits associated with signing of the lease.
- Variable lease fees linked to indexes or prices, initially measured on the basis of indexes or prices at the date of commencement.

Lease fees are discounted at the Group's incremental borrowing rate. In order to obtain incremental borrowing rate that is more asset-specific in the case of leases for the rental of premises, the incremental borrowing rate is adjusted with a risk premium based on the geographical location of the respective properties. Leases relating to properties started before June 2021 are discounted at the asset's implicit interest rate derived from the property yield. The difference in calculation method was not significant. The discount rate for AcadeMedia's leased cars in Sweden is based on the interest rate in the respective lease.

In the case of leases with a term of 12 months or less, and leases where the value of the underlying asset is less than SEK 50,000, no right-of-use asset or lease liability is recognised. The leasing fees for such leases are recognised as an expense on a straight-line basis over the term of the lease.

Revenue

The Group's revenue derives above all from education services of various types, as described below.

Education-related revenue

AcadeMedia's revenue consists of education-related revenue from school voucher funding, socio-economic compensation and participant fees. Tuition fees are recognised as revenue and allocated in line with the degree of completion over the period during which the education is provided, including time for planning and grading of student learning. Revenue in preschool operations is recognised on the basis of the same fundamental principles.

Revenue in the adult education operation is based on the same fundamental principles, but also takes into account empirical estimates 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, when the revenue is conditional on completion of the service.

Revenue for services sold is recognised on delivery to the student.

Other income refers to income not directly related to education, such as rental income and resale of computers. Revenue from these services is recognised at fair value based on the proportion of the total agreed service that has been delivered during the financial year when the customer receives and uses the services at the same point in time. Revenue from sale of goods is recognised when an item is sold to the customer. Revenue is recognised excluding VAT and net after any discounts.

State subsidies

State subsidies are recognised as a receivable when there is reasonable assurance that the subsidy will be received and that AcadeMedia will comply with the conditions associated with the subsidy. Grants received to compensate for expenses incurred are recognised as a reduction of the relevant expense in the same period as the expenses they are intended for are reported. Other subsidies are recognised as revenue. State subsidies received to finance investments are deducted from the cost of the investment.

Financial income

Interest income is recognised using the effective interest method.

Dividends

Dividend received is recognised as revenue when the right to receive dividend is confirmed.

Cost of services sold

The cost of services sold relates mainly to expenses for school meals (ingredients and catering), educational materials, agency teachers and various consumables.

Items affecting comparability

Items affecting comparability consist of non-recurring income and expenses and are recognised on a separate line. Items affecting comparability consist, for example, of any capital gain from sale of property, major property damage not covered by commercial insurance, consulting costs related to major acquisitions, adjustment of pension plans having major impact on earnings, severance payments to senior executives, major integration costs resulting from acquisitions and reorganisation, as well as costs following from strategic decisions and major restructuring leading to closure of units. Retroactive revenue from earlier years is also classified as affecting comparability. The purpose of this reporting method is to obtain a clearer picture of developments in the underlying business.

Taxes

Income tax

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

Current tax comprises of tax expected to be paid or received in the current year as well as adjustments to previous years' current tax. The tax rates and laws applied in calculating the amount are those enacted, or in practice enacted, as of the reporting date.

Deferred tax

Deferred tax is calculated using the balance sheet method for temporary differences between the taxable amounts and carrying amounts for assets and liabilities. Deferred tax assets are recognised for deductible temporary differences and loss carry-forwards to the extent that it is probable that they will be utilised.

The value of deferred tax assets is determined on each reporting date and reduced to the extent it is no longer probable that sufficient taxable profits will be generated to enable all or part of the deferred tax asset to be utilised. Deferred tax assets and tax liabilities are measured at the tax rates in effect for the period in which the asset is realised or the liability paid, based on tax rates and legislation that have been enacted, or in practice enacted, by the reporting date.

Recognition of cash flows

The Cash flow statement is prepared in accordance with the indirect method.

Interest payments are reported under financing activities.

Cash and cash equivalents consist of available cash and bank balances.

Business segments

Reportable segments are identified on the basis of how the business is governed and followed up in the internal management reporting to the highest executive decision-maker, which in AcadeMedia's case is the Chief Executive Officer. In this report, the Group's performance is monitored on the basis of the four operating segments of Preschool, Compulsory School, Upper Secondary School and Adult Education.

The segments apply the same accounting policies as the Group, except for accounting of leases contracts for the renting of premises. The segments recognises rental costs as an external expense and thus adaptation to IFRS 16 is performed as a consolidation adjustment.

Key estimates and judgements

In order to prepare financial statements in accordance with IFRS, Group management makes judgements, estimates and assumptions that are considered reasonable in the conditions that prevail. These assumptions and estimates are mostly founded on past experience, but also other factors, such as anticipated future events. With other judgements, assumptions and estimates, actual results may be different and actual outcomes may deviate from the estimates made. Judgements, assumptions and estimates are reviewed on a regular basis and changes are reported in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

A description follows of the most important areas where judgements and assumptions have been made and that are regarded as likely to have to greatest impact on the Group's financial statements, and where any changes in assumptions and estimates made may result in material adjustments to the financial statements of the following financial year.

Impairment testing of goodwill and brands

AcadeMedia performs testing annually, or where indicated, to identify any impairment regarding goodwill, in accordance with the accounting policies described above in this Note. For these

calculations, certain assumptions and estimates must be made regarding future revenue, costs, margin, capital employed and return on capital requirements. The business is also affected by the regulations in force in the country concerned as applying to the business, and the levels of remuneration that are paid. In the countries where AcadeMedia operates, the development and design of the school system and the framework for independent school operations is continuously debated. The risk of political proposals being put forward that are aimed at changing the conditions for independent schools in Sweden has increased since the collapse of the January agreement in July 2021. However, all decisions must be taken by the Swedish Parliament. The likelihood of legislation that would worsen the conditions for independent schools being voted through Parliament is low, however, given the parliamentary situation and the size of the independent sector, which now has nearly 400,000 pupils in independent schools. In Norway, regulations including those related to staffing and teacher standards were strengthened in 2018 and 2019. In impairment test for the year, the current regulations have been applied.

Judgements other than those made by the Company may lead to a different result and financial position, and an impairment loss may arise. See also, Note G16 Impairment testing. Testing indicates that no impairment loss has occurred.

Right-of-use assets

An impairment of a right-of-use asset is recognised when the Group has established that the economic benefits expected from a contract are lower than the carrying amount for the right-of-use asset. When profit generation in a unit is not sufficient to cover the rent payments, an impairment write-down is applied to the right-of-use asset.

Provision for restructuring/closure of school units

Provision for restructuring costs is recognised when a decision on restructuring/closure is taken by management and communicated to the interested parties, and when a reliable estimate of the cost of closure can be made. The judgements made regarding future net costs take into account, for example, student numbers, leases and staffing. The assessment is most sensitive to the assumption as to student numbers.

Provisions for and contract termination costs and onerous contracts

AcadeMedia's adult education activities consist partly of project-type activities via binding agreements that require the provision of educational places without any corresponding requirement for the client to supply participants. AcadeMedia's experience is that in the final phase of such contracts, the volumes are lower

while costs do not decrease at the same rate. In order to recognise income and expense as accrued in pace with performance undertakings during the contract term, a percentage cost provision for contract termination is recognised on an ongoing basis. This provision is intended cover termination costs at the end of the contract, and is calculated on the basis of an assessment of future net costs based on number of participants, rental costs and staffing. The assessment that has the greatest impact on the cost of completion is the number of participants. Where the assumption is not fulfilled, lesser or additional completion cost provisions may be required. Management evaluates if onerous contracts exists based on each units current performance as well as expected performance. If management estimates that an onerous contract exist, a provision is immediately recognised based on the estimated loss. If the loss relates to a leasing contract, the loss is reported as an impairment loss on the right-of-use asset.

Provision for pension liability (defined-benefit pensions)

AcadeMedia has a number of defined-benefit pension plans. The present value of pension obligations is determined by assumptions that are established on an actuarial basis. Significant assumptions include the discount rate, wage increases and pension uprating. If these assumptions change, this will affect the carrying amount of the pension obligations. Further information on items such as sensitivity analysis for changes in significant assumptions is provided in Note G6.

Depreciable period regarding leasehold improvements

AcadeMedia has a large number of leases with terms of 2-25 years, many including options for extension. In some cases, investments are made in the leased property. Normally, AcadeMedia depreciates these investment over the term of the lease, since exercise of the option to extend requires a new decision.

In a number of properties in exceptional locations, or where investments have been made, the useful life of the leasehold improvements is considered to be longer than the lease term including extension clauses, since the judgement is that the lease will be extended basis of an underlying judgement that it is financially rational. In addition, a right of occupancy exist for these leased premises. The carrying amount for these investments at the end of the lease term, including extension clauses, is SEK 76 million. If a lease is not extended, the remaining carrying amount will be written-down.

Assessment at revenue recognition

AcadeMedia recognises school voucher funding as accrued over the period in which the teaching takes place, including time for planning and grading of student learning. At revenue recognition,

certain judgements are made as to the right to receive revenue when such is determined by future performance.

For a more detailed description of these judgements, see the section on revenue recognition in Accounting Policies.

Assumptions for calculation of lease liability

In calculating the lease liability, management has made a number of estimates, assumptions and assessments that, if made otherwise, would have affected the size of the lease liability and thus of the right-of-use assets.

In calculating the lease liability, the lease commitments have been discounted using a discount rate that categorises the leases by geographical location. A different discount interest rate would affect the amount of the liability and the right-of-use asset, as well as interest expenses and depreciation/amortisation.

The leases normally incorporate options for extension. As the exercise of options for extension requires new investment decisions, options for extension are only included when a decision to continue operations is taken and when it is reasonably certain that the lease will be extended. See Notes G18 and G31 for more information on lease accounting.

G2: Segment reporting

	Preschool		Compulsory School		Upper Secondary School		Adult Education		Other***		Eliminations		Group	
(SEK m.)	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Sales revenue, total	4,044	3,899	3,466	3,169	5,042	4,541	1,987	1,693	40	37	-1,239	-1,068	13,340	12,271
Net sales, internal	244	193	206	164	618	542	138	136	34	33	-1,239	-1,068	-	-
Net sales, external	3,800	3,707	3,260	3,005	4,424	3,999	1,850	1,557	6	4	-	-	13,340	12,271
Adj. EBITDA	264	257	268	242	578	519	271	146	-84	-98	-	-	1,297	1,066
Depreciation/amortisation	-88	-83	-70	-66	-180	-165	-16	-15	-9	-8	-	-	-364	-337
Result from associates	-	-	-	-	-	-	0	-	-	-	-	-	0	-
Adjusted operating profit (EBIT)	176	174	198	176	398	354	255	131	-94	-107	-	-	934	728
Items affecting comparability	-	53	3	-	4	11	-	-	-14	-28	-	-	-7	36
Effects of IFRS 16	-	-	-	-	-	-	-	-	243	209	-	-	243	209
Operating profit/loss (EBIT)	176	226	201	176	402	365	255	131	135	74	-	-	1,169	973
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-402	-417
Tax on profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-173	-125
PROFIT FOR THE YEAR	-	-	-	-	-	-	-	-	-	-	-	-	594	431
Total number of students*	21,447	20,854	26,696	25,179	39,680	36,400	**	**	-	-	-	-	87,823	82,433
Number of children, preschools*	21,447	20,854	3,207	2,983	-	-	-	-	-	-	-	-	24,654	23,837
Number of students, compulsory schools*	-	-	23,489	22,196	-	-	-	-	-	-	-	-	23,489	22,196
Number of students, upper secondary schools*	-	-	-	-	39,680	36,400	-	-	-	-	-	-	39,680	36,400
Number of employees (FTE)*	4,993	4,788	3,289	3,083	3,483	3,292	1,406	1,331	190	192	-	-	13,360	12,686
Number of units*	269	259	114	109	148	143	-	-	-	-	-	-	531	511

* Average per year ** Volumes in Adult Education are not based on the number of participants, as the length of the programmes varies from single occasions to entire school years. *** Group-wide, including adaptation to IFRS 16.

REVENUE PER SEGMENT

2020/21 (SEK m.)	Pre-school	Compulsory School	Upper Secondary School	Adult Education	Other	Elimination	Total
Education-related revenue	3,742	3,187	4,529	1,866	-3	-353	12,967
State subsidies	14	101	47	1	0	-	164
Other income	288	178	466	120	43	-885	209
Total	4,044	3,466	5,042	1,987	40	-1,239	13,340

2019/20 (SEK m.)	Pre-school	Compulsory School	Upper Secondary School	Adult Education	Other	Elimination	Total
Education-related revenue	3,682	2,928	4,081	1,570	-4	-317	11,939
State subsidies	15	107	52	3	0	-	176
Other income	203	135	408	120	41	-751	157
Total	3,899	3,169	4,541	1,693	37	-1,068	12,271

CONT. NOTE G2

The Group's operations are organised into four segments: Pre-school, Compulsory School, Upper Secondary School and Adult Education.

Preschools are operated in Sweden, Norway and Germany. In Sweden, preschool operations are conducted in a large number of municipalities with a total of 110 (109) units under the brand Pyslingen Förskolor. In Norway, preschools are operated under the Espira brand. Espira is Norway's third largest preschool provider with 105 (104) units and a clear proficiency-led concept. In Germany, 54 (47) preschool units are operated under the Joki, Stepke, KTS and Espira brands. Operations in Sweden are based entirely on the school voucher system. In Norway, the operations are based on a publicly funded school voucher system similar to the Swedish system, while in Germany the business has a higher percentage of parental fees.

The Compulsory School Segment operates compulsory schools in a large number of municipalities in Sweden, including under the brands Montessori Mondial, Noblaskolan, Pops academy, Pyslingen Skolor and Vittra. The schools operate entirely on the basis of the school voucher system.

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 different brands, offering both academic and vocational programmes. The

segment's brands include Drottning Blanka, LBS, NTI, Praktiska, ProCivitas and Rytmus. The schools operate entirely on the basis of the school voucher system.

AcadeMedia's Adult Education segment is Sweden's biggest provider of adult education services. Operations are divided into three business areas: municipal adult education, higher vocational education and labour market services. The units are operated under 13 brands, including Eductus, Hermods and NTI-skolan. The reimbursement model varies among the business areas and is based on public funding, mainly from municipalities, the National Agency for Higher Vocational Education and the Swedish Public Employment Agency.

The segments apply the same accounting policies as the Group, except for renting of premises. The segments continue to recognise rental costs as an expense and adaptation to IFRS 16 is shown under the heading of Other.

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

The Group generated revenue from one customer totalling SEK 1,659 million (1,594), representing around 12 percent (13) of the Group's total revenue for 2020/21. The breakdown by segment for this customer is as follows: Preschool SEK 600 million (588), Compulsory School SEK 389 million (334), Upper Secondary School SEK 503 million (466) and Adult Education SEK 167 million (206).

Geographic information

REVENUE FROM EXTERNAL CUSTOMERS (BASED ON DOMICILE)

	2020/21	2019/20
Sweden	10,807	9,806
Norway	1,920	1,935
Germany	614	530
SUM TOTAL	13,340	12,271

NON-CURRENT ASSETS BY COUNTRY

	Right-of-use assets		Other non-current assets		Total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Sweden	5,978	5,890	6,054	5,776	12,032	11,667
Norway	1,012	1,043	1,852	1,788	2,864	2,832
Germany	499	413	354	340	854	753
Sum total	7,489	7,346	8,261	7,904	15,750	15,251

Non-current assets, above, do not include financial instruments, deferred tax assets and pension assets.

G3: Revenue from contracts with customers

AcadeMedia's revenue consists of:

- Education-related revenue consists of school voucher funding, or equivalent, in preschools, compulsory schools and upper secondary schools, as well as participant fees in adult education.
- State subsidies include State subsidies for the lower studies initiative, smaller classes, skills development and before- and

after-school care initiatives. For more information on State subsidies, see Note G7.

- Other revenue refers to income not directly related to education, such as rental income and resale of computers.

BREAKDOWN OF REVENUE PER CUSTOMER CATEGORY | TIMING OF REVENUE RECOGNITION

SEK m.	2020/21			2019/20		
	Over time	At a point in time	TOTAL	Over time	At a point in time	TOTAL
Education-related revenue	12,967	–	12,967	11,939	–	11,939
State subsidies	164	–	164	176	–	176
Other income	209	–	209	157	–	157
Total	13,340	–	13,340	12,271	–	12,271

REVENUE-RELATED CONTRACT ASSETS AND CONTRACT LIABILITIES

SEK m.	30 June 2021	30 June 2020
Contract receivables		
Accounts receivable (Note G20)	218	215
Accrued income (Note G21)	212	115
Total contract receivables	430	330
Contract liabilities		
Deferred income (Note G25)	386	237
Total contract liabilities	386	237

The major share of contract liabilities on 30 June 2021 is expected to be recognised as revenue in 2021/2022.

Recognised revenue in 2020/21 for performance undertakings fulfilled in previous years is insignificant in view of the nature of the services, and consist primarily of conditional payments. Retroactive revenue relating to previous periods totalled SEK 22 million (22), of which SEK 22 million (11) is recognised under the heading Items affecting comparability.

The major share of this amount originates from municipalities and central government in Sweden and the equivalent in other countries. The major share of this revenue is paid under fixed payment

plans that may be either before or after the service has been performed. In cases where fixed payment plans do not exist, the payment conditions vary between 0 and 60 days. Advance payments from customers are received monthly, quarterly or by semester in advance, but advance payments up to a year in advance exist.

