



Praktiska Halmär Foto: Adam Humlesol

Change through education

AcadeMedia AB (publ)

## Interim report July 2021 – March 2022

The annual student and employee survey continues to show good results

Preschool Segment increased number of children by 5.2 percent and made a platform acquisition in the Netherlands

The Adult Education Segment adjust to more normal volumes

# AcademeMedia

## Interim report quarter 3 2021/22

### Summary of the third quarter (January – March 2022)

- Net sales increased by 5.9 percent and amounted to SEK 3,802 million (3,591). Organic growth, including bolt-on acquisitions, was 4.7 percent.
- Operating profit (EBIT) amounted to SEK 313 million (346).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 264 million (279). Items affecting comparability amounted to SEK -27 million (6) and related to a fire in a compulsory school in the first quarter and restructuring expenses in the Upper Secondary School Segment.
- Net profit for the period amounted to SEK 155 million (191).
- Diluted earnings per share was SEK 1.47 (1.80). Adjusted for IFRS 16, diluted earnings per share was SEK 1.67 (2.02).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the third quarter was 93,092 (89,691), an increase of 3.8 percent.
- After the end of the reporting period, two preschools in the Netherlands were acquired.

### Summary the first nine months (July 2021 – March 2022)

- Net sales increased by 8.5 percent to SEK 10,488 million (9,668). Organic growth, including bolt-on acquisitions, was 5.7 percent.
- Operating profit (EBIT) amounted to SEK 887 million (843).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 722 million (657). Items affecting comparability amounted to SEK -50 million (7) and include costs and insurance compensation received in relation to a fire in a compulsory school, VAT-expenses relating to the Adult Education Segment and restructuring expenses in the Upper Secondary School Segment.
- Net profit for the period amounted to SEK 441 million (418).
- Diluted earnings per share was SEK 4.17 (3.92). Adjusted for IFRS 16, diluted earnings per share was SEK 4.78 (4.62).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the first nine months was 92,295 (87,087), representing an increase of 6.0 percent.

### Third quarter summary

SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2021/22	2020/21	Change	2021/22	2020/21	Change	Apr 21 – Mar 22	2020/21
Net sales	3,802	3,591	5.9%	10,488	9,668	8.5%	14,160	13,340
Organic growth, %	4.7%	7.3%	-2.6 p.p.	5.7%	7.3%	-1.6 p.p.	6.9%	8.1%
Operating profit (EBIT)	313	346	-9.5%	887	843	5.2%	1,218	1,174
EBIT margin, %	8.2%	9.6%	-1.4 p.p.	8.5%	8.7%	-0.2 p.p.	8.6%	8.8%
Adjusted EBIT <sup>1</sup>	264	279	-5.4%	722	657	9.9%	1,003	939
Adjusted EBIT margin, %	6.9%	7.8%	-0.9 p.p.	6.9%	6.8%	0.1 p.p.	7.1%	7.0%
Profit for the period	155	191	-18.8%	441	418	5.5%	622	599
Earnings per share, diluted (SEK)	1.47	1.80	-18.2%	4.17	3.92	6.2%	5.87	5.62
Free cash flow	19	246	-92.3%	525	775	-32.3%	867	1,117
Number of children and students <sup>2</sup>	93,092	89,691	3.8%	92,295	87,087	6.0%	-	87,823
Number of FTEs	13,904	13,767	1.0%	13,765	13,236	4.0%	n.m.	13,360

<sup>1</sup> The key performance indicators Adjusted EBITDA and Adjusted operating profit (EBIT) are performance measures adjusted for items affecting comparability and with lease agreements reported as it was applied in previous accounting periods (IAS 17). This means that leases of real estate are recognised as rent and not as finance leases.

<sup>2</sup> Excl. adult education. See definitions on pages 35-36.

## From our CEO

*AcadeMedia's business continued to develop well in the third quarter. The annual student and staff survey continues to show good results, preliminary application figures for upper secondary schools are good, and the number of children and students has increased by 3.8 percent this quarter. We are particularly pleased to report that AcadeMedia made a platform acquisition in the Netherlands immediately after the end of the quarter. AcadeMedia thus operates in four countries.*

As expected, the quarter's results were affected by volume reduction in the Adult Education Segment and higher costs in Norway, partly due to the pandemic. At the same time, other parts of the business continued to show stable development and all together the adjusted EBIT was SEK 264 million.