Remaining performance obligations

The Group's income is usually related to fixed-term training courses, which generally take place over a month to a school year. Exceptionally, programmes in the Adult Education segment may take place over up to two years. However, in the Preschool, Compulsory School and Upper Secondary School segments, it is normal for students to continue their education for several school years. Remuneration from municipalities or other parties is based on numbers of enrolled children and students or course participants that are approved by the client. This means that remaining performance obligations are normally very limited, and so no information is provided on this item. The pandemic and restrictions, including distance teaching in the upper school secondary segment, have made the assessment of whether the commitment has been met and therefore revenue recognition more complicated.

Note G2 provides information on the number of students (annual average) that corresponds to AcadeMedia's contract portfolio and may generate future revenue.

G4: Fees to auditors

SEK m.	2020/21	2019/20
PricewaterhouseCoopers		
Audit assignment	8	7
– of which PwC AB	6	5
Other statutory assignments	0	0
– of which PwC AB	0	0
Tax advisory services	0	0
– of which PwC AB	0	0
Other services	2	4
– of which PwC AB	2	4
Other auditing firms		
Audit assignment	0	0
Other services	0	0
Total fees	11	11

G5: Personnel expenses**SALARIES AND REMUNERATION**

	2020/21	2019/20
Board of Directors and CEO	13	11
Other employees	6,104	5,690
	6,117	5,701
Expenses for social security contributions and pension obligations		
Board of Directors and CEO	6	5
Of which pension expenses, including payroll tax	2	2
Other employees	2,189	1,976
Of which pension expenses, including payroll tax	513	420
	2,195	1,981
TOTAL	8,312	7,682

The Group received employment support, in the form of salary subsidies and State subsidies for the teacher salary premium and head teacher salary premium, totalling SEK 207 million (182). This was offset against the Group's personnel costs, as the subsidies are

provided to compensate for increased costs. The cost of hired personnel is recognised in the income statement under Other external expenses in the amount of SEK 108 million (109), and under Cost of services sold in the amount of SEK 245 million (163).

AVERAGE NUMBER OF EMPLOYEES (full-time equivalents)

	Men		Women		Total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Sweden	3,336	3,106	6,634	6,390	9,970	9,496
Norway	286	319	2,183	2,095	2,469	2,414
Germany	156	125	765	651	921	776
Total	3,778	3,550	9,582	9,136	13,360	12,686

GENDER BREAKDOWN, BOARD OF DIRECTORS

	2020/21	2019/20
Board of Directors		
Women	56%	47%
Men	44%	53%
Senior executives		
Women	58%	60%
Men	42%	40%

BOARD OF DIRECTORS' FEES

(Amounts in SEK t.)	2020/21		2019/20	
	Board fee	Committee fee	Board fee	Committee fee
<i>Chairman of the Board</i>				
Anders Bülow	600	79	600	77
<i>Board members</i>				
Johan Andersson	263	144	258	81
Ann-Marie Begler	153	31	–	–
Anki Bystedt	263	33	258	52
Pia Rudengren	263	158	258	193
Silvija Seres	263	86	258	133
Håkan Sörman	263	105	258	77
Thomas Berglund ¹	–	–	104	42
<i>Employee representatives</i>				
Fredrik Astin ²	–	–	–	–
Sofia Lundström ^{2,3}	–	–	–	–
Anders Lövgren	–	–	–	–
Pernilla Larsson (deputy)	–	–	–	–
Anna Lundmark Boman ^{2,3} (deputy)	–	–	–	–
Christian Liljeros (deputy) ³	–	–	–	–
Sum total	2,068	636	1,992	655

¹ Thomas Berglund resigned at the 2019 AGM.

² Fredrik Astin resigned as employee representative prior to the start of autumn term 2020. Sofia Lundström was elected as new employee representative and Anna Lundmark Boman was appointed as new employee representative.

³ Sofia Lundström resigned as employee representative in June 2021. Anna Lundmark Boman was elected as new employee representative and Christian Liljeros was appointed as new employee representative.

No benefits or pension disbursements were paid out to the Board of Directors in 2020/21 or 2019/20.

CONT. NOTE G5

REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES

Amounts in SEK t. 2020/21						
	Base salary	Variable remuneration	Benefits	Share-matching benefits	Pensions	Total
Marcus Strömberg, CEO	6,110	3,000	155	637	1,864	11,766
Other senior executives	15,665	5,694	193	1,451	2,900	25,903
Total	21,775	8,694	348	2,088	4,764	37,669
Number of other senior executives	9	8	2	7	9	

Amounts in SEK t. 2019/20						
	Base salary	Variable remuneration	Benefits	Share-matching benefits	Pensions	Total
Marcus Strömberg, CEO	5,100	2,550	157	–	1,547	9,354
Other senior executives	15,626	4,574	240	–	2,948	23,388
Total	20,726	7,124	397	–	4,495	32,742
Number of other senior executives	10	9	4	–	10	

Composition of Group management

Group management comprises the following officers of the Company: CEO, Heads of Preschool Sweden, Preschool Norway, Compulsory School, Upper Secondary School and Adult Education, plus CFO, Head of HR, Head of Communication and Public Affairs and Head of Business Development.

Terms and conditions of employment of the CEO

The CEO of AcadeMedia receives base salary and benefits (car allowance), pension benefits and variable remuneration. The CEO has a premium-based pension plan, where the annual pension premium is 30% of the fixed basic salary. The CEO's variable remuneration may amount to a maximum of six months' salary. Remuneration is for approval annually by the Remuneration Committee in accordance with the guidelines set by the Annual General Meeting. The performance criteria for variable remuneration are both operational and financial, and include factors such as quality and financial performance.

If notice of termination is given by AcadeMedia, the CEO is entitled to a twelve-month period of notice. The salary during the period of notice will be reduced by the amount of any remuneration from another employer as of month seven. If notice of termination is given by AcadeMedia, the CEO is entitled to twelve months'

severance pay, in addition to the period of notice. If notice is given by the CEO, the notice period is six months. The employment contract includes an anti-competitive clause of six months if the CEO intends to take up a new position with a company engaged in a competing business. During this time, the CEO is entitled to remuneration corresponding to the difference between the his salary in new employment and the salary he had in his employment with the Company.

Terms and conditions of employment for other senior executives

Other senior executives receive fixed and variable salary, plus pension benefits. The performance criteria for variable remuneration are the same as for the CEO. For other senior executives, notice periods of between four and twelve months apply, depending on whether notice is given by the executive or the Company. The notice period is generally longer in cases where a senior executive intends to take new employment in a company engaged in a competing business. When notice is given by the employer, certain senior executives are entitled to severance pay amounting to between six and twelve months' salary, in addition to regular salary during the notice period.

Incentive programmes

During the year, AcadeMedia operated three long-term incentive programmes: a share-matching plan, a warrant programme and a convertible loan programme. The rationale for the incentive programmes is to motivate and retain competent employees, to align the participants' goals with those of the Company and to increase the motivation to meet the targets set.

In AcadeMedia, variable remuneration is conditional on the achievement of quality targets. AcadeMedia's Board of Directors has determined that, in a company such as AcadeMedia, it is also appropriate to evaluate whether management has used good judgement in its quality improvement work. This is important to ensure that the operation develops in a way that is beneficial for the students and in the long term, for the Company. The Board of Directors and its Remuneration Committee evaluate the incentive programmes annually to ensure that they achieve their intended purposes.

The share matching plan and the warrant programme expired during the financial year.

Share-matching plan

In 2018, AcadeMedia launched a share-matching plan, AMP 2017, aimed at no more than 80 managers and other key employees within the Group. Participation requires participants to use their own resources to acquire shares – known as savings shares – in the Company. Participants who have retained their savings shares for the term of the programme and who have also been employed by AcadeMedia throughout the term, received a matching share free of charge at the end of the term for each savings share held.

The criteria for matching shares to be issued were that quality targets had been met, that management had used good judgment in the quality development process and that the total return on the Company's share during the life of the programme had exceeded zero percent. The Board has made an assessment and judged that these three criteria had been met.

The number of savings shares registered was 40,555, corresponding to an allocation of 42,337 shares, of which 7,673 to the CEO and 17,490 to other senior executives. The total cost of the programme was SEK 2.4 million, of which SEK 0.4 million was charged to income in the current year.

NUMBER OF SHARES IN THE SHARE SAVINGS PLAN

	2020/21	2019/20
Outstanding on 1 July	45,703	58,528
Forfeited	-5,148	-12,825
Redeemed	-40,555	
OUTSTANDING ON 30 JUNE	–	45,703

Warrant programme

The warrants were issued in 2017 and were acquired by members of the Group management at market value. A total of 240,500 warrants were issued. The programme expired in spring 2021 and 240,500 shares were subscribed at redemption of the warrants. See also Note G30.

Convertible loan programme

At the 2018 Annual General Meeting, a new long-term incentive programme was approved, in the form of convertibles issued to employees of the AcadeMedia Group, except for the Chief Executive Officer and Group management. The convertible loan programme is not conditional on continued employment for the entire term.

The convertible loan was subscribed for in an amount totalling approximately SEK 20 million. The convertible loan carries variable interest based on STIBOR.

Convertibles subscribed for may be converted into ordinary shares at a conversion price of SEK 59.50 during four periods. The earliest conversion period will be in early 2022 and, to the extent that conversion has not taken place prior to that date, the convertible bonds will mature on 17 September 2023.

On conversion, AcadeMedia's share capital may increase by no more than SEK 338,739, through the issuance of no more than 338,739 ordinary shares, representing a dilution of approximately 0.3 per cent of the shares and votes in the Company.

The interest expense for the convertible bonds was SEK 1.1 million (1.2).

G6: Pensions

The Group operates defined-contribution and defined-benefit plans in Sweden and in Norway, while Germany only has defined-contribution pension plans. Defined-benefit pension plans in Sweden are in line with the ITP 2 agreement. They are secured via pension insurance with Alecta, which is a pension scheme that shared by several employers. This pension plan is accounted for as a defined-contribution pension plan, as Alecta cannot provide sufficient information for the plan to be accounted for as a defined-benefit pension plan. Thus, only defined-benefit pension plans in Norway are recognised on the balance sheet.

NET PENSION EXPENSES

	2020/21	2019/20
Current service cost	13	47
Paset service cost (plan change/curtailment gain)	–	-53
Employee contributions	-2	-11
Net interest	2	3
Pension expense, defined-benefit pensions, in profit/loss for the year	13	-13
Pension expense, defined-contribution pensions, in profit/loss for the year	418	356
Pension expenses in profit/loss for the year	431	343
Remeasurement of defined-benefit pensions recognised in other comprehensive income	-55	18
Pension expense in comprehensive income for the period	377	361

¹ The result was positively impacted by the pension settlement of SEK 53 million net, represented by a reduction of SEK 95 million net in pension provision and a one-off administrative charge of SEK 42 million.

The premiums paid for the year for pension insurance plans contracted with Alecta amounted to SEK 119 million (119). The Group's percentage of the premiums paid to Alecta amounted to

around SEK 0.5 percent (0.6). Premiums for the defined-benefit retirement and family pension plans are calculated on an individual basis and determined by factors such as salary, previously earned pension and expected remaining period of service.

The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance obligations, calculated according to Alecta's actuarial methods and assumptions, which do not align with IAS 19. The collective funding ratio should normally be allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is less than 125 percent or exceeds 155 percent, steps are to be taken to restore the funding ratio to within the normal range. In the case of a low funding ratio, an option is to raise the agreed rates for new policies and to increase existing benefits. In the case of a high funding ratio, an option may be to reduce premiums. Such measures are for decision by the Alecta Board. On 30 June 2021, Alecta's surplus in the form of its collective funding ratio was 165 percent (140).

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

NET DEFINED-BENEFIT PENSION LIABILITY

	30 June 2021	30 June 2020
Present value of defined-benefit pension obligations	256	277
Fair value of plan assets	-255	-217
Net pension liability (+) /asset (-) in the balance sheet	1	60

CHANGE IN PRESENT VALUE OF PENSION LIABILITY

	2020/21	2019/20
Pension liability, opening balance	277	690
Cost of service during the period	13	47
Cost of service, previous periods (plan change/adjustment)	–	-52
Interest expense	4	11
Re-measurement of pensions,		
– demographic assumptions	–	–
– financial assumptions	-44	-8
– experience-based adjustments	1	19
Pension disbursements	-2	-2
Payroll tax paid	-3	-14
Plan amendment/adjustment	–	-366
Exchange rate difference	10	-48
Pension liability, closing balance	256	277

CHANGE IN FAIR VALUE OF PLAN ASSETS

	2020/21	2019/20
Plan assets, opening balance	217	536
Interest income	2	8
Return on plan assets excluding interest income	11	-8
Employer contributions	18	103
Employee contributions	0	0
Pension disbursements from plan assets	-2	-2
Plan amendment/adjustment	–	-366
Other	–	-19
Exchange rate difference	8	-35
Plan assets, closing balance	255	217

The plan assets consist of pension insurance through Storebrand Livforsikring AS, invested according to the Storebrand Standard.

Risk is controlled via dynamic risk management, which means that the equity portion is weighted up or down, depending on devel-

opments in the financial markets. Risk capacity is determined by several factors, such as the buffer and level of interest rates.

CONT. NOTE G6

INVESTMENT OF PLAN ASSETS

	30 June 2021	30 June 2020
Shares	9%	9%
Interest-bearing investments	76%	71%
Property	12%	16%
Alternative investments	3%	4%
Sum total	100%	100%

Of the above, Equities and Interest-bearing investments are invested in an active market.

SIGNIFICANT ACTUARIAL ASSUMPTIONS

	30 June 2021	30 June 2020
Discount rate	2.10%	1.50%
Salary increase	2.25%	2.25%
Uprating of pension	0.00%	0.00%
Increase in social security amount	2.00%	2.00%
Life expectancy, mortality table	K2013BE	K2013BE

The present value of pension obligations is determined by a number of factors established on the basis of a number of assumptions.

The Norwegian pension plan, following the settlement implemented in 2020 and described in the 2019/2020 Annual Report, covers 524 (540) individuals, of whom 244 (280) are active and 280 (260) are retirees as per 30 June 2021.

The defined-benefit pension obligation totals SEK 256 million (277), of which SEK 110 million (128) pertains to the active employees and the remaining SEK 147 (149) million to the retirees. The weighted average duration of defined-benefit pension liabilities is around six years (nine).

The anticipated total contributions to the Norwegian defined-benefit plan is around SEK 20 million (24) for the upcoming financial

year. Added to this is Norwegian payroll tax of around SEK 3 million (3). Anticipated contributions to the Swedish defined-benefit plan with Alecta amount to around SEK 163 million (136). Added to this is Swedish payroll tax of around SEK 40 million (33).

The defined-benefit pension plans expose the Group to various risks, including risks associated with changes in life expectancy, salary levels etc. Each change in the assumptions applied will have an impact on the carrying amounts of the pension obligations. However, responsibility for pension obligations for former employees – “paid-up policies” – is transferred to the insurer, and pension obligations for these paid-up policies are not recognised as net debt.

SENSITIVITY ANALYSIS FOR PENSION LIABILITY

	Change in assumption		Change in liability, SEK m.	
Discount rate	-0.50%	0.50%	+32	-28
Salary increase, incl. increase in social security charge	-1.00%	1.00%	-6	+6
Uprating of pension	-0.50%	+0.50%	NA	+29
Estimated life expectancy	- 1 year	+ 1 year	-8	8

The sensitivity analysis was applied to the most significant actuarial assumptions, which are discount rate, salary increases, pension uprating and estimated life expectancy. The sensitivity analysis involved changing one actuarial assumption and leaving the other assumptions unchanged. The method shows the liability's sensitivity to an individual assumption. It is a simplified method, as the actuarial assumptions are normally correlated.

G7: State subsidies

	2020/21	2019/20
Salary subsidy, teacher salary premium	100	85
Salary subsidy, head teachers/career service	59	55
Other salary subsidies	48	43
Other State subsidies	164	176
SUM TOTAL	371	358

AcadeMedia receives State subsidies to cover increased costs associated with government-led initiatives. These include programmes to increase the attractiveness of the teaching profession, to reduce class sizes and to promote greater equality. State subsidies are classified as salary subsidies and other State subsidies.

State subsidies obtained to cover increased payroll expenses such as teacher salary premium, head teacher premium and other salary subsidies, are recognised net under personnel expenses. In all, State salary subsidies totalled SEK 207 million (182).

Other State subsidies totalled SEK 164 million (176) and are recognised as revenue. These include State subsidies for smaller classes, apprenticeships and equitable schools. Of Other State subsidies, the State subsidy for equitable schools is the largest single subsidy,

totalling SEK 79 million (46). In spring 2021, AcadeMedia received SEK 30 million within the framework of the “Schools Billion” plan. The Schools Billion is a State subsidy aimed at ensuring that children and students receive the education they are entitled to despite the pandemic. No subsidies were used in the 2020/21 financial year and the amount has been fully recognised as a liability pending extra activities being performed by headmasters and school managements.

In Germany, investment grants are received in connection with the establishment of new preschools. During 2020/21, AcadeMedia received decisions on investment grants totalling SEK 74 million, of which SEK 22 million was paid during the financial year.

G8: Depreciation/amortisation

	2020/21				2019/20			
	According to plan	Acquisition-related	Right-of-use assets	TOTAL	According to plan	Acquisition-related	Right-of-use assets	TOTAL
Brands	–	12	–	12	–	12	–	12
Other intangible assets	8	–	–	8	8	–	–	8
Equipment	105	–	131	236	99	–	124	223
Enhancement expenditure, leasehold property	66	–	–	66	57	–	–	57
Buildings	37	4	1,224	1,265	35	4	1,175	1,214
SUM TOTAL	216	16	1,355	1,587	199	16	1,298	1,513

G9: Items affecting comparability

Items affecting comparability include income and expenses of such a nature as to affect comparability. These are reported on a separate line in the accounts to improve comparability between periods and to clarify the trend in the underlying business.

ITEMS AFFECTING COMPARABILITY

	2020/21	2019/20
Transaction costs	-2	0
Retroactive revenue from previous years	22	11
Restructuring costs (Upper Sec.)	-15	-
Restructuring costs (Group)	-	-11
Write down of assets	-	-17
Integration cost, Segab	-12	-
Pension adjustment, Norway	-	53
SUM TOTAL	-7	36

Pension adjustment in Norway referred to the profit (curtailment gain) that arose when around 90 percent of all employees in Norway transferred to a new pension plan on 1 January 2020.

The Group's operating profit would be as follows if items affecting comparability had not been reported on a separate line in the income statement.

OPERATING PROFIT

	2020/21	2019/20
Net sales	13,362	12,283
Cost of services sold	-1,120	-993
Other external expenses	-1,365	-1,254
Personnel expenses	-8,122	-7,550
Depreciation/amortisation	-1,587	-1,514
OPERATING PROFIT/LOSS	1,169	973

G10: Financial income

	2020/21	2019/20
Interest income	0	0
Foreign exchange gains	3	-
Other	0	4
FINANCIAL INCOME	3	4

Other financial income consists of reversals in 2019/20 of a previous write-down of a receivable on receipt of payment.

G11: Financial expenses

	2020/21	2019/20
Interest expense	-28	-41
Borrowing costs*	-2	-7
Interest expense, lease liability	-370	-365
Exchange rate losses	-	-3
Bank charges and similar	-4	-5
FINANCIAL EXPENSES	-405	-421

* Setup charges for new loans are expensed over the term of the loan. During the financial year, profit was charged with accrued borrowing costs of SEK 2 million (7).

Interest expense arising from leasing liabilities consists of interest expense of SEK 5 million (5) related to finance leases and interest expense following the implementation of IFRS 16, i.e. relating to leases on premises of SEK 365 million (360) .

G12: Taxes

Income taxes consists mainly of the following components:

	2020/21	2019/20
Current tax		
Current tax on profit for the year	-183	-130
Adjustment of tax pertaining to previous years	2	0
Total current tax	-181	-130
Deferred tax		
Deferred tax on temporary differences	8	5
Deferred tax arising from changes in tax rates	0	0
Total deferred tax	8	5
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	-173	-125
Other comprehensive income		
Deferred tax relating to actuarial gains and losses	-12	4
TOTAL TAX EXPENSE RECOGNIZED IN OTHER COMPREHENSIVE INCOME	-12	4

RECONCILIATION OF EFFECTIVE TAX IN THE INCOME STATEMENT

	2020/21	2019/20
Profit/loss before tax	767	556
Tax at current tax rate	-164	-119
Tax effect of:		
Other tax rates in foreign subsidiaries	2	0
Non-deductible expenses	-11	-8
Non-taxable income	0	3
Utilisation of previous year's unrecognised loss carry-forwards	0	-
Adjustment, previous years	2	-1
Revaluation of deferred tax – change in tax rate*	0	0
Other	-1	0
EFFECTIVE TAX RECOGNISED	-173	-125

* The tax rate in Sweden was reduced to 20.6% for financial years beginning on or after 1 January 2021, from the previous rate of 21.4%.

Tax loss carry-forwards for which a deferred tax asset is not recognised, amounting to SEK 24 million and representing a tax value of SEK 5 million, have not been recognised in the balance sheet, as

the tax loss carry-forwards are subject to restrictions with respect to Group contributions and it is thus uncertain whether they will be available for use.

CONT. NOTE G12

CHANGE IN DEFERRED TAX

	Intangible non-current assets		Property, plant and equipment		Right-of-use assets		Provision for pensions		Allocations and provisions		Untaxed reserves		Tax loss carry-forwards		Offsetting receivable/payable		Sum total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
At start of year	-44	-47	3	-10	33	-	13	54	48	45	-152	-127	-	-	-	-	-99	-85
Recognised in the income statement	3	3	6	14	27	33	-1	-23	20	3	-44	-25	-3	-	-	-	8	5
Recognised in other comprehensive income	-	-	-	-	-	-	-12	4	-	-	-	-	-	-	-	-	-12	4
Acquisitions	0	0	7	-1	0	0	0	0	0	0	0	0	12	-	-	-	19	-1
Reclassification	-	-	-	-	-	0	0	-16	0	0	0	0	-	-	-	-	0	-16
Translation difference	-	-	-1	0	-1	0	0	-6	1	-	-	-	0	-	-	-	-1	-6
At year-end	-42	-44	15	3	60	33	0	13	68	48	-196	-152	8	-	-	-	-86	-99
<i>Of which</i>																		
<i>Deferred tax assets</i>	0	0	38	28	60	8	0	13	68	48	-	-	8	-	-159	-27	16	20
<i>Deferred tax liability</i>	-42	-44	-22	-25	-1	25	-	-	-	-	-196	-152	-	-	159	27	-101	-119

G13: Earnings per share

EARNINGS PER SHARE

	2020/21	2019/20
Profit attributable to owners of the Parent Company	594	431
Effect of convertible	1	-
Profit attributable to owners of the Parent Company after dilution	594	431
Average number of ordinary shares, basic (thousands)	105,342	105,271
Effect of warrants (thousands)	12	41
Effect of convertible (thousands)	339	-
Average number of ordinary shares, diluted (thousands)	105,692	105,312
Earnings per share, basic (SEK)	5.64	4.09
Earnings per share, diluted (SEK)	5.62	4.09

The weighted average number of shares was 105,342,092 (105,270,565). The total was affected by new issues in spring 2021 on exercise of warrants, as well as reclassification of Class C shares on expiry of the share matching plan. In all, the number of ordinary shares increased by 282,837.

CONT. NOTE G12

G14: Acquisitions

The acquisitions below represent a combined value of less than 5 percent of the Group and are therefore not specified separately in the tables. In all acquisitions, 100 percent of the shares and voting rights were acquired.

In all acquisitions, the purchase consideration takes the form of a cash payment.

The following are disclosures regarding adjusted acquired net assets and goodwill. No portion of goodwill is tax deductible.

Acquisitions 2020/21			
Acquiring company	Acquired company/business	Date of acquisition	Segment
ACM 2001 AB	RE Skolor AB (parent company of Swedish Education Group, Segab)	17 Dec. 2020	Adult Education/Upper Secondary School/Compulsory School
ACM 2001 AB	International Montessori School Sweden AB	1 Feb. 2021	Compulsory School
Hermods AB	Allautbildare i Sverige AB	30 Apr. 2021	Adult Education
Espira Barnehager AS	Espira Fasanveien AS	01 May 21	Preschool

Acquisitions 2019/20			
Acquiring company	Acquired company/business	Date of acquisition	Segment
ACM 2001 AB	Global Education Services AB	1 July 2019	KC OH/Group
Pysslingen Förskolor och Skolor AB	Förskolan Moroten AB	1 Oct. 2019	Preschool
Pysslingen Förskolor och Skolor AB	Pålsjö Skogs Förskola AB	1 Oct. 2019	Preschool
ACM 2001 AB	Pops Academy AB	1 Dec. 2019	Compulsory School
Espira Barnehager AS	Espira Tastarustå AS	1 Dec. 2019	Preschool
Pysslingen Förskolor och Skolor AB	Banérportsskolan AB	01 May 20	Compulsory School
Pysslingen Förskolor och Skolor AB	Banérporten Förskolor AB	01 May 20	Compulsory School

Acquisition effects

EFFECTS OF ACQUISITIONS

	2020/21	2019/20
Purchase consideration including transaction costs	311	76
Transaction costs	3	3
Purchase consideration excluding transaction costs	308	73
Fair value of acquired net assets excluding goodwill	74	0
Total goodwill	234	74

Goodwill is mainly attributable to :

- Whether the business can operate with satisfactory profitability sustainably, on the basis of its quality and attractiveness, and by virtue of being a well-developed organisation.
- Annual cost synergies, which are expected to arise from overlapping resources in sales and marketing, administration, education
- Economies of scale and streamlining in purchasing and administration.
- Expansion of operations into new geographic markets

FAIR VALUE ACQUIRED

	2020/21	2019/20
Intangible non-current assets	0	1
Property, plant and equipment	41	33
Right-of-use assets	330	57
Non-current financial assets	20	3
Current assets	32	8
Cash and cash equivalents	71	19
Interest-bearing liabilities	-7	-30
Lease liabilities	-330	-57
Non-interest-bearing liabilities	-82	-32
Current tax liability	-1	-2
Provisions	-1	0
Net assets acquired	74	0

The fair value of acquired receivables is included in current assets and totals SEK 32 million (8). The gross contractual amount of receivables is also SEK 32 million (8) and is expected to be paid in full. Goodwill arising from acquisitions consists of synergies with

existing businesses, but also of resources such as personnel, education programmes, recruitment and personnel development, as well as service organisation, which can be streamlined as a result of the acquisitions.

EFFECT OF ACQUISITIONS ON THE GROUP'S CASH AND CASH EQUIVALENTS

	2020/21	2019/20
Purchase consideration excluding transaction costs and including interest compensation	308	73
Less purchase consideration not settled in cash as of 30 June	-2	-3
Cash and cash equivalents at acquisition	-71	-19
Impact on the Group's cash and cash equivalents	235	51

Definitive acquisition analyses

The acquisition analyses are provisional for one year from the acquisition date. No adjustments were made to acquisition analyses during the year or the preceding year.

CONTRIBUTION OF ACQUISITIONS TO CONSOLIDATED PROFIT

	2020/21	2019/20
Net sales	250	56
Operating profit/loss (EBIT)	20	8

IF THE UNIT HAD BEEN INCLUDED IN CONSOLIDATED PROFIT/LOSS FROM 1 JULY, ITS CONTRIBUTION WOULD HAVE BEEN:

	2020/21	2019/20
Net sales	503	143
Operating profit/loss (EBIT)	34	17

G15: Intangible non-current assets

	Goodwill		Brand		Other intangible assets		TOTAL	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Cost, opening balance	5,956	5,987	235	235	38	54	6,229	6,276
Adjustment of acquisition analyses	–	–	–	–	–	–	–	–
Acquisitions	234	72	–	–	1	1	234	73
Investments	–	–	–	–	3	18	3	18
Divestments and disposals	–	–	–	–	-4	-35	-4	-35
Reclassifications	–	–	–	–	–	–	–	–
Exchange rate difference	18	-103	–	–	0	0	18	-103
ACCUMULATED COST, CLOSING BALANCE	6,209	5,956	235	235	37	38	6,480	6,229
Amortisation and impairment, opening balance	-4	-4	-25	-13	-10	-27	-39	-44
Depreciation/amortisation for the year	–	–	-12	-12	-8	-8	-20	-20
Divestments and disposals	–	–	–	–	3	26	3	26
Exchange rate difference	–	–	–	–	0	0	0	0
ACCUMULATED AMORTISATION AND IMPAIRMENT, CLOSING BALANCE	-4	-4	-37	-25	-15	-10	-56	-39
CARRYING AMOUNT, CLOSING BALANCE	6,205	5,952	198	210	23	28	6,426	6,191

G16: Impairment testing

AcadeMedia performs a test at least annually to determine any impairment of goodwill, by calculating the value in use for the cash-generating units (CGUs), see Accounting Policies, Note G1. Goodwill is allocated to the lowest level at which it is possible to identify substantially independent cash flows (cash-generating units, CGUs). In AcadeMedia, this is per segment except for the preschool segment, which consists of three cash-generating units, Preschool Sweden, Preschool Norway and Preschool Germany. This also corresponds to the lowest level where comprehensive financial information is available and is monitored internally.

The value in use is based on cash flow calculations, which are based on business plans adopted by Group management and the Board until 2025/26. After that, forecasts are made for a further five years to make a total forecast period of 10 years, in part to take into account the need for reinvestment associated with the right-of-use assets.

The most important assumptions in the impairment test are growth rate, operating margin, investment requirement and discount rate (WACC). The growth rate in the business plans is based on assumptions as to growth in student numbers and expectations regarding market trends. The cash flows calculated are thus based on an annual rate of growth of 2.0 percent (1.0). Operating margin and investment level have been determined by the Board and Group management on the basis of historical results and past experience. The discount rates applied reflect the specific risk attached to each CGU and are calculated before tax.

The impairment test indicates that there is no need for an impairment write-down. The impairment tests performed showed that no reasonably anticipated changes in the key assumptions would result in any impairment charge. For the recoverable amount to equal the carrying amount, the return on capital requirement before tax needs to be increased by 1.4 percentage points for Preschool Sweden, 1.4 percentage points for Preschool Norway, 2.5 percentage points for Preschool Germany, 1.8 percentage points for Compulsory School, 5.7 percentage points for Upper Secondary School and 14.2 percentage points for Adult Education.

	Goodwill	Growth rate	WACC	
			before tax	WACC after tax
CGUs – 30 June 2021				
Preschool Sweden ¹	640	2%	8.6%	7.0%
Preschool Norway ¹	788	2%	8.4%	7.3%
Preschool Germany ¹	257	2%	8.9%	6.6%
Compulsory School	1,435	2%	7.9%	6.7%
Upper Secondary School	2,200	2%	9.5%	8.2%
Adult Education	884	2%	11.2%	9.6%
	6,205			

	Goodwill	Growth rate	WACC	
			before tax	WACC after tax
CGUs – 30 June 2020				
Preschool Sweden ¹	640	1%	7.4%	6.3%
Preschool Norway ¹	757	1%	7.6%	6.5%
Preschool Germany ¹	266	1%	9.2%	6.5%
Compulsory School	1,371	1%	7.0%	6.0%
Upper Secondary School	2,092	1%	9.1%	7.6%
Adult Education	827	1%	10.5%	9.0%
	5,952			

¹ Preschool Sweden, Preschool Norway and Preschool Germany together make up the Preschool segment.

G17: Property, plant and equipment

	Buildings		Equipment		Expenses for improvements to leasehold property		Total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
	Cost, opening balance	1,134	1,241	703	966	692	650	2,529
Acquisitions	11	32	9	1	21	–	41	33
Investments	23	60	128	115	106	134	257	310
Divestments and disposals	–	-60	-142	-31	-40	-76	-181	-167
Reclassifications	15	2	7	-332	-12	-15	10	-345
Exchange rate differences	40	-142	3	-16	0	-1	43	-159
Accumulated cost, closing balance	1,223	1,134	708	703	768	692	2,699	2,529
Depreciation, opening balance	-133	-113	-422	-566	-260	-262	-815	-941
Depreciation for the year	-41	-39	-105	-99	-66	-57	-213	-195
Divestments and disposals	–	0	141	27	39	58	181	85
Reclassifications	0	2	-7	212	-3	-1	-10	214
Exchange rate differences	-5	17	-3	4	0	1	-9	22
Accumulated depreciation, closing balance	-179	-133	-396	-422	-290	-260	-864	-815
Carrying amount, closing balance	1,044	1,001	312	281	479	432	1,834	1,714

Buildings consist of preschool properties. During the year, no preschool properties were sold (preceding year: 1). As of 30 June 2021, 38 properties (36) were owned. Last year, one new preschool building was under construction in Norway.

G18: Right-of-use assets

LEASES

	2020/21			2019/20		
	Property	Other*	Sum total	Property	Other*	Sum total
Beginning of year	7,207	139	7,346	7,026	131	7,157
New leases, extensions and index adjustments	1,016	133	1,149	1,451	132	1,583
Acquisitions	330	–	330	57	–	57
Amortisation	-1,224	-131	-1,355	1,175	-124	-1,299
Exchange rate differences	20	–	20	-152	0	-152
End of year	7,348	141	7,489	7,207	139	7,346

*Other refers to leases of IT equipment and vehicles.

CARRYING AMOUNTS IN THE INCOME STATEMENT

	2020/21	2019/20
Expenses attributable to short-term leases	42	50
Expenses attributable to leases of low-value assets	36	29
Expenses attributable to variable lease fees not included in the lease liability	12	5
Sum total	90	85
Interest expense attributable to leases	370	365
Depreciation on leases	1,355	1,299

AcadeMedia's lease commitments relate primarily to premises, IT equipment and vehicles. AcadeMedia has around 800 leases on premises and these represent the major share of the Group's leased assets and liabilities. The terms of the leases on properties vary depending of the type operation. In adult education, the lease term is relatively short, whereas in school operations the lease term is longer.

COMMON CONTRACT DURATIONS PER SEGMENT

Adult Education	6–48 months
Compulsory schools	5–15 years
Upper Secondary Schools	5–15 years
Preschools Sweden	10–15 years
Preschools Norway	10–20 years
Preschools Germany	15–30 years

Variable expenses

Variable expenses, such as property tax, value added tax and other variable property expenses, including maintenance costs, electricity, heating and water etc. are excluded from the calculation of the lease liability to the extent that such costs can be separated from the rental cost.

Cash flows

The total cash flow for leasing contracts was SEK -1,649 million (-1,580) in the financial year.

Leasing contracts which has not yet commenced

CONT. NOTE G18

In addition to the leasing contracts recognised in the balance sheet, the Group has entered into leasing contract that have not yet commenced representing leasing commitments of SEK 3,447 million (965). The increase is mainly attributable to three major leasing contracts in the upper secondary segment, Campus Södermalm and Campus Vasastan in Stockholm, signed during the year, and the acquisition of Donnergymnasiet in Gothenburg. The increase is also related to Germany, where 15 new preschools are planned for the 2021/2022 school year.

Sensitivity analysis

The discount rate applied to leases in Sweden was between 3.7 and 6.9 percent (4.1 and 5.6 percent), for Norway 5.0 percent (5.0 percent) and for Germany 5.0 to 5.1 percent (5.0 percent).