### A large and growing independent school sector

Today, some 400,000 children and students attend independent preschools, compulsory schools and upper-secondary schools. The possibility to choose a school for your child was introduced in 1992, and the proportion of families taking advantage of this has grown every year since. The independent school reform was and is a good reform, but has not significantly evolved over the last 30 years and needs to be modernised to suit today's conditions.

An example of development that AcadeMedia would like to see is for school choice to become universal and compulsory for all. We want to combine this with a common quality reporting system in which relevant information can be compared. Such a system would enable all families to make informed choices.

In the spring, the Swedish Parliament will vote on several proposals put forward by the social democrat led government. These include changes to the financing system (school voucher funding) and the free school choice. The likelihood that the proposals will be voted through is slim, as a parliamentary majority already has said that they will say no. However, I hope that, after the elections in September if not before, the parties can meet union representatives and the industry and come up with a new agreement for independent schools. Such an agreement should benefit both the individual and society, and preserve the great freedom of choice we have managed to create.

### AcadeMedia able to accommodate 2,500 children and young people from Ukraine

The number of Ukrainian children and young people applying to Swedish schools is low, but the commitment of our staff and students to Ukraine is great. Many schools have been collecting and donating money, mainly to UNHCR. Today, we offer Ukrainian-speaking preschool children books in their own language through Polyglutt, and our Linguista business, part of our adult education segment, is able to provide our schools with language support in Ukrainian through its digital service. We want to do our utmost to help, and if the number of Ukrainian refugees increases, AcadeMedia can accommodate around 2,500 children and students.

### Stable operations even in the face of rising inflation

Despite the recent rise in inflation, with higher electricity and food prices, AcadeMedia has been relatively unaffected. We have only seen higher electricity prices

in Norway; in Sweden we have to some extent hedged the electricity price and therefore are not seeing the same increase. Although our revenue is largely set by third parties, it is linked to underlying costs, so if inflation continues to rise, school voucher funding will be adjusted to reflect the new cost situation. In cases where municipalities experience changes in school costs during the current school year, our units are compensated retroactively. Also in Norway the school voucher includes a price index to take the current year's inflation into consideration.

### Preschool Segment expands into the Netherlands

We are very pleased to announce that we have now taken the next step in our international expansion and made a platform acquisition in the Netherlands. The acquisition includes two preschools with a total turnover of approximately EUR 2.7 million. The Dutch preschool market is relatively mature and has a funding system similar to the Swedish one, but the market is fragmented. The aim of this platform acquisition is to build up a group of preschools in the Netherlands over the next few years, mainly through acquisitions.

### Adult Education Segment is changing

The strong labour market and lower immigration are now clearly reflected in the number of participants in our adult education programmes. The trend is particularly evident in our municipal operations, where we are actively working to adjust our capacity to more normal levels. Although volumes are now going down, it is worth remembering that this decline is from very high levels. We have a strong underlying operation that is now focusing on expansion into new markets. In the coming years, we will see an increased focus on skills development, including discussions about more people being entitled to financial support for further training, and if implemented, would increase demand for many of our courses.

The Game Assembly, the Adult Segment's game creation programme, plans to launch an apprenticeship in the UK in autumn 2022. The aim is to work closely with game development studios and industry associations in the UK to eventually broaden the range of game programmes available. This means that AcadeMedia's Adult Education is taking a small but strategically important step to grow internationally.

### Positive results in this year's student and employee surveys

Every year, AcadeMedia conducts two major surveys in which we ask employees, students and parents/guardians what they think of their school various perspectives. The surveys are sent to around 135,000 people in total, and we are seeing good results again this year. I hope that all AcadeMedia employees are as proud as I am of this. We are each other's working environment, and have created this together. If you want to read more about the results of our surveys, you can find them on page 12 and 13 of this interim report.

## Marcus Strömberg

President and CEO

AcadeMedia AB (publ)



## Development in the third quarter (January 2022 – March 2022)

### Volume development and net sales

Net sales in the third quarter increased by 5.9 percent to SEK 3,802 million (3,591). Organic growth, including bolt-on acquisitions, was 4.7 percent and changes in exchange rates impacted sales by 1.2 percent. The average number of children and students, excluding the Adult Education Segment, increased by 3.8 percent to 93,092 (89,691).

### Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT was SEK 264 million (279) with an adjusted EBIT margin of 6.9 percent (7.8). Operating profit (EBIT) was SEK 313 million (346) with an EBIT margin of 8.2 percent (9.6). Earnings decreased due to higher expenses in Norway and lower volumes in parts of the Adult Education Segment. AcadeMedia's higher vocational education continued to grow.

The Compulsory School and Upper Secondary School Segments continued to provide organic growth and had somewhat lower personnel expenses as an effect of the pandemic.

Group overhead expenses decreased, mainly affected by a change in accounting rules, see page 22.

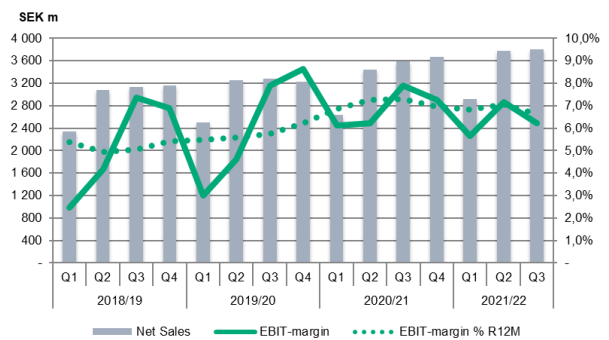
### Items affecting comparability

Items affecting comparability amounted to SEK -27 million (6) and relates to restructuring expenses in the Upper Secondary School Segment and additional expenses related to a fire in the first quarter in a compulsory school. Delays in reconstructing the school resulted in higher expenses than previously reported. Insurance compensation is expected to cover a substantial part of the expenses.

SEK m	Third quarter	
	2021/22	2020/21
Restructuring expenses (upp. Sec)	-15	-5
Fire (comp)	-12	-
Retroactive revenue from previous years (Upper Secondary School)	-	11
<b>Total</b>	<b>-27</b>	<b>6</b>

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

Four new preschools in Germany were added in the quarter. After the end of the reporting period, two preschools in the Netherlands were acquired.



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

### Third quarter in summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Preschool	23,020	21,891	1,128	1,020	65	71	5.8%	7.0%	65	71	5.8%	7.0%
Compulsory School	27,965	27,046	940	877	63	50	6.7%	5.7%	51	50	5.4%	5.7%
Upper Secondary School	42,106	40,753	1,280	1,202	115	116	9.0%	9.7%	100	122	7.8%	10.1%
Adult Education	- <sup>1</sup>	- <sup>1</sup>	450	488	40	64	8.9%	13.1%	40	64	8.9%	13.1%
Group adj. Parent company	-	-	4	4	-18	-22	-	-	-18	-22	-	-
Impact from IFRS 16 <sup>2</sup>	-	-	-	-	-	-	-	-	75	61	-	-
<b>Total</b>	<b>93,092</b>	<b>89,691</b>	<b>3,802</b>	<b>3,591</b>	<b>264</b>	<b>279</b>	<b>6.9%</b>	<b>7.8%</b>	<b>313</b>	<b>346</b>	<b>8.2%</b>	<b>9.6%</b>

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

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

## Development in the first nine months (July 2021 – March 2022)

### Volume development and net sales

Net sales increased by 8.5 percent to SEK 10,488 million (9,668). The acquisition of Swedish Education Group AB (Segab) contributed with 2.0 percentage points. Organic growth, including bolt-on acquisitions, was 5.7 percent and changes in exchange rates impacted sales by 0.8 percent. The average number of children and students, excluding the Adult Education Segment, increased by 6.0 percent to 92,295 (87,087)

### Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT for the first nine months increased to SEK 722 million (657) with an adjusted EBIT margin of 6.9 percent (6.8). Operating profit (EBIT) was SEK 887 million (843) with an EBIT margin of 8.5 percent (8.7). The increase in earnings was due to a higher number of children and students and recovery in Germany but also due to lower expenses in the second and third quarter explained by the pandemic and from employees taking more vacation days in the first quarter leading to lower personnel costs.

Volumes in the Adult Education Segment, especially the Municipal Adult Education are returning to more normalised levels, after a period with very high demand during the pandemic, resulting in decreased earnings and margins.

Group overhead expenses were higher compared to last year, due to higher activity levels.