If the discount rate applied over all leases had been 1 percentage point lower/higher, the lease liability for properties would have been SEK 335/311 million or 4.4/4.1 percent higher/lower. Profit before tax would have been SEK 24/21 million higher/lower in 2020/2021. It should be noted that the effect on income over the contract term will be the same irrespective of the discount rate, however the level of discount rate will affect the allocation between depreciation and interest expense as well as the timing of the expense.

G19: Shares in associated companies

AcadeMedia owns 27 percent of the shares in HypoCampus AB (corporate registration number 559072-5155, registered office in Gothenburg) having increased its holding by participating in a new share issue in January 2021. HypoCampus AB is from then on an associated company.

HypoCampus is a learning platform and the turnover in the period was SEK 3 million and the profit was -1 MSEK.

AcadeMedia's share in profit for the 2020/21 financial year was SEK -0 million and the carrying amount of the interest was SEK 5 million.

G20: Accounts receivable

	30 June 2021	30 June 2020
Accounts receivable, gross		
Not overdue	183	204
Overdue 1-15 days	11	2
Overdue 16-30 days	17	2
Overdue more than 30 days	8	12
Total	220	219
Provision for doubtful receivable		
At start of year	4	3
Provisions for the year	1	4
Amounts written-off	0	-1
Provisions reversed	-4	-2
At year-end	2	4
Accounts receivable at year-end	218	215
Impairment losses	0	1

The Group's customers mainly consist of municipalities, public authorities and companies, representing a low credit risk to the Group, and the credit quality of outstanding accounts receivable is considered to be very high. There are no significant credit concentrations.

The Group's provision for doubtful accounts receivable refers to the category "Overdue more than 30 days." The provision for doubtful accounts receivable and confirmed customer losses is included in Other external expenses. Collateral is not normally held for these claims.

G21: Prepaid expenses and accrued income

	30 June 2021	30 June 2020
Prepaid expenses	107	109
Accrued income	212	115
Total	319	224

Accrued income consists mainly of unbilled programmes in adult education. The increase from the preceding year relates to investment grant receivables of SEK 55 million awarded but not yet received in connection with new preschools in Germany.

G22: Cash and cash equivalents

	30 June 2021	30 June 2020
Cash and bank balances	966	528
Sum total	966	528

Cash and cash equivalents consist of bank balances, including SEK 34 million (29) in bank accounts restricted for withholding tax payments in Norway. The definition of cash and cash equivalents in the balance sheet is the same as in the cash flow statement.

G23: Equity

	Number of ordinary shares	Number of Class C shares	Number of shares	Share capital
OPENING BALANCE, 1 JULY 2019	105,215,643	248,242	105,463,885	105,463,885
New share issue on redemption of warrants	84,460	–	84,460	84,460
CLOSING BALANCE, 30 JUNE 2020	105,300,103	248,242	105,548,345	105,548,345
Conversion of Class C shares	42,337	-42,337	–	–
New share issue on redemption of warrants	240,500	–	240,500	240,500
CLOSING BALANCE, 30 JUNE 2021	105,582,940	205,905	105,788,845	105,788,845

Consolidated capital

The AcadeMedia Group's financial goal is growth of five to seven percent in sales per year for the Group, excluding major acquisitions. In addition, AcadeMedia also intends to provide the highest quality education in the areas where the Group operates. The target is that adjusted operating profit should amount to seven to eight percent of sales.

Regarding indebtedness, AcadeMedia's target is to have net debt relative to operating profit before depreciation and amortisation (adjusted EBITDA) excluding items affecting comparability, with a maximum factor of three. However, during brief periods there may be deviations from this goal, for example in the event of major acquisitions.

AcadeMedia has no non-controlling interests.

Share capital

The share capital on 30 June 2021 amounted to SEK 105,788,845 (105,548,345). The share capital is represented by 105,582,940 ordinary shares (105,300,103) and 205,905 Class C shares (248,242). The Class C shares have been repurchased and are held in treasury. The number of outstanding shares is thus 105,582,940. Holders of ordinary shares are entitled to a dividend and their shareholding entitles them to exercise one vote per share at the shareholders' meeting. Class C shares entitle holders to one tenth of a voting right. All

shares have the same right to the remaining net assets of AcadeMedia AB (publ). All shares are fully paid up and no shares are held in reserve for transfer.

AcadeMedia has issued convertible debentures and on conversion a maximum of 338,739 additional shares may be issued. The convertible loans mature on 17 September 2023.

Other capital contributions

Other capital contributions consists of capital contributed by the owners of AcadeMedia AB (publ). This includes premiums paid in connection with share issues, as well as capital contributions received from shareholders.

Translation reserve

The translation reserve includes all exchange rate differences arising from the translation of financial statements of foreign operations prepared in a currency different from the Group's presentation currency.

The Parent Company's and the Group's presentation currency is Swedish kronor (SEK).

G24: Other provisions

	30 June 2021	30 June 2020
Provisions for contract conversions/onerous contracts	81	22
Restructuring reserve	64	45
Other	0	2
TOTAL PROVISIONS	145	69
	30 June 2021	30 June 2020
At start of year	69	56
Provisions during the year	104	56
Provisions utilised during the year	-36	-42
Provisions reversed during the year	-2	-1
Reclassification	11	–
Exchange rate differences	1	–
At year-end	145	69
Short-term provisions	88	42
Long-term provisions	58	27

Provisions for contract conversions/loss-making contracts mainly consist of the Adult Education Segment's provisions for termination costs; for further information, see Critical Judgements in Note G1. Restructuring reserves relate to costs for units being closed. These costs arise mainly related to unused premises, reinstatement of premises and personnel redundancies. Provisions expected to be utilised in the next twelve months are recognised in accrued expenses, see Note G25.

G25: Other accrued expenses and deferred income

	30 June 2021	30 June 2020
Accrued payroll expenses	1,156	1,052
Deferred income	386	237
Accrued interest on loans	2	6
Short-term provisions	88	45
Other accrued expenses	98	167
TOTAL	1,729	1,506

Accrued payroll expenses consist mainly of vacation pay liabilities, but also accrued salaries and salary-related taxes and other charges.

Specification of provisions, see Note G24.

G26: Financial risk and management of capital risk

AcadeMedia has a general financial policy that focuses on the unpredictability of the financial markets. The policy's aim is to minimise potential unfavourable effects on the Group's financial results. The Group previously used derivative instruments to hedge certain risk exposure.

Risk management is performed centrally by the Group's support function in accordance with policies established by the Board. The Board has adopted a financial policy covering the overall financial risk management in specific areas, such as liquidity risk, refinancing risk, currency risk, interest rate risk, credit risk, use of derivatives and placement of surplus liquidity.

Its purpose is to minimise the Group's cost of capital by appropriate financing and by effective management and control of the Group's financial risks. The Group focuses actively on monitoring its liquidity and continuously updates its forecasts for anticipated changes in liquidity.

Interest rate risk

AcadeMedia's interest rate risk arises in the Group's long-term borrowing, including its property loans from Husbanken (the Norwegian State Housing Bank). At the end of the financial year, 100 percent of the borrowing was at a variable interest rate.

The effect of an increase in the variable interest rate of one percentage point on the Group's interest expense is SEK 20 million (25).

Credit risk/Counterparty risk

Credit risk is the risk that accounts receivable, other receivables and cash/cash equivalents will not be paid. The Group's accounts receivable are almost exclusively with central government, municipalities and government agencies with a very high credit rating, and surplus liquidity is deposited with Nordic banks with a very high credit rating (A or higher). As a result, AcadeMedia's credit risk is considered to be limited. Collateral is not normally held for these accounts receivable. For more information on accounts receivable, see Note G20.

Currency risk

AcadeMedia conducts operations in Norway and Germany, and is therefore exposed to currency risk – above all in NOK but also EUR – in part transaction exposure and in part translation exposure. The transaction exposure is limited, in that both revenue and costs are essentially denominated in the local currency. The translation exposure arises when the Group's net assets in foreign currencies are translated to SEK, and when earnings are translated to SEK. Currency exposure in net assets is managed by financing such

assets wholly or partly via loans in the local currency. Net assets in foreign currency on 30 June 2021 totalled NOK 672 million (567) and EUR 19 million (19).

In all 14 percent (16) of sales are generated in NOK and 5 percent (4) in EUR. In the event of change of +/-10 percent in exchange rates, sales would be impacted in the amount of +/-SEK 253 million and operating profit in the amount of +/-SEK 13 million.

Liquidity and refinancing risk

Liquidity risk is the risk that AcadeMedia cannot fulfil its payment obligations relating to financial liabilities. Refinancing risk is the risk that refinancing for loans cannot be arranged, or cannot be arranged on acceptable terms. Liquidity and refinancing risks are managed centrally. Refinancing risk is managed via credit facilities within the scope of existing loan agreements, by financing the property portfolio in Norway long term via Husbanken and by ensuring that the Group uses several banks. Liquidity risk is managed by ensuring that the Company always has an available liquidity reserve and by maintaining continuous forecasting of cash flows. To facilitate liquidity planning and liquidity control, the Group operates cash pools.

LIQUIDITY RESERVE

	30 June 2021	30 June 2020
Revolving credit facility	700	700
Loan facilities utilised	20	58
Loan facilities not utilised	680	642
Available bank balances	966	528
Liquidity reserve	1,646	1,170

The Group's financial liabilities, as shown in the table below, totalled SEK 9,999 million, of which current liabilities amounted to SEK 1,655 million and non-current liabilities SEK 8,344 million. AcadeMedia can use the unutilised credit facility to refinance parts of the bank loans maturing within 3–12 months.

The table below shows the Group's financial liabilities, classified according to the remaining period after the balance sheet date up to the contractual maturity date. The amounts shown in the table are the contractual liabilities. Liabilities and agreed loan payments denominated in EUR and NOK have been translated to SEK at the balance sheet date rates: EUR/SEK 10.1249 (10.4804) and NOK/SEK 0.9942 (0.9595).

MATURITY ANALYSIS, CONTRACTUAL PAYMENTS FOR FINANCIAL LIABILITIES

30 June 2021	Carrying amounts	Nominal amounts	1-12 months	2-5 years	6-10 years	>10 years
Liabilities to credit institutions	1,323	1,327	184	1,168	–	–
Property loans	696	696	32	127	157	469
Convertible bond	18	20	1	20	–	–
Other loans	7	7	0	7	–	–
Lease liability	7,571	9,683	1,579	4,264	2,664	1,182
Accounts payable	383	383	383	–	–	–
Sum total	9,999	12,116	2,179	5,586	2,821	1,651

30 June 2020	Carrying amounts	Nominal amounts	1-12 months	2-5 years	6-10 years	>10 years
Liabilities to credit institutions	1,500	1,506	225	1,327	–	–
Property loans	659	659	76	136	160	467
Convertible bond	18	20	1	20	–	–
Other loans	6	6	6	1	–	–
Lease liability	7,355	9,319	1,484	4,014	2,543	1,281
Accounts payable	293	293	293	–	–	–
Sum total	9,832	11,803	2,084	5,499	2,703	1,748

Loan agreement

On 29 June 2018, AcadeMedia entered into a loan agreement with the Sweden branch of DNB Bank ASA and Nordea Bank AB, with a maturity of five years. Under the agreement, the lenders have committed to providing a total loan amount of SEK 2,500 million, including a revolving credit facility of SEK 700 million available for acquisitions or for operating liquidity. As of 30 June 2021, the Group had utilised SEK 1,327 million (1,506) of the total loan facility of SEK 2,500 million.

The interest rate on the credit facilities under the loan agreement is variable and based on IBOR (the IBOR used depends on the currency in which the loan is taken, in accordance with the contract), plus a margin based on the Group's net debt relative to the Group's EBITDA. However, IBOR cannot be lower than 0, which means that negative interest rates have no impact. The average interest rate on the balance sheet date was 1.3%.

The loan agreement contains two financial covenants, which are net debt/EBITDA and interest coverage ratio. AcadeMedia monitors these covenants on an ongoing basis and reports them regularly to the lenders.

Covenant 1, debt/equity ratio = net debt/EBITDA. The ratio may not exceed 3.75 times. Outcome 20/21 0.9 (1.7)

Covenant 2, interest coverage = EBITDA/interest paid in cash. The ratio must exceed 4 times. Outcome 20/21: 33.0 (15.9)

All covenants were fulfilled on 30 June 2021. If AcadeMedia breaches any of these covenants in the future, this could result in the loans defaulting in full or in part for immediate payment. For further information on the Group's outstanding liabilities, see Note G27.

In addition to the financing loan, AcadeMedia has a loan from Husbanken (the Norwegian State Housing Bank) to finance its real

CONT. NOTE G26

estate holdings in Norway. As of 30 June 2021, Husbanken loans totalled SEK 696 million (659). The interest rate on these loans was 0.8–2.7 percent. The original term for the Husbanken loans is 30 years, but the effective term varies from loan to loan. AcadeMedia has pledged real estate as collateral for these loans, see also Note G28.

Capital risk

The major share of the Group's operations is personnel-intensive and requires a low level of investment. In the AcadeMedia Group, investments are mainly required for equipment, except in Norway, where new preschools mostly require investment in their own buildings. Furthermore, the overwhelming share of income/school voucher funding is received in advance, and as a result working capital is negative. AcadeMedia's operations thus generate a positive cash flow even during growth. Additional funding is needed primarily for future acquisitions.

There is a risk that AcadeMedia, at maturity of the above-mentioned loan agreement, or additional financing should be needed, would not be able to obtain such financing on acceptable terms, or at all. Factors such as the general availability of credit and the Group's credit rating have an impact on access to additional financing. Also, access to additional financing is dependent on the Group's lenders having a positive view of the Group's long- and short-term financial prospects. Disruptions or uncertainties in the capital and credit markets may also limit access to capital. These factors may have a significantly negative impact on AcadeMedia's business, financial position and results. In the Group's view, the covenants will be fulfilled over the loan term and the risk of being required to repay the loans prematurely is low. Furthermore, it is also judged that the Group will be capable of paying interest even if the interest rate increases.

G27: Liabilities**CHANGE IN FINANCIAL LIABILITIES 2020/21**

	1 July 2020	Cash flow	NON-CASH CHANGES			30 June 2021
			Acquisitions/ divestments of subsidiaries	Unrealized exchange rate differences	Other changes	
Liabilities to credit institutions, excl. property loans	1,506	-189	–	10	–	1,327
Property loans	659	9	5	24	–	696
Lease liabilities	7,355	-1,281	330	23	1,145	7,571
Other interest-bearing liabilities	24	-1	2	0	1	25
Capitalised borrowing costs	-7	–	–	–	2	-4
Sum total	9,538	-1,463	336	57	1,148	9,615

CHANGE IN FINANCIAL LIABILITIES 2019/20

	1 July 2019	Cash flow	NON-CASH CHANGES			30 June 2020
			Acquisitions/ divestments of subsidiaries	Unrealized exchange rate differences	Other changes	
Liabilities to credit institutions, excl. property loans	1,915	-357	–	-52	–	1,506
Property loans	733	-17	30	-87	–	659
Lease liabilities	133	-1,215	57	-150	8,531	7,355
Other interest-bearing liabilities	29	-4	–	-1	–	24
Capitalised borrowing costs	-13	-1	–	–	7	-7
Sum total	2,797	1,593	86	-290	8,538	9,538

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

SEK m.	30 June 2021	30 June 2020
SEK	6,829	6,838
NOK*	2,107	2,131
EUR*	685	577
Sum total	9,620	9,546

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

G28: Pledged assets and contingent liabilities and commitments

	30 June 2021	30 June 2020
Pledged assets		
Property mortgages	696	659
Floating charges	18	–
	714	659
Contingent liabilities and commitments		
Leases	3,447	965
Guarantees	1	1
	3,448	966

The property mortgages relate to properties that are pledged as collateral for loans from Husbanken, Norway.

Contingent liabilities and commitments also include leasing contracts entered into which has not yet commenced. See also, Note G18 Right-of-use assets.

G29: Disclosures regarding the Group's financial instruments

Classification and categorisation of the Group's assets and liabilities

FINANCIAL ASSETS MEASURED AT

	Amortised cost		Fair value via the income statement	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Non-current receivables	25	14	–	–
Accounts receivable	218	215	–	–
Other receivables	34	142	–	–
Prepaid expenses and accrued income	212	115	–	–
Cash and cash equivalents	966	528	–	–
TOTAL ASSETS	1,455	1,014	–	–

FINANCIAL LIABILITIES MEASURED AT

	Amortised cost		Fair value via the income statement	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Liabilities to credit institutions	2,019	2,160	–	–
Other non-current liabilities	25	24	–	–
Lease liabilities	7,571	7,356	–	–
Accounts payable	383	293	–	–
Other current liabilities	56	35	2	–
Accrued expenses and deferred income	1,342	1,276	–	–
TOTAL EQUITY AND LIABILITIES	11,397	11,144	2	–

The carrying amount for trade and other receivables, cash and cash equivalents, trade and other payables is a reasonable approximation of their fair value because of their short maturity. In the

case of loans, the carrying amount is also a reasonable approximation as the loans bear interest at a variable rate.

Fair value and carrying amount

IFRS 13 Fair Value Measurement provides a hierarchy for fair value measurement of input data. This valuation hierarchy is divided into three levels, which are in line with the levels introduced in IFRS 7 Financial Instruments: Disclosures.

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

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

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

Level 3 in the measurement hierarchy is applied for measurement of additional considerations related to business combinations.

G30: Related-party transactions

Salaries and other remuneration to senior executives and the Board of Directors are paid as described in Note G5. The senior executives also participate in the Group's incentive programmes as described in Note G5. See also page 53 for a description of related party transactions.

During the year, the CEO of AcadeMedia was offered the chance to acquire synthetic options relating to AcadeMedia issued by Mellby Gård, AcadeMedia's largest shareholder. AcadeMedia AB is not party to the transaction. The options were acquired at a price deemed to correspond to their market value.

During the first subscription period for the warrant programme LTIP 2017, senior executives sold 220,500 options to AcadeMedia's principal owner, Mellby Gård. The options were sold at a price corresponding to the market value of the options.

Having participated in a new share issue, AcadeMedia owns 27 percent of the shares in HypoCampus AB, which therefore is an associated company. AcadeMedia has made purchases to a value of SEK 2 million from Hypocampus. Transactions are carried out on an arm's length basis.

AcadeMedia's liabilities to HypoCampus AB amounts to SEK 0.6 million to HypoCampus AB.

G31: Effects of IFRS 16 Leasing

SPECIFICATION OF EFFECTS OF IFRS 16 ON THE INCOME STATEMENT

SEK m.	2020/21	2020/21	2020/21,	2019/20	2019/20	2019/20,
		IFRS 16	excl. effects		IFRS 16	excl. effects
			of IFRS 16			of IFRS 16
Net sales	13,340	–	13,340	12,272	–	12,272
Cost of services sold	-1,120	–	-1,120	-993	–	-993
Other external expenses	-1,351	1,466	-2,817	-1,237	1,384	-2,621
Personnel expenses	-8,106	–	-8,106	-7,591	–	-7,591
Depreciation	-1,587	-1,224	-363	-1,513	1,175	-338
Income from associated companies	0	–	0	–	–	–
Items affecting comparability	-7	–	-7	36	–	36
OPERATING PROFIT/LOSS (EBIT)	1,169	243	926	973	209	763
Financial income	3	–	3	4	–	4
Financial expenses	-405	-365	-40	-421	-360	-61
PROFIT/LOSS BEFORE TAX	767	-122	889	556	-151	707
Taxes	-173	27	-201	-125	33	-159
PROFIT/LOSS FOR THE PERIOD	594	-95	689	431	-117	549

SPECIFICATION OF EFFECTS OF IFRS 16 ON THE BALANCE SHEET

SEK m.	2020/21	2020/21	2020/21, excl.	2019/20	2019/20	2019/20, excl.
		IFRS 16	effects of		IFRS 16	effects of
			IFRS 16			IFRS 16
ASSETS						
Intangible non-current assets	6,426	–	6,426	6,191	–	6,191
Buildings	1,044	–	1,044	1,001	–	1,001
Other property, plant and equipment	791	–	791	713	–	713
Other non-current assets	41	15	25	34	8	26
Right-of-use assets	7,489	7,348	141	7,347	7,207	139
TOTAL NON-CURRENT ASSETS	15,790	7,364	8,427	15,285	7,216	8,070
Current receivables	658	-314	972	704	-267	971
Cash and cash equivalents	966	–	966	528	–	528
TOTAL CURRENT ASSETS	1,624	-314	1,938	1,232	-267	1,499
TOTAL ASSETS	17,414	7,049	10,365	16,518	6,949	9,569
EQUITY AND LIABILITIES						
Equity	5,317	-212	5,529	4,807	-117	4,925
Non-current liabilities to credit institutions	1,824	–	1,824	1,890	–	1,890
Non-current lease liabilities	6,495	6,447	48	6,346	6,299	47
Provisions and other non-current liabilities	187	-45	232	231	-25	256
TOTAL NON-CURRENT LIABILITIES	8,506	6,402	2,104	8,466	6,274	2,192
Current interest-bearing liabilities	195	–	195	270	–	270
Current liabilities	1,077	981	95	1,010	915	95
Other liabilities	2,319	-122	2,441	1,965	-123	2,088
TOTAL CURRENT LIABILITIES	3,591	860	2,731	3,244	792	2,452
TOTAL EQUITY AND LIABILITIES	17,414	7,049	10,365	16,518	6,949	9,569

CONT. NOTE G31

SPECIFICATION OF EFFECTS OF IFRS 16 ON CASH FLOW						
SEK m.	2020/21	2020/21 IFRS 16	2020/21, excl. effects of IFRS 16	2019/20	2019/20 *IFRS 16	2019/20, excl. effects of IFRS 16
Operating profit/loss (EBIT)	1,169	243	926	973	209	763
Depreciation	1,587	1,224	363	1,513	1,175	338
Adjustment for items affecting cash flow	24	–	24	-55	–	-55
Taxes paid	-146	0	-145	-120	–	-120
Cash flow from operating activities before changes in working capital	2,634	1,466	1,168	2,311	1,384	926
Cash flow from changes in working capital	238	49	190	211	68	142
Cash flow from operating activities	2,872	1,515	1,357	2,521	1,452	1,069
Cash flow from investing activities	-437	–	-437	-375	–	-375
Interest received (+) and paid (-)	-31	–	-31	-44	–	-44
Interest paid, lease liability	-368	-365	-3	-365	-360	-5
Dividend to shareholders	-158	–	-158	-132	–	-132
New share issue	17	–	17	4	–	4
Increase (+)/decrease (-) in interest-bearing liabilities	-182	–	-182	-378	–	-378
Payment of lease liability	-1,281	-1,150	-131	-1,215	-1,092	-123
Cash flow from financing activities	-2,003	-1,515	-487	-2,130	-1,452	-678
CASH FLOW FOR THE PERIOD	433	0	433	16	0	16
Cash and cash equivalents at beginning of period	528	–	528	527	–	527
Exchange-rate differences in cash and cash equivalents	5	–	5	-15	–	-15
Cash and cash equivalents at end of period	966	0	966	528	0	528

G32: Significant events after the end of the financial year

- 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 reconstruction is complete. Additional costs as a result of the fire have been estimated at approximately SEK 30 million. Insurance compensation is expected to cover most of the expenses.
- The number of children and students in the first quarter of 2021/22 was higher than ever. Preliminary student numbers for the autumn 2021 show aggregate average growth of around 7 percent in AcadeMedia's three school segments, to a total of approximately 91,600 children and students. Almost 16,000 of them are attending their first year in upper secondary school.

Parent company **income statement** and Statement of comprehensive income

PARENT COMPANY INCOME STATEMENT

(SEK m.)	Note	2020/21	2019/20
Net sales	P2	8	8
Other external expenses	P2, P4	-7	-8
Personnel expenses	P3	-15	-17
OPERATING PROFIT/LOSS		-14	-17
Interest income and similar items	P5	20	12
Interest expense and similar items	P6	-17	-31
PROFIT/LOSS AFTER FINANCIAL ITEMS		-11	-36
APPROPRIATIONS			
Group contributions received		25	100
		25	100
PROFIT BEFORE TAX		14	64
Taxes	P7	-3	-14
PROFIT FOR THE YEAR		11	50

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

(SEK m.)	Note	2020/21	2019/20
Profit for the year		11	50
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		11	50

Parent Company balance sheet

ASSETS

(SEK m.)	Note	30 June 2021	30 June 2020
NON-CURRENT ASSETS			
<i>Non-current financial assets</i>			
Participations in Group companies	P8	3,261	3,261
TOTAL NON-CURRENT ASSETS		3,261	3,261
CURRENT ASSETS			
<i>Current receivables</i>			
Receivables from Group companies		3,016	2,837
Current tax assets		1	0
Other receivables		0	2
Prepaid expenses and accrued income		1	1
		3,017	2,840
<i>Cash and bank balances</i>		662	303
TOTAL CURRENT ASSETS		3,679	3,143
TOTAL ASSETS		6,941	6,405

EQUITY AND LIABILITIES

(SEK m.)	Note	30 June 2021	30 June 2020
EQUITY			
<i>Restricted equity</i>			
Share capital		106	106
		106	106
<i>Non-restricted equity</i>			
Share premium reserve		2,629	2,612
Retained earnings		-152	-45
Profit for the year		11	50
		2,488	2,618
TOTAL EQUITY		2,593	2,723
NON-CURRENT LIABILITIES			
Non-current liabilities to credit institutions	P10	635	783
Other non-current liabilities	P10	18	18
TOTAL NON-CURRENT LIABILITIES		653	801
CURRENT LIABILITIES			
Liabilities to credit institutions	P10	150	150
Accounts payable		0	2
Liabilities to Group companies		3,516	2,701
Other liabilities		1	2
Accrued expenses and deferred income		12	12
TOTAL CURRENT LIABILITIES		3,694	2,880
TOTAL EQUITY AND LIABILITIES		6,941	6,405

Parent Company statement of changes in equity

(SEK M.)	Restricted equity		Non-restricted equity		Total equity
	Share capital (Note P9)	Share premium reserve	Retained earnings		
OPENING BALANCE, 1 JULY 2019	105	2,608	25		2,738
Profit/loss for the year and comprehensive income	–	–	50		50
Comprehensive income for the year	–	–	50		50
Difference arising on merger	–	–	62		62
Transactions with owners					
New share issue	0	4	–		4
Dividend paid	–	–	-132		-132
Share-matching plan*	–	0	–		0
TOTAL TRANSACTIONS WITH OWNERS	0	4	-132		-127
CLOSING BALANCE, 30 JUNE 2020	105	2,612	6		2,723
Profit/loss for the year and comprehensive income	–	–	11		11
Comprehensive income for the year	–	–	11		11
Transactions with owners					
New share issue	0	17	0		17
Dividend paid	–	–	-158		-158
Share-matching plan*	–	0	0		0
TOTAL TRANSACTIONS WITH OWNERS	0	17	-158		-141
CLOSING BALANCE, 30 JUNE 2021	106	2,629	-141		2,593

Parent Company cash flow statement

(SEK m.)	Note	2020/21	2019/20
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/loss		-14	-17
Adjustment for items affecting cash flow		0	1
Income tax paid		-1	0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		-15	-17
Cash flow from changes in working capital			
Change in operating receivables		-233	138
Change in operating liabilities		811	369
CASH FLOW FROM OPERATING ACTIVITIES		563	490
Financing activities			
Interest received		0	0
Interest paid		-13	-23
New share issue	P9	17	4
Dividend paid		-158	-132
Group contributions received		100	34
Borrowing		–	–
Amortisation of loans	P10	-150	-400
CASH FLOW FROM FINANCING ACTIVITIES		-203	-517
Cash flow for the year		359	-27
Cash and cash equivalents at beginning of year		303	329
CASH AND CASH EQUIVALENTS AT END OF YEAR		662	303

Notes Parent Company

P1: Significant accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities. Under RFR 2, the Parent Company is required in accounting for the legal entity to apply all IFRS adopted by, and statements from, the EU as far as is possible within the framework of the Swedish Accounts Act, the Swedish Pension Obligations Vesting Act and with due regard to the correlation between accounting and taxation. The recommendation states which exemptions and which additions shall be applied.

The differences between the Group's accounting policies, as described in Note G1, and those of the Parent Company are set out below. The stated principles have been applied consistently to all periods presented.

Presentation of income statement and balance sheet

The financial statements include an income statement, statement of comprehensive income, balance sheet, cash flow statement and a statement of changes in equity. The Parent Company uses the presentations described in the Swedish Annual Accounts Act for the income statement and balance sheet, whereas the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Participations in Group companies

Participations in Group companies are recognised at cost less any impairment losses. An estimate of recoverable amount is made when there is an indication that shares and participations in subsidiaries have decreased in value. If the recoverable amount is lower than the carrying amount, an impairment

loss is recognised. Impairment losses are reported under Income from participation in Group companies.

Financial instruments

Following the alignment between accounting and taxation rules, the Parent Company does not apply IFRS 9 Financial Instruments. In the Parent Company, non-current financial assets are measured at cost less any impairment losses, while current financial assets are measured at cost or fair value, whichever is the lower. Financial liabilities are recognised at amortised cost.

Leases

In the Parent Company, any leases where the Parent Company is the lessee are recognised by expensing the lease payment on a straight-line basis over the term of the lease.

Group contributions and shareholder contributions

Shareholder contributions paid are recognised as an increase in the value of shares and participations in Group companies. An assessment is then made of whether any impairment has arisen in the value of the shares and participations concerned.

Group contributions paid and received are recognised as appropriations.

Dividends

Dividend receipts are recognised in the income statement when the shareholders' right to receive a dividend payment has been established.

Mergers

Mergers are accounted for in accordance with BF-NAR 1999:1 Mergers of Wholly Owned Subsidiaries.

P2: Intra-Group transactions

Of the Parent Company's income, SEK 8 million (8) consists of sales to other companies in the corporate group of which the Company is part.

The Parent Company's income consists of fees for services performed on behalf of the subsidiaries.

Of the Parent Company's expenses, SEK 1 million (1) consists of purchases from other Group companies.

P3: Salaries and other remuneration

SEK m.	2020/21	2019/20
Board of Directors and CEO		
Salaries and other remuneration	13	11
Pension expenses	2	2
Social security contributions	4	3
Sum total	19	16
Other employees		
Salaries and other remuneration	0	2
Pension expenses	0	1
Social security contributions	0	1
Sum total	0	4
Total	19	20

AVERAGE NUMBER OF EMPLOYEES		
	2020/21	2019/20
Women	–	1
Men	1	1
Sum total	1	2

P4: Fees to auditors

SEK m.	2020/21	2019/20
PricewaterhouseCoopers AB		
Auditing	1	1
Auditing services over and above audit assignment	0	0
Tax advisory services	0	0
Other services	0	1
Sum total	1	1

Auditing fees consists of the fees paid for statutory auditing of the annual accounts and the accounting records, and of the administration by the Board of Directors, and for advisory services provided in connection with observations arising from the audit.

P5: Interest income and similar items

	2020/21	2019/20
Foreign exchange gains	2	–
Interest income from Group companies	18	12
INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS	20	12

P6: Interest expense and similar items

	2020/21	2019/20
Interest expense	-12	-21
Interest expense to Group companies	0	0
Borrowing costs*	-2	-7
Bank charges and similar	-3	–
Interest expense and similar profit/loss items	-17	-31

* Setup charges for new loans are expensed over the term of the loan. During the financial year, the scheduled amortisation of capitalised borrowing costs totalled SEK 2 million (7).

P7: Taxes**RECONCILIATION OF EFFECTIVE TAX**

SEK m.	2020/21	2019/20
Net profit/loss, before tax	14	64
Tax at current tax rate (21.4%)	3	14
TAX EXPENSE RECOGNISED	3	14

P8: Shares in subsidiaries

The Group has operations in Sweden, Norway and Germany. The Parent Company has a controlling interest over the subsidiaries. All subsidiaries are wholly owned, directly or indirectly, 100 percent, by the Parent Company.

Last year, the Parent Company merged with the wholly-owned subsidiaries AcaceMedia Group AB (corp. reg. no. 556806-1369) and ACM 2010 AB (corp. reg. no. 556805-3051).

SEK m.	2020/21	2019/20
Carrying amount, opening balance	3,261	2,247
Merger	–	1,014
CARRYING AMOUNT, CLOSING BALANCE	3,261	3,261

Subsidiaries	Corp. reg. no.	Registered office	Percentage holding	Number of shares	Nominal value	Book value
ACM 2001 AB	556057-2850	Stockholm	100%	12,041,246	2	3,261

Indirect ownership of subsidiaries in the Group, as per 30 June 2021

	Corp. reg. no.	Registered office	Percentage of capital	Number of shares	Nominal value/ share (SEK)
AcadeMedia Eductus AB	556527-4007	Stockholm	100%	20,000	100
AcadeMedia fria grundskolor AB	556932-0699	Stockholm	100%	50,000	1
AcadeMedia Support AB	556568-8479	Stockholm	100%	1,000	100
Allautbildare Sverige AB	556873-3470	Stockholm	100%	505,000	0.1
Anew Learning AB	556402-8925	Stockholm	100%	10,000	10
Banérporten AB	556442-1724	Stockholm	100%	1,000	100
Banérporten Förskolor AB	556994-3565	Stockholm	100%	500	100
Banérportsskolan AB	556606-4001	Stockholm	100%	2,000	100
Bikupan i Östersund AB	556867-6695	Stockholm	100%	500	100
Cybergymnasiet i Göteborg AB	556569-3297	Stockholm	100%	1,000	100
Cybergymnasiet i Malmö AB	556569-3289	Stockholm	100%	1,000	100
Cybergymnasiet i Stockholm AB	556554-7964	Stockholm	100%	10,000	100
DBGY Juvelen AB	556578-9129	Stockholm	100%	1,000	100
DBGY Kronan AB	556566-8794	Stockholm	100%	4,000	100
Designgymnasiet i Sverige AB	556932-0681	Stockholm	100%	50,000	1
Didaktus Skolor AB	556473-2856	Stockholm	100%	4,300	50
Didaktus Utbildningar AB	556645-3626	Stockholm	100%	2,000	50
Donnergymnasiet AB	556540-8381	Stockholm	100%	1,500	100
EC Utbildning AB	556626-4387	Karlshamn	100%	1,000	100
Färjan AB	556768-0631	Stockholm	100%	1,000	100
Förskolan Moroten AB	556450-3612	Stockholm	100%	1,000	100
Global Education Services AB (formerly TO i Sverige AB)	556606-7855	Stockholm	100%	1,000	100
Guldkusten AB	556983-1430	Stockholm	100%	500	100
Hagströmska Gymnasiet AB	556755-0461	Falun	100%	1,000	100
Hammarby Förskolor AB	556629-2537	Stockholm	100%	1,000	100
Hermods AB	556044-0017	Stockholm	100%	11,000	1,000