### Items affecting comparability

Items affecting comparability amounted to SEK -50 million (7) and relates to VAT-expenses relating to subcontractors in the Adult Education Segment of SEK -11 million, restructuring expenses in the Upper Secondary School Segment of SEK -15 million and a fire in a compulsory school of net SEK -24 million. Delays in reconstructing the school resulted in higher expenses than previously reported. Insurance compensation is expected to cover a substantial part of the expenses.

SEK m	Nine months	
	2021/22	2020/21
Fire, insurance compensation (comp)	18	-
Fire (comp)	-42	-
VAT- (adult education)	-11	-
Restructuring expenses (upp. Sec)	-15	-5
Integration expenses, SEG	-	-8
Acquisition-related expenses	-	-2
Retroactive revenue from previous years (Compulsory School)	-	3
Retroactive revenue from previous years (Upper Secondary School)	-	19
<b>Total</b>	<b>-50</b>	<b>7</b>

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

Net, seventeen new units were added during the first nine months. One compulsory school and four preschools were acquired, and eighteen new units opened of which three upper secondary schools and fifteen preschools in Germany. The number of units was negatively impacted by six from units merging, closing and the loss of a contract with Oslo municipality.

### First nine months in summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Preschool	22,001	21,175	2,996	2,732	95	97	3.2%	3.6%	95	97	3.2%	3.6%
Compulsory School	27,843	26,470	2,589	2,372	191	135	7.4%	5.7%	167	138	6.5%	5.8%
Upper Secondary School	42,451	39,442	3,523	3,201	320	286	9.1%	8.9%	305	299	8.7%	9.3%
Adult Education	- <sup>1</sup>	- <sup>1</sup>	1,375	1,358	177	196	12.9%	14.4%	166	196	12.1%	14.4%
Group adj. Parent company	-	-	4	6	-62	-57	-	-	-62	-66	-	-
Impact from IFRS 16 <sup>2</sup>	-	-	-	-	-	-	-	-	216	179		
<b>Total</b>	<b>92,295</b>	<b>87,087</b>	<b>10,488</b>	<b>9,668</b>	<b>722</b>	<b>657</b>	<b>6.9%</b>	<b>6.8%</b>	<b>887</b>	<b>843</b>	<b>8.5%</b>	<b>8.7%</b>

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

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

## Cash flow and financial position

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

### Cash flow adjusted for lease payments

SEK m	Third quarter		Nine months		Rolling 12 months	Full year
	2021/22	2020/21	2021/22	2020/21	Apr 21- Mar 22	2020/21
<b>Cash flow from operating activities before changes in working capital</b>	<b>243</b>	<b>309</b>	<b>784</b>	<b>844</b>	<b>1 107</b>	<b>1 166</b>
Cash flow from changes in working capital	-184	-33	-76	79	36	191
<b>Cash flow from operating activities</b>	<b>59</b>	<b>275</b>	<b>708</b>	<b>922</b>	<b>1 143</b>	<b>1 357</b>
Investments related to existing operations <sup>1</sup>	-40	-29	-183	-147	-276	-241
Investments related to expansion <sup>2</sup>	-52	-31	-137	-162	-171	-196
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>-61</b>	<b>-319</b>	<b>-309</b>	<b>-447</b>	<b>-437</b>
<b>Cash flow from financing activities</b>	<b>-87</b>	<b>-256</b>	<b>-399</b>	<b>-393</b>	<b>-494</b>	<b>-487</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-120</b>	<b>-41</b>	<b>-11</b>	<b>221</b>	<b>202</b>	<b>433</b>
<b>Free cash flow<sup>3</sup></b>	<b>19</b>	<b>246</b>	<b>525</b>	<b>775</b>	<b>867</b>	<b>1 117</b>

Cash flow from operating activities for the quarter amounted to SEK 59 million (275). The decrease was due to a more negative net working capital development, which affected cash flow negatively by SEK -184 (-33) million. The development of the net working capital in the third quarter compared to last year was affected by seasonality with higher prepayments in Norway in the third quarter 2020/21 by SEK +100 million.

Investments in existing operations<sup>1</sup> were higher compared to last year and amounted to SEK -40 million (-29) contributing to a free cash flow<sup>3</sup> of SEK 19 million (246). Expansion investments<sup>2</sup> in the period were SEK -52 million (-31) and included the settlement for the acquisition in the Netherlands (SEK -31 million). In total, cash flow from investing activities amounted to SEK -93 million (-61). Cash flow from financing activities totalled SEK -87 million (-256). All in all, cash flow for the quarter amounted to SEK -120 million (-41).