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	Corp. reg. no.	Registered office	Percentage of capital	Number of shares	Nominal value/ share (SEK)
International Montessori School Sweden AB	556764-0205	Ekerö	100%	1,000	100
Internationella hotell- och restaurangskolan IHR AB (formerly Hermods DCC AB)	556982-8451	Stockholm	100%	50,000	1
Kastanjelunden Förskola AB	556755-0032	Stockholm	100%	1,000	100
KLARA Gymnasium Bildning AB	556528-6696	Stockholm	100%	2,800	100
KLARA Gymnasium Kunskap AB	556630-3938	Stockholm	100%	1,000	100
KLARA Gymnasium Lärande AB	556558-3282	Stockholm	100%	250,000	1
Kompetensutvecklingsinstitutet Sverige AB	556355-7395	Stockholm	100%	1,000	100
Kringlaskolan AB	556773-4065	Stockholm	100%	1,000	100
Kungsholmens Förskola AB	559042-7000	Stockholm	100%	500	100
KYH AB	556644-7768	Stockholm	100%	1,000	100
Limhamns Förskola AB	556483-3829	Stockholm	100%	878	178
Ljud & Bildskolan LBS AB	556485-1649	Stockholm	100%	10,000	100
Matchning och Utveckling i Sverige AB (formerly Coaching och utveckling i Sverige AB)	556820-7673	Stockholm	100%	500	100
Movant AB	556526-5005	Gothenburg	100%	1,000	100
Norrskenet Friskola Luleå AB	559045-5076	Stockholm	100%	50,000	1
NTI Gymnasiet Ellips AB	556597-0471	Stockholm	100%	6,000	100
NTI Gymnasiet Helix AB	556674-7290	Stockholm	100%	1,000	100
NTI Gymnasiet Macro AB	556120-3679	Stockholm	100%	10,000	100
NTI-skolan AB	556709-8057	Stockholm	100%	2,000	100
Omniway AB (formerly Utbildningsborgen i Örebro AB)	556442-1328	Stockholm	100%	5,000	100
Plushögskolan AB	556495-5853	Gothenburg	100%	1,000	100
Pops Academy AB	556958-3197	Stockholm	100%	1,000	50
Praktiska Lärande AB (formerly Framtidsgymnasiet Öst AB)	556530-4481	Stockholm	100%	6,999	100
Praktiska Studier Riks AB (formerly Framtidsgymnasiet i Sverige AB)	556575-5500	Stockholm	100%	1,000	100
Praktiska Sverige AB	556257-5786	Gothenburg	100%	1,000	100
Praktiska Utbildning AB (formerly Framtidsgymnasiet i Göteborg AB)	556478-1606	Stockholm	100%	1,000	100
Primaskolan i Sverige AB	556557-0958	Stockholm	100%	4,000	100
ProCivitas Privata Gymnasium AB	556615-7102	Stockholm	100%	1,000	100

Pyslingen Förskolor och Skolor AB	556035-4309	Stockholm	100%	90,000	100
Pålsjö Skogs Förskola AB	556451-3587	Stockholm	100%	1,230	100
RE Skolor AB	559024-4579	Stockholm	100%	50,000	1
Rytmus AB	556464-8979	Stockholm	100%	8,000	100
Sjölin's Gymnasium AB	556375-8399	Stockholm	100%	500	1,000
Sofiero Förskola AB	556555-3079	Stockholm	100%	1,000	100
Swedish Education Group AB	556504-2255	Stockholm	100%	1,000	100
Sälj och Marknadshögskolan i Sverige AB	556518-9361	Stockholm	100%	1,000	100
Söder Triaden Förskolor AB	556468-5955	Stockholm	100%	102	1,000
TGA Utbildning AB	556575-3901	Stockholm	100%	1,000	100
Vindora Holding AB	556861-7079	Gothenburg	100%	2,414,622,329	0.01
Vindora Utbildning AB	556735-0110	Gothenburg	100%	1,000	100
Vittraskolorna AB	556458-6716	Stockholm	100%	1,000	100
Växthuset förskola i Mölndal AB	556780-2714	Stockholm	100%	1,000	100
Åsöbergets Förskola AB	556476-5609	Stockholm	100%	1,000	100

Indirect ownership of subsidiaries in the Group

	Corp. reg. no.	Registered office	Percentage of capital	Number of shares	Nominal value/ share (SEK)
Engelsrudhagen Barnehagetomt AS	913981464	Karmøy	100%	216,828	1
Espira Akademiet AS	966825855	Karmøy	100%	920	152
Espira Barnehager AS	985072825	Karmøy	100%	100	1,000
Espira Bjørgene AS	988440418	Karmøy	100%	100	1,000
Espira Blakstad AS	996987329	Karmøy	100%	100	1,000
Espira Brådalsfjellet AS	988711896	Karmøy	100%	100	1,000
Espira Casa Musica Barnehage AS	984084358	Karmøy	100%	100	1,000
Espira Draggerskogen AS	990652899	Karmøy	100%	100	1,000
Espira Dvergsnes AS	991126627	Karmøy	100%	100	1,000
Espira Eiendom AS	992642734	Karmøy	100%	100	1,000
Espira Eikenga AS	817350232	Karmøy	100%	62	2,935
Espira Evje AS	996987337	Karmøy	100%	100	1,000
Espira Fasanveien AS	925905836	Karmøy	100%	300	500
Espira Fenstad AS	987762780	Karmøy	100%	100	1,000
Espira Garhaug AS	986916490	Karmøy	100%	100	1,000

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	Corp. reg. no.	Registered office	Percentage of capital	Number of shares	Nominal value/ share (SEK)						
Espira Gjemble AS	983089909	Karmøy	100%	100	1,000	Espira Rubbestadneset AS	991996605	Karmøy	100%	100	1,000
Espira Gruppen AS	991926577	Karmøy	100%	54,630,000	0.1	Espira Rå AS	989932543	Karmøy	100%	100	1,000
Espira Gullhella AS	985462437	Karmøy	100%	100	1,000	Espira Rødknappen AS	994751530	Karmøy	100%	100	1,000
Espira Gåserud AS	985030006	Karmøy	100%	100	1,000	Espira Salamonskogen AS	989512811	Karmøy	100%	100	1,000
Espira Halsnøy Kloster AS	990797722	Karmøy	100%	100	1,000	Espira Scala Hundvåg AS	988201030	Karmøy	100%	100	1,000
Espira Helldalsåsen AS	985311374	Karmøy	100%	100	1,000	Espira Scala Tasta AS	988201170	Karmøy	100%	100	1,000
Espira Holding AS	913192281	Karmøy	100%	30	100,000	Espira Skjeraberget AS	917350140	Karmøy	100%	67	1,000
Espira Høytorp Fort AS	988711918	Karmøy	100%	100	1,000	Espira Skolegata AS	986916644	Karmøy	100%	100	1,000
Espira Jeløy AS	986977651	Karmøy	100%	100	11,020	Espira Skåredalen AS	992061529	Karmøy	100%	100	1,000
Espira Kløverenga AS	988067547	Karmøy	100%	100	1,000	Espira Snurrefjellet AS	986916563	Karmøy	100%	100	1,000
Espira Knerten AS	979339828	Karmøy	100%	210	1,000	Espira Solknatten AS	990652813	Karmøy	100%	100	1,000
Espira Kniveåsen AS	990343063	Karmøy	100%	100	1,000	Espira Stansa AS	912980219	Karmøy	100%	73,818	1
Espira Krystallveien AS	992419938	Karmøy	100%	100	1,000	Espira Stjørdal AS (formerly Fossilbekken Barnehage AS)	919307579	Karmøy	100%	100	1,000
Espira Kulturstien AS	989557718	Karmøy	100%	10,000	10	Espira Stongafjellet AS	989838512	Karmøy	100%	100	1,000
Espira Kuventræ AS	989838563	Karmøy	100%	100	1,000	Espira Sundbyfoss AS	994310623	Karmøy	100%	100	1,000
Espira Kystad Gård AS	919307617	Karmøy	100%	100	1,000	Espira Taremareby AS	917350183	Karmøy	100%	630	500
Espira Lindesnes AS	914760224	Karmøy	100%	1,000	100	Espira Tastarustå AS	915657087	Karmøy	100%	5,000	10
Espira Litlasund AS	992061472	Karmøy	100%	100	1,000	Espira Tjøsvoll AS	992062002	Karmøy	100%	100	1,000
Espira Løvestad AS	992823690	Karmøy	100%	100	1,000	Espira Torsbergskogen AS	991361642	Karmøy	100%	100	1,000
Espira Marthahaugen AS	990036888	Karmøy	100%	100	1,000	Espira Ulsetskogen AS	991127402	Karmøy	100%	100	1,000
Espira Muruvik AS	919307595	Karmøy	100%	100	1,000	Espira Vagletjørn AS	989838482	Karmøy	100%	100	1,000
Espira Myraskogen AS	992061448	Karmøy	100%	100	1,000	Espira Vannverksdammen AS	990342598	Karmøy	100%	100	1,000
Espira Nordmo AS	985311366	Karmøy	100%	100	1,000	Espira Vanse AS	988263095	Karmøy	100%	100	1,000
Espira Opaker AS	992081066	Karmøy	100%	100	1,000	Espira Varbak Arcen AS	890015492	Karmøy	100%	100	1,000
Espira Opsahl AS	985797625	Karmøy	100%	100	1,000	Espira Veldetun AS	985462372	Karmøy	100%	100	1,000
Espira Ormdalen AS	992420189	Karmøy	100%	100	1,000	Espira Åbol AS	992823585	Karmøy	100%	100	1,000
Espira Oslo Barnehagedrift AS	914945577	Karmøy	100%	100	1,000	Espira Århaug AS	988067644	Karmøy	100%	100	1,000
Espira Rambjøra AS	986916512	Karmøy	100%	100	1,000	Espira Østrem AS	986916555	Karmøy	100%	100	1,000
Espira Ree AS	989544489	Karmøy	100%	100	1,000	Karmsund Barnehage AS	990586152	Karmøy	100%	100	1,000
Espira Romholt AS	888440402	Karmøy	100%	100	1,000	Skogen Barnehage AS	992420243	Karmøy	100%	100	1,000
						Søndre Kleivan Barnehage AS	990050937	Karmøy	100%	100	1,000
						Tomm Murstad Friluftsbarnhage AS	998143969	Karmøy	100%	50,000	1

Indirect ownership of subsidiaries in the Group

	Corp. reg. no.	Registered office	Percentage of capital	Number of shares	Nominal value/ share (EUR)
AcadeMedia GmbH	HRB 222 151	Munich	100%	25,000	1
Espira und Joki Kinderbetreuung GmbH	HRB 174 184	Munich	100%	25,000	1
KTS Verwaltungs GmbH	HRB 190824	Munich	100%	25,000	1
Lab for Future GmbH	HRB 227687 B	Berlin	100%	25,000	1
Step Kids Education GmbH	HRB 132431 B	Berlin	100%	49,380	1
Step Kids KITas GmbH	HRB 149735 B	Berlin	100%	25,000	1

P9: Equity

Share capital	Number	SEK
Ordinary share	105,582,940	105,582,940
Class C share	205,905	205,905

For further information regarding the share capital, see Note G24.

P10: Interest-bearing liabilities

INTEREST-BEARING LIABILITIES		
SEK m.	30 June 2021	30 June 2020
Liabilities to credit institutions	785	933
Convertible bonds	18	18
	803	951

Of these liabilities, SEK 150 million (150) matures within one year and SEK 635 million (807) within one and five years. The difference from what is recognised on the balance sheet is made up of the accrued acquisition cost of the loans and the discount for the balance of the convertible loan.

P11: Post balance sheet events

No significant events have occurred since the end of the financial year.

P12: Dividend proposal

After the balance sheet date, the Board proposed a dividend of SEK 1.75 per share, corresponding to a total dividend of SEK 185 million. The dividend will be subject to approval by the Annual General Meeting, which is scheduled for 30 November 2021.

Signatures of the Board of Directors

The Board of Directors and the CEO hereby provide an assurance that the consolidated accounts and the annual report have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting standards, and provide a fair and true view of the Group's and the Parent Company's financial position and results, and that the administration report provides a true and fair overview of the development of the Group's and the Parent Company's operations, financial position and results, and describes material risks and uncertainties faced by the companies in the Group.

The undersigned also hereby submit the sustainability report on pages 23–48.

Stockholm, 28 October 2021

Anders Bülow
Chairman

Marcus Strömberg
Chief Executive Officer

Johan Andersson
Board member

Ann-Marie Begler
Board member

Anki Bystedt
Board member

Pia Rudengren
Board member

Silvija Seres
Board member

Håkan Sörman
Board member

Anna Lundmark Boman
Employee representative

Anders Lövgren
Employee representative

We submitted our audit report on 28 October 2021.

PricewaterhouseCoopers AB

Patrik Adolfson
*Authorised Public Accountant
Principal auditor*

Eva Medbrant
Authorised Public Accountant

Audit Report

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

Report on the annual report and consolidated accounts

OPINIONS

We conducted an audit of the annual report and consolidated accounts of AcadeMedia AB (publ) for the financial year 1 July 2020 – 30 June 2021 with the exception of the corporate governance report on pages 56–59. The annual report and consolidated accounts of the company are included on pages 49–104 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 June 2021 and of its financial performance and its cash flow for the year then ended, in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 June 2021 and of its financial performance and cash flow for the year, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual report and consolidated accounts.

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

Our statements in this report on the annual report and consolidated accounts are consistent with the content of the supplementary report that was submitted to the parent company's audit committee in accordance with Article 11 of the EU's Audit Regulation (Regulation (EU) No 537/2014).

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are inde-

pendent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, based on our best knowledge and belief, no prohibited services referred to in Article 5 (1) of Regulation (537/2014 EU Audit Regulation) have been provided to the audited company or, where applicable, its parent company or its controlled company in the EU.

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

OUR AUDIT APPROACH

FOCUS AND SCOPE OF THE AUDIT

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management had made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We adapted the focus and scope of our audit, taking into account the structure of the AcadeMedia Group and the internal control environment, to enable us to provide an audit report on the annual accounts and the consolidated financial statements as a whole.

AcadeMedia is the largest education group in the Nordic region and has operations in Sweden, Norway and Germany. As of 30 June 2021, the business was conducted via around 140 legal entities. The large number of legal entities is due to the acquisition of the businesses by the group, and legal regulations that restrict

the possibility of relocating operations. We conduct a statutory audit of all legal entities in Sweden and Norway, and for group purposes we review the most significant entities in the group and the parent company. The operations in Sweden and Norway account for 95 percent of the group's sales and the majority of the group's total assets. The audit included the following activities:

- Review of internal control of financial reporting, procedures and processes based on assessed risks;
- Limited review of the accounts as at 31 March 2021 with the aim of issuing a limited review report; and
- Audit of the annual accounts as at 30 June 2021, focusing on measurement of goodwill, recognition of revenue and personnel expenses, acquisition analyses and integration relating to acquisitions, restructuring reserves and assessment of reporting and disclosure regarding disputes. Furthermore, the impact of COVID-19 on financial reporting and related information has been analysed and taken into account in the audit.
- Final audit procedures required to issue this audit report on the annual accounts of the parent company and the group and, where applicable, other legal entities. In addition, procedures are also performed to enable us to issue our opinion on compliance with guidelines for senior executives, as well as the corporate governance and sustainability reports of the parent company.

The review was conducted by an audit team from within the PwC network. The work was performed in accordance with the local audit requirements of each country, as well as specific instructions related to the group audit. Regarding the operation in Germany, the group audit team carried out an analytical review and other review procedures. In addition, the principal auditor and assistant auditor held digital meetings during the year with the

Norwegian and German operations, since we were not able to visit in person in these countries due to the Covid-19 pandemic. The purpose of these meetings was to gain an understanding of activities in the units visited and to understand the procedures and controls in order to evaluate internal control and to conduct a limited review of the financial statements based on the group's accounting principles.

MATERIALITY

The scope of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the focus and scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTER

Key audit matters in the audit are those that, in our professional judgement, were of most significance in our audit of the annual report and consolidated accounts for 1 July 2020 to 30 June 2021. These matters were addressed in the context of our audit of, and in forming our opinion on, the annual report and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

MEASUREMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

We refer to the Notes G1 General information, accounting and valuation policies, which contains information on important estimates and assumptions for accounting purposes, G15 Intangible non-current assets and G16 Impairment testing.

Goodwill represents an important component of the AcadeMedia Group's total assets and amounts to SEK 6,205 million as of 30 June 2021 (36 percent of total assets). Brands are valued at around SEK 198 million at the same point in time. The items are subject to the assessment and assumptions of management, and because of their materiality have been deemed to be a Key audit matter in the audit.

Management and the board of directors conduct annual impairment testing of the value of goodwill. The purpose of impairment testing is to determine whether an asset is impaired, i.e. whether the book value (carrying amount) exceeds the assessed fair value (recoverable amount).

The model and methodology for testing goodwill and other assets with an indefinite useful life has been applied consistently throughout the Group. The calculated value is based on the budgets and forecasts approved by the board of directors for the next ten years. The cash flows from the years beyond the next five are extrapolated on the basis of the business plan. The process thus includes assumptions that assume material significance to impairment testing. These assumptions include sales growth, development of margins and the discount rate (WACC).

The value resulting from the test corresponds to the value of discounted cash flows for identified cash-generating units. Even if a unit passes the impairment test, future developments that deviate negatively from the assumptions and assessments on which the review was based may lead to a need for impairment. Valuation of the company's operations is at its most sensitive regarding future earnings in the Norwegian business.

Furthermore, assumptions made are affected by the uncertainty regarding political decisions that could be made affecting staffing, quality, profits etc., as described in Note G1, which addresses important estimates and assessments for accounting purposes.

AcadeMedia's conclusion, based on the best estimate and the information that was available when the annual impairment test was performed, is that there was no indication of impairment of the assets referred to above as of 30 June 2021.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In the impairment test for goodwill and other acquisition-related intangible assets, to ensure the valuation and accuracy we performed the following audit measures:

- In the assessment of the assumptions, which are presented in Note G16 Impairment testing, we have engaged PwC's experts in valuation to test and assess the models and methodology that were used, as well as significant assumptions.
- On a random sample basis, we tested, evaluated and challenged the information used in the calculations versus AcadeMedia's financial plan and, where possible, external information. We then focused on the assumed growth rates, changes in margins and the discount rate for each cash generating unit. We also reviewed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes.
- We checked the sensitivity of the valuation to negative changes in key parameters that, on an individual or aggregate basis, could result in an impairment charge.
- We judged that the disclosures provided in the annual report are correct, based on the test of valuation conducted, particularly as regards the information on the sensitivity of the valuations
- We compared the disclosures provided in the financial statements with IAS 36 requirements and found that they were fulfilled in all material respects.
- We evaluated AcadeMedia's assessment regarding political risk and limitations to profits in the welfare sector as reported in the section Risk and risk management in the Administration Report, as well as in Note 1, which addresses important estimates and assessments for accounting purposes.

Based on our audit we conclude that AcadeMedia's assumptions fall within an acceptable interval. In addition to this disclosure requirement, the information in Note G16 addresses assumptions and risks where changes in assumptions entail or could entail a need for an impairment write-down.

APPLICATION OF IFRS 16 LEASES DURING THE FINANCIAL YEAR

We refer to the Notes G1 General information, accounting and valuation policies, which contains information on important estimates and assumptions for accounting purposes, and Note G18 Right-of-use-assets.

IFRS 16, Leases, came into force on 1 January 2019, superseding earlier accounting standards. Implementation of the standard means that essentially all leases are recognised on the balance sheet, as there is no longer any distinction made between operating leases and finance leases. IFRS 16 requires assets and liabilities attributable to leases, unless the lease term is twelve months or less or the underlying asset is of low value, to be recognised as assets and liabilities on the balance sheet.

Accounting under IFRS 16 has almost doubled the balance sheet total compared to the previous accounting standard and has significant impact on the income statement. Furthermore, the accounts are based on a number of significant estimates including discount rates, lease term (and related management of renewal clauses) and vacant space.

Lease liabilities and right-of-use assets related to property leasing were previously discounted using the implicit rate estimated as property yield, but from the fourth quarter of 2020/21 property leasing contracts are discounted using the incremental borrowing rate. A recalculation of financial statements previously presented shows that the effect is not material, and so AcadeMedia has not restated any financial statements previously presented.

Considering the material impact on AcadeMedia's accounts and the critical judgements upon which the accounts are based, accounting in accordance with IFRS 16 constitutes a Key audit matter in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In our 2020/2021 audit, we focused in particular on the accounting in accordance with IFRS 16 and performed the following audit procedures;

- Gained an understanding of AcadeMedia's IFRS 16 accounting process.
- On a random basis, we examined and checked calculations used to support the recognition of right-of-use assets and lease liabilities.
- We reconciled input data in calculations against leases or other supporting data.
- We examined AcadeMedia's judgements, including the discount rates used and application of option clauses in leases, and examined the same.

In addition to the above, our procedures included:

- Examination of the accounting policies applied and verification against IFRS 16 Leases
- Examined the change in discount rate and its impact on the accounts that occurred during the year
- Examination of accounting in 2020/21 and verification against implemented accounting policies
- Examination of procedures and internal controls to verify a correct accounting process under IFRS 16 Leases.

The assessment of AcadeMedia's policies for posting impairment losses for any indication of impairment of recognised right-of-use assets is described below under the Key audit matter "Management's judgements concerning provisions for onerous contracts and impairment of right-of-use assets".

In our audit, we have reported to the Audit Committee that AcadeMedia has a process for IFRS 16 and that the applied assumptions, on which the accounting was based, were found to be reasonable.

MANAGEMENT'S JUDGEMENTS CONCERNING PROVISIONS FOR ONEROUS CONTRACTS AND IMPAIRMENT OF RIGHT-OF-USE ASSETS.

We refer to Notes G1 General information, accounting and valuation policies, G18 Right-of-use assets, G24 Other provisions and G25 Accrued expenses and deferred income.

Assumptions and judgements that serve as the basis of provisions for onerous contracts or similar commitments (in the following "onerous contracts") and any indication of impairment of right-of-use assets. AcadeMedia has around 680 units in its operations, including both mature units and startups. The results for such units range from negative to positive, according to whether a unit is in a development stage, and/or to various other factors. In the event that a commitment, legal or constructive, is going to lead to future losses, under IAS 37 Provisions a provision must be recognised for the losses that are expected to be incurred after the reporting date and until termination of the contract. In the event that the losses relate to right-of-use assets, an impairment charge of must be taken for those assets instead of a provision being reported.

AcadeMedia monitors the profit and position of all units on a monthly basis and makes judgments and forecasts for the future. Based on these judgments, AcadeMedia determines whether a provision or impairment should be reported.

According to the notes above, there are provisions of a total of SEK 64 million for restructuring and provisions for contract termination costs/onerous contracts of SEK 81 million, which in part include this exposure. Although these items are not material in relation to AcadeMedia's financial position, we find that the reporting of underlying judgements is a Key audit matter.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In our audit, we focused in particular on examining management's assessments of onerous contracts in order to verify completeness, accuracy and measurement. The audit procedures we performed during the 2020/21 financial year included the following:

- We examined AcadeMedia's monitoring and closing accounts procedures to verify that internal controls are in place to account for provisions for restructuring and onerous contracts if required under IAS 37 Provisions and that right-of-use assets have been impaired if a permanent decline in value is found to exist.
- We analysed and discussed the follow-up and documentation that AcadeMedia prepares for onerous contracts as well as for restructuring. A description of the current situation, activities to achieve profitability and a forecast period for the time until the unit is expected to make a profit is attached here.
- We followed up profit and loss outcomes and future forecasts pertaining to units on the basis of internal reports, and evaluated the forecast reliability of future forecasts jointly with the individuals responsible at AcadeMedia.
- We evaluated AcadeMedia's policies for making provisions against potential losses attributable to restructuring and losses, against the requirements stated in IAS 37 Provisions, and the same with regard to impairment of right-of-use assets against the requirements stated in IAS 36 Impairment of Assets.

In our audit, we reported observations to the Audit Committee regarding the accounting of provisions for onerous contracts and impairment of right-of-use assets. In our view, AcadeMedia's assumptions on which provision for onerous contracts and impairments of right-of-use assets are based are within an acceptable range.

PROCEDURES AND PROCESSES, AS WELL AS RECOGNITION OF PERSONNEL-RELATED EXPENSES

We refer to Notes G1 General information, accounting and valuation policies, G5 Personnel expenses, G6 Pensions and G25 Accrued expenses and deferred income.

AcadeMedia has around 18,000 employees in its subsidiaries. Personnel expenses account for just over 67 percent of AcadeMedia's operating expenses. This is thus the most significant expense item in AcadeMedia's consolidated income statement. Personnel costs consist of both wages and other remuneration, including variable remuneration, as well as directly attributable taxes and social security contributions. The risk in these items relates to their completeness, as well as their being correctly calculated, properly reported as accrued and properly measured. There is also an inherent complexity in payroll management, since the various personnel groups are covered by different employment contracts and collective agreements, which in turn give rise to differences in how salaries, other remuneration and benefits are to be calculated.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In order to pay salaries to 18,000 employees each month, or in some cases more frequently, efficient procedures and processes must be in place to calculate and check the salaries and remuneration to be paid.

Our audit is based both on an evaluation of internal controls and on substantive testing of revenues and other analysis measures, including systems-based transaction analyses of certain balance sheet and income statement items in key subsidiaries.

The review of key controls of financial reporting and income statement and balance sheet items was carried out on a random sample basis. Audit activities performed include the following:

- We checked material accrued expenses and/or reserves for vacation pay liability, payroll liability, taxes and social security contributions, against information from the payroll system and management's calculations and assessments.
- We reviewed personnel expenses via analytical review measures including changes in expenses in the income statement, accrued expenses and reserves, based on our knowledge and through the use of database-related transaction analyses.

Nothing material emerged in these audit procedures that we reported to the management, the Audit Committee, or the Board.

Information other than the annual report and consolidated accounts

This document also contains information other than the annual accounts and the consolidated accounts. This other information is provided on pages 1–22 and 110–117. The board of directors and the chief executive officer are responsible for this other information.

Our opinion regarding the annual report and consolidated accounts does not cover this information, and we make no statement of assurance regarding this other information.

In connection with our audit of the annual report and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated accounts. In this procedure, we also take into account the knowledge we have otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, on the basis of the work performed regarding this information, we conclude that such other information includes a material misstatement, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The board of directors and the chief executive officer are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with IFRS, as adopted by the EU. The board of directors and the chief executive officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual report and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and consolidated accounts, the board of directors and the chief executive officer are responsible

for the assessment of the ability of the company to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the board of directors and the chief executive officer intend to liquidate the company, cease operations or have no realistic alternative but to do so.

The board's audit committee shall, without prejudice to the board's responsibilities and duties, in particular monitor the company's financial reporting.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to submit an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual report and consolidated accounts.

A further description of our responsibility for the audit of the annual report and consolidated accounts is available on the Supervisory Board of Public Accountants (Revisorsnämnden) website (www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf). This description is part of the auditor's report.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts, we have also audited the administration by the board of directors and the chief executive officer of AcadeMedia AB (publ) for the financial year 1 July 2020 – 30 June 2021 and the proposed appropriation of the company's profit or loss.

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the board of directors and the chief executive officer be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The board of directors is responsible for the proposal for appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organization and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation and ensuring that

the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a satisfactory manner. The chief executive officer shall manage the ongoing administration according to the board of directors' guidelines and instructions and among other matters take measures that are necessary to ensure that the company's accounting is performed in accordance with law and to ensure that the management of assets is conducted in a satisfactory manner.

AUDITOR'S RESPONSIBILITIES

Our objective concerning the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to judge with a reasonable degree of assurance whether any member of the board of directors or the chief executive officer in any material respect:

- has undertaken any action or been guilty of any omission that can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion on this matter, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriation of the company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Supervisory Board of Public Accountants (Revisorsnämnden) website (www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf). This description is part of the auditor's report.

Auditor's review of the corporate governance report

The board of directors is responsible for the corporate governance report on pages 56–59 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's RevU 16 Auditor's Review of the corporate governance report. This means that our review of the corporate governance report has a different focus and is substantially lesser in scope than an audit conducted in accordance with International Standards on Auditing

and generally accepted auditing standards in Sweden. We believe that this review provides a sufficient basis for our opinion.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, section 6(2), items 2–6, and Chapter 7, section 31 (2) of the Annual Accounts Act are consistent with the other sections of the annual accounts and the consolidated annual accounts, as well as with the Annual Accounts Act.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed to serve as auditor by AcadeMedia ABs (publ) at the Annual General Meeting held on 26 November 2020 and has been the company's auditor since 24 November 2017.

Stockholm, 28 October 2021

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Principal auditor

Eva Medbrant
Authorised Public Accountant

The share and shareholders

AcadeMedia shares have been listed in the Mid-Cap segment of Nasdaq Stockholm under the ticker symbol ACAD since 15 June 2016.

Dividend policy

AcadeMedia's main responsibility is to provide a quality education for the remuneration it receives. This should be done as efficiently as possible. AcadeMedia's free cash flow will primarily be reinvested in the business in order to maintain high quality and to finance future growth. The surplus may be distributed to the shareholders, provided that AcadeMedia meets its targets regarding quality and financial position.

Ownership structure and number of shares

As of 30 June 2021, the Company's share capital was SEK 105,788,845 (105,548,345). The number of shares totalled 105,788,845 (105,548,345), represented by 105,582,940 (105,300,103) ordinary shares and 205,905 (248,242) 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. The quota value is SEK 1.00 per share. The C shares are held by AcadeMedia and the voting rights represent 1/10th of the voting rights of the ordinary shares.

The largest shareholder was Mellby Gärd AB, with 21.3 percent of the share capital.

During the third and fourth quarter, AcadeMedia fulfilled its obligations under two incentive programmes, the share-matching plan and the warrant programme, both adopted in 2017. Altogether, 42,337 Class C shares were converted to ordinary shares and 240,500 ordinary shares were subscribed for on exercise of warrants. The total number of shares increased by 240,500 and the number of votes by 278,603.3.

10 largest shareholders on 30 June 2021

NAME	NUMBER OF ORDINARY SHARES	NUMBER OF CLASS C SHARES	TOTAL NUMBER OF SHARES	SHARE OF EQUITY, %	SHARE OF VOTES, %	SHARE OF EQUITY, % 30 JUNE 2020	CHANGE
Rune Andersson (Mellby Gärd)	22,548,641		22,548,641	21.3%	21.4%	21.0%	0.30 p/e
Nordea Fonder	9,331,782		9,331,782	8.8%	8.8%	7.6%	-1.17 p/e
Swedbank Robur Fonder	9,179,620		9,179,620	8.7%	8.7%	7.0%	-1.70 p/e
Handelsbanken Fonder	5,924,426		5,924,426	5.6%	5.6%	8.7%	-3.05 p/e
Capital Group	5,658,097		5,658,097	5.3%	5.4%	7.5%	-2.15 p/e
Länsförsäkringar Fonder	3,957,719		3,957,719	3.7%	3.7%	3.4%	0.30 p/e
PRI Pensionsgaranti	3,219,697		3,219,697	3.0%	3.0%	3.1%	-0.01 p/e
Janus Henderson Investors	2,332,736		2,332,736	2.2%	2.2%	2.0%	-0.25 p/e
Dimensional Fund Advisors	1,907,069		1,907,069	1.8%	1.8%	1.7%	-0.10 p/e
Kammarkollegiet (the Swedish Legal, Financial and Administrative Services Agency)	1,416,790		1,416,790	1.3%	1.3%	1.6%	-0.26 p/e
Total, Top 10	65,476,577	0	65,476,577	61.9%	62.0%		
AcadeMedia	0	205,905	205,905	0.2%	0.0%		
Other	40,106,363	0	40,106,363	37.9%	38.0%		
Total	105,582,940	205,905	105,788,845	100.0%	100.0%		

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar and the Swedish Financial Inspectorate.

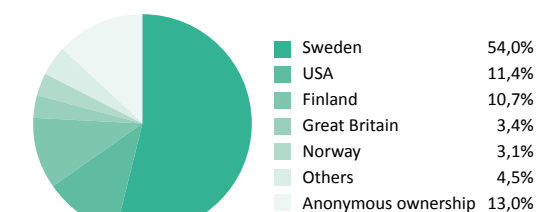
Share facts, 30 June 2021

Market: Nasdaq Stockholm
Segment: Mid Cap
Sector: Retail
Ticker symbol: ACAD
ISIN code: SE0007897079

Total number of shares: 105,788,845
 – ordinary shares (listed): 105,582,940
 – Class C shares (unlisted): 205,905
Market capitalisation: SEK 8,531 m.
Average daily turnover: 190,000

Source: Nasdaq, Euroclear

Shareholders per country, as percentage of equity on 30 June 2021



Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar and the Swedish Financial Inspectorate.

Shareholder analysis, 30 June 2021

	NUMBER OF SHARES	SHARE OF EQUITY, %	SHARE OF VOTES, %
10 largest shareholders	65,476,577	61.9%	62.0%
20 largest shareholders	75,319,823	71.2%	71.3%
30 largest shareholders	81,002,510	76.6%	76.7%

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar and the Swedish Financial Inspectorate.

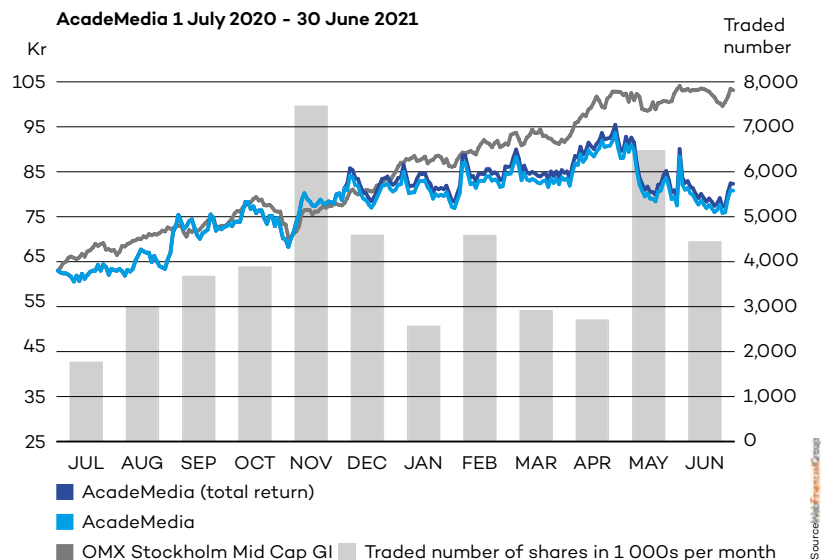
Share performance

Over the period 30 June 2020 to 30 June 2021, the AcadeMedia share rose by 28.3 percent. In the same period, the Nasdaq Stockholm Mid Cap index rose 61.9 percent. The highest price paid for the shares during the period was SEK 94, the lowest SEK

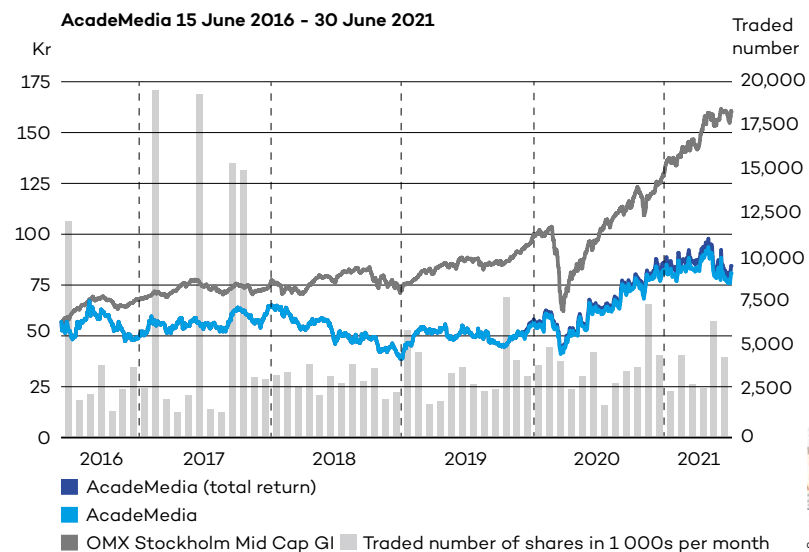
60.6. On 30 June, AcadeMedia shares were listed at SEK 80.8, indicating a market capitalisation of SEK 8,531 million for the Company.

In the period 30 June 2020 to 30 June 2021, a total of 48,014,620 shares (40,433,538) were traded, 45 percent of the shares outstanding. The average daily trading volume during that period was 189,781 shares (162,384).

Trend of share price



Total return on AcadeMedia shares, 2016-2021



Per-share data

	2020/21	2019/20	2018/2019	2017/2018	2016/2017
Equity per share, basic	50.5	45.7	43.6	42.6	36.5
Earnings per share, basic	5.64	4.09	4.09	4.30	4.41
Earnings per share, diluted	5.62	4.09	4.09	4.29	4.40
Dividend per share	1.75**	1.50	1.25	0	0
Share price on 30 June	80.8	64.6	52.3	48.6	56.75
Average number of shares outstanding, basic	105,342,092	105,270,565	105,189,566	100,126,785	94,204,999
Average number of shares outstanding, diluted	105,692,379	105,311,923	105,228,702	100,294,230	94,334,977

* Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means recognition in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

** Dividend proposed by the Board of Directors.

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar and the Swedish Financial Inspectorate.



Photo är tagen på
Pysslingen Arkipelagen
i Gustavsberg på Värmdö.

Multi-year review

SEK M., UNLESS OTHERWISE STATED	2020/21	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹	2015/16 ¹
PROFIT/LOSS ITEMS, SEK M.						
Net sales	13,340	12,271	11,715	10,810	9,520	8,611
Items affecting comparability	-7	36	1	-48	-23	-32
EBITDA	2,756	2,486	931	872	827	722
Depreciation/amortisation	-1,587	-1,513	-296	-250	-212	-186
Operating profit/loss (EBIT)	1,169	973	635	622	615	535
Net financial items	-402	-417	-69	-68	-80	-127
Profit/loss for the period, before tax	767	556	566	555	535	408
Profit/loss for the period after tax	594	431	431	430	416	319
BALANCE SHEET ITEMS, SEK M.						
Non-current assets	15,790	15,285	8,218	7,823	6,574	6,141
Current receivables	658	704	976	860	695	697
Cash and cash equivalents	966	528	527	699	579	331
Non-current interest-bearing liabilities	1,850	1,914	2,205	2,209	2,200	2,116
Non-current lease liabilities	6,495	6,346	-	-	-	-
Non-current non-interest-bearing liabilities	162	207	305	135	114	113
Current interest-bearing liabilities	195	270	592	673	516	568
Current liabilities	1,077	1,010	-	-	-	-
Current non-interest-bearing liabilities	2,319	1,965	2,030	2,103	1,577	1,382
Equity	5,317	4,807	4,589	4,262	3,443	2,990
Total assets	17,414	16,518	9,720	9,383	7,849	7,169
Capital employed	7,718	7,250	7,386	7,144	6,158	5,674
Net debt	1,222	1,797	2,266	2,179	2,133	2,342
Property-adjusted net debt	526	1,138	1,533	1,528	1,550	1,866

SEK M., UNLESS OTHERWISE STATED	2020/21	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹	2015/16 ¹
KPIS						
Sales, SEK m.	13,340	12,271	11,715	10,810	9,520	8,611
Organic growth incl. minor bolt-on acquisitions, %	8.1%	5.4%	4.4%	5.8%	9.0%	6.4%
Acquired growth, major bolt-on acquisitions, %	1.6%	-	3.2%	7.9%	0.8%	0.4%
Change in exchange rates, %	-1.1%	-0.7%	0.8%	-0.1%	0.8%	-1.3%
Operating margin (EBIT), %	8.8%	7.9%	5.4%	5.8%	6.5%	6.2%
Adjusted EBIT, SEK m.	934	728	634	670	638	567
Adjusted EBIT margin, %	7.0%	5.9%	5.4%	6.2%	6.7%	6.6%
Adjusted EBITDA, SEK m.	1,297	1,066	930	920	850	754
Adjusted EBITDA margin, %	9.7%	8.7%	7.9%	8.5%	8.9%	8.8%
Net margin, %	4.5%	3.5%	3.7%	4.0%	4.4%	3.7%
Return on capital employed, % (12 months)	12.5%	10.0%	8.7%	10.1%	10.9%	10.1%
Return on equity, % (12 months)	13.2%	11.5%	9.7%	11.2%	12.9%	12.1%
Equity/assets ratio, %	53.3%	51.5%	47.2%	45.4%	43.9%	41.7%
Interest coverage ratio, multiple	27.7	15.9	12.5	10.9	9.4	4.8
Net debt/Adjusted EBITDA (12 months)	0.9	1.7	2.4	2.4	2.5	3.1
Adjusted Net Debt/Adjusted EBITDA (12 months)	0.4	1.1	1.6	1.7	1.8	2.5
Free cash flow	1,117	805	356	688	658	394
Cash flow from investing activities	-437	-375	-559	-970	-374	-386
Number of full-time employees	13,360	12,686	12,405	11,863	10,564	9,714

¹ Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means recognition in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

Definitions of key figures can be found on pages 114-115.

Reconciliation of alternative key performance indicators

The table below presents the data from which the alternative key performance indicators used in the report are calculated.

See definitions for more information.

RECONCILIATION OF ALTERNATIVE KEY PERFORMANCE INDICATORS

SEK m., unless otherwise stated	2020/21	2019/20	2018/19	2017/18	2016/17	SEK m., unless otherwise stated	2020/21	2019/20	2018/19	2017/18	2016/17
NET DEBT						RETURN ON EQUITY %, 12 MONTHS					
Non-current interest-bearing liabilities	8,344	8,260	2,205	2,209	2,200	Profit/loss after tax (12 months)	594	431	431	430	416
+ Current interest-bearing liabilities	1,272	1,279	592	673	516	- IFRS 16 profit/loss after tax (12 months) ¹	-95	-117	-	-	-
- Interest-bearing receivables ³	-	-	4	4	4	divided by					
- Cash and cash equivalents	966	528	527	699	579	Average equity (12 months)	5,062	4,698	4,426	3,853	3,216
- IFRS 16 Non-current and current lease liabilities ¹	7,428	7,214	-	-	-	- IFRS 16 average equity ¹	-165	-117	-	-	-
= Net debt excluding effects of IFRS 16²	1,222	1,797	2,266	2,179	2,133	= Return on equity, excluding effects of IFRS 16², %	13.2%	11.4%	9.7%	11.2%	12.9%
PROPERTY-ADJUSTED NET DEBT						INTEREST COVERAGE RATIO, MULTIPLE					
Net debt (as described above)	1,222	1,797	2,266	2,179	2,133	Adjusted operating profit, EBIT (12 months)	934	728	634	670	638
- long-term property loans	671	597	644	603	467	+ Interest income (12 months)	0	0	1	2	7
- current property loans	25	62	89	48	116	+ Other financial income (12 months)	3	4	2	4	1
= Property-adjusted net debt, excluding effects of IFRS 16²	526	1,138	1,533	1,528	1,550	divided by					
						Interest expense (12 months)	-34	-46	-51	-62	-69
						= Interest coverage ratio, multiple	27.7	15.9	12.5	10.9	9.4
RETURN ON CAPITAL EMPLOYED %, 12 MONTHS											
Adjusted operating profit, EBIT (12 months)	934	728	634	670	638						
+ Interest income	0	0	1	2	7						
divided by											
Average equity (12 months)	5,062	4,698	4,426	3,853	3,216						
+ average non-current interest-bearing liabilities (12 months)	8,302	5,232	2,207	2,204	2,158						
+ average current interest-bearing liabilities (12 months)	1,276	935	632	594	542						
- IFRS 16 average equity ¹	-165	-59	-	-	-						
- IFRS 16 average non-current and current lease liabilities ¹	7,321	3,607	-	-	-						
= Return on capital employed, excluding effects of IFRS 16², %	12.5%	10.0%	8.7%	10.1%	10.9%						

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

² Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means recognition in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

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

Definitions of key performance indicators

Implementation of IFRS16 has a major impact on AcadeMedia, in that all leases must be capitalised on the balance sheet 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, which means that the previous year's accounts have not been restated. This means that certain key performance indicators such as return on equity and capital employed can only be calculated excluding the effects of IFRS 16.

KPIS	DEFINITION	PURPOSE
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 equivalents (FTEs).	The number of employees is the main cost driver for the Company
Return on equity, excluding the effects of IFRS16	Profit/loss for the most recent 12-month period excluding IFRS16, divided by average equity excl. IFRS16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS16.	Return on equity is a profitability measure used to place profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed, excl. IFRS16	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital employed, excluding effects of IFRS16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS16.	Adjusted return on capital employed is a measure of profitability that is used to place adjusted operating profit/loss in relation to the capital needed to run the business, irrespective of type of financing.
EBITDA	Operating profit/loss before amortisation and impairment of non-current assets and right-of-use assets. IFRS16 has a positive impact on this key performance indicator, since rent is excluded.	EBITDA is used to measure profit (loss) from operating activities, irrespective of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales. IFRS16 has a positive impact on this key performance indicator, since rent is excluded.	EBITDA margin is used to place EBITDA in relation to sales.
Equity, excl. IFRS16	Equity excluding the effects of IFRS16 that arise via profit/loss for the period.	Equity excluding the effects of IFRS16 is used to calculate return on equity on a consistent basis.
Net financial items	Financial income less financial expenses. IFRS16 has a negative impact on this key performance indicator, since interest expense on right-of-use assets is included.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.

Free cash flow	Cash flow from operating activities after changes in working capital less investments in operating activities. However, investments in operating activities consist of all investments in property, plant and equipment and intangible assets, except buildings and acquisitions. This key performance indicator is not affected by IFRS16.	The measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for expansion, for example amortisation of loans or for dividends.
Acquired growth	Increase in net sales due to major acquisitions over the past 12 months.	Indicates rate of growth generated from acquisitions, in contrast to organic growth and currency effects.
Acquisition-related depreciation/amortisation	Depreciation related to assets gained in acquisitions.	Shows the impact of surplus values acquired on depreciation/amortisation. For example, brands and increases of value in properties.
Adjusted EBITDA	Operating profit/loss before amortisation/depreciation of intangible assets and property, plant and equipment, excluding items affecting comparability and excluding the effects of IFRS16. This key performance indicator therefore includes rental costs and is not affected by IFRS16.	Adjusted EBITDA is used to measure the underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales. This key performance indicator is not affected by IFRS16.	Adjusted EBIT margin places the underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt	Net debt less property-related debt. This key performance indicator is not affected by IFRS16.	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	Adjusted net debt divided by adjusted EBITDA for the past 12 months. This key performance indicator is not affected by IFRS16.	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 operating profit/loss, EBIT	Operating profit/loss (EBIT) excluding items affecting comparability and excluding the effects of IFRS16. This key performance indicator includes rental costs and is not affected by IFRS16.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin places underlying operating profit in relation to sales.

KPIS	DEFINITION	PURPOSE
Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as major (>SEK 5 million) retroactive income related to prior financial years, items related to property such as capital gains on sale, major property damage not covered by buildings insurance, costs of advice relating to major acquisitions or fundraising, major integration costs resulting from acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in winding up of units.	The measure Items affecting comparability is used to illustrate the profit/loss items that are not included in ongoing operating activities, in order to obtain a clearer picture of the underlying profit trend.
Cash flow from operating activities	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities. IFRS16 has a positive impact on this measure, since rental costs are excluded.	Cash flow from operating activities is used as a measure of the cash flow that the Company generates before investments and financing.
Cash flow from investments	Cash flow from investing activities as per the cash flow statement. This includes investments in and divestments of buildings, acquisitions and investments in property, plant and equipment and intangible non-current assets. Investments financed via leases are not included. This key performance indicator is not affected by IFRS16.	Cash flow from investments is used to regularly measure how much cash is used to maintain operations and for expansion.
Net debt	Interest-bearing debt (current and non-current), excluding lease liabilities related to right-of-use assets, net of cash and cash equivalents and interest-bearing receivables (current and non-current). This key performance indicator is not affected by IFRS16.	Net debt is used to illustrate the size of the debt less current cash and cash equivalents (which in theory could be used to amortise loans).
Net debt/ Adjusted EBITDA	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months. This key performance indicator is not affected by IFRS16.	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 including minor bolt-on acquisitions	Increase in net sales, excluding major acquisitions and currency fluctuations.	The Company's growth target is to increase net sales, including minor 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 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, is 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 highlight the amount of profit for the period to which each share is entitled.
Earnings per share, excl. IFRS 16	Earnings per share, excluding the effects of IFRS16.	The purpose is to report earnings per share based on the same accounting policies as before the implementation of IFRS 16, in order to provide comparability over time.
Interest coverage ratio, excl. IFRS 16	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense, excluding interest expense attributable to right-of-use assets. This key performance indicator is not affected by IFRS16.	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. In the Group, this measure is affected by IFRS16. However, the EBIT for the segments is not affected.	The operating margin shows the percentage of sales that remain after operating expenses and that can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax. In the Group, this measure is affected by IFRS16. However, the EBIT for the segments is not affected.	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 and 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	Equity excluding the effects of IFRS16 as a percentage of total assets and excluding the effects of IFRS16. This key performance indicator is not affected by IFRS16.	The equity/assets ratio shows the proportion of the Company's total assets that is financed by shareholders' equity. A high equity/assets ratio is an indication of financial strength.
Capital employed, excl. IFRS16	Total assets less non-interest-bearing current liabilities and provisions, adjusted for non-current and current lease liabilities related to right-of-use assets as well as provisions and deferred tax liabilities. Or: Equity plus non-current and current interest-bearing liabilities but excluding non-current and current lease liabilities related to right-of-use assets. This key performance indicator is not affected by IFRS16.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the effects of IFRS16, continuity can be achieved in the return figure.

Helpful tips

Annual reports are packed with information and few people read them from cover to cover. However, this annual report provides a good summary of AcadeMedia's operations and results, even if you only read parts of it.

Here are some helpful tips for people who don't have time to read everything.

If you want to know all about our business and financial performance

The Administration Report, which begins on page 49, is a good starting point. It provides a brief summary of information such as major events over the past year, our financial position and our quality management initiatives.

If you want to know all about the figures

The figures section starts on page 70. That is where you can see that AcadeMedia's sales for the year totalled SEK 13,340 million and that the profit for the period was SEK 594 million.

If you want the shortest summary possible

On page 5 we have "The year in brief" – that's as short as we can make it.

If you want to find out about how we see the future

The two-page message from the CEO on pages 6–7 is a good status update describing both where we are today and how we view the future. On page 8, you can read about our strategy and goals. Then turn to pages 20 to 22 to read more about our markets.

If you want to know more about our segments

Our four segments – Preschool, Compulsory School, Upper Secondary School and Adult Education – are described on pages 9–19.

If you want to know more about our work in sustainability

Our sustainability report is provided on pages 23–48.

If you have a keen interest in quality

Our general approach to quality assurance work is described in our sustainability report on pages 34–38. If you want to find out more about our quality management model and our performance with regard to quality, we recommend AcadeMedia's Group-wide Quality Report, which is available at www.academedia.se – search for "quality report".

If your focus is on internal control

The Corporate Governance Report, which starts on page 56, describes how we ensure good internal control and governance.

Choice of words and definitions

Some of the words and expressions commonly used in annual reports, often chosen to meet stock market requirements for clarity and accuracy, seem unnatural to many who work in the education sector. For example, many of us react to the term "customer," which does not seem appropriate, but is used in the "customer and employee satisfaction surveys" we conduct, which are reported here both in the annual report and in our

annual quality report. Another example is the "market overview" section in the annual report. Referring to preschool, school and adult education as a market seems distasteful for most people who work in education.

Regarding the word customer, we chose to explain how we think in our quality report as follows: The word "customer" is difficult to use in school contexts and may need explanation. By "customers," we mean both students and guardians for whom the Swedish State and municipalities – in fact, the entire community – have given us the mandate that we are working to implement in the best possible way.

An annual report is primarily intended for readers with a particular focus on financial issues. We have therefore decided that in this particular context we will relatively strictly adhere to concepts that cannot be misunderstood by them, but that many people in the education sector may find distasteful.

Questions and orders

Questions from shareholders and investors may be made to Head of IR Hanna Clausén, hanna.clausen@academedia.se, (Int.+46) 87 94 42 62.

Questions about the Sustainability Report may be put to Head of Sustainability

Paula Hammerskog, paula.hammerskog@academedia.se, (Int.+46) (0)733 34 87 50.

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We hope you enjoy reading our report!

AcadeMedia

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