In the first nine months, cash flow from operating activities amounted to SEK 708 million (922). The decrease was due to a more negative net working capital development, which affected cash flow negatively by SEK -76 (79) million. The development of the net working capital compared to last year is primarily explained by higher prepayments in Norway by SEK +100 million in the third quarter 2020/21.

Investments in existing operations<sup>1</sup> during the first nine months were higher compared to last year and amounted to SEK -183 million (-147) contributing to a free cash flow<sup>3</sup> of SEK 525 million (775). Expansion investments<sup>2</sup> in the period were SEK -137 million (-162) and included the settlement for the acquisition in the Netherlands (SEK -31 million). Last year was affected by SEK -171 million from the acquisition of Swedish Education Group and by SEK +62 million from the sales proceeds received originating from the divestment of one property in Oslo. In total, cash flow from investing activities amounted to SEK -319 million (-309). Cash flow from financing activities totalled SEK -399 million (-393) of which dividend to shareholders SEK -183 million (-158). All in all, cash flow from the first nine months amounted to SEK -11 million (221).

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

<sup>2</sup> Expansion investments include acquisitions and investments in own preschool buildings in Norway, as well as divestments of such assets.

<sup>3</sup> Free cash flow before expansion investments consists of the cash flow from operating activities less investments in existing operations.

**Financial position<sup>1</sup>**

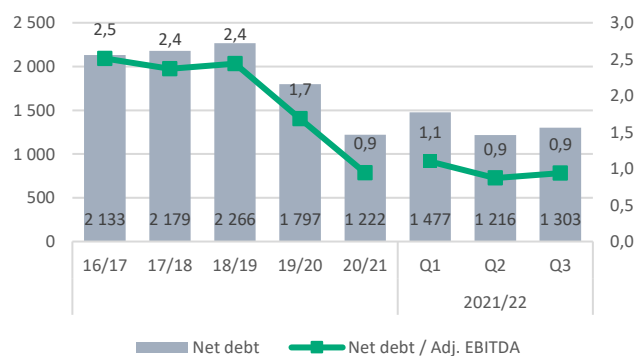
SEK m	2022-03-31	2021-03-31	2021-06-30
Equity/asset-ratio (%) (excluding IFRS 16)	54.4%	52.0%	53.3%
Net debt (inclusive of IFRS 16)	9,149	9,016	8,650
Property-related leasing liabilities	7,846	7,462	7,428
Net debt (excluding IFRS 16)	1,303	1,554	1,222
Net debt (excluding IFRS 16)/ adjusted EBITDA	0.9	1.2	0.9
Buildings <sup>2</sup>	1,119	1,061	1,044

Consolidated interest-bearing net debt including property-related leasing liabilities amounted to SEK 9,149 million (9,016), of which property-related leasing liabilities amounts to SEK 7,846 million (7,462). For the first nine months, financial expenses increased to SEK -327 million (-305) following increased leasing liabilities. Interest expenses related to property-related leasing liabilities amounted to SEK -299 million (-274).

Consolidated interest-bearing net debt<sup>1</sup> excluding property-related leasing liabilities amounted to SEK 1,303 million (1,554) as of 31 March 2022. The decline in net debt over the past 12 months is due to positive cash flows following strong results.

The property loans, consisting of both non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, have, increased by SEK 71 million over the past 12 months to SEK 789 million (718). Excluding the currency effects of a stronger Norwegian krona, the property loans increased by SEK 36 million. Buildings increased by SEK 58 million to SEK 1,119 million (1,061) during the equivalent period.

Net debt in relation to adjusted EBITDA<sup>1</sup> (rolling 12 months) amounted to 0.9 (1.2), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Property-adjusted net debt divided by adjusted EBITDA<sup>1</sup> (12m) was 0.4 (0.7).

**School voucher development 2022**

The average voucher increase for AcadeMedia's Swedish preschools is estimated to 2.8 (1.9) percent. The average voucher increase has been calculated based on voucher notifications for 98 percent of the children weighted by child and municipality mix. In addition to voucher payments, the preschools receive around 3.7 (3.7) percent of revenues from parental fees according to the maximum fee regulation. The maximum parental fee is adjusted annually by the National Agency for Education. For 2022, the increase was 4.1 (2.2) percent.

In Norway, the municipal contributions to preschools have increased on average by 2.8 (4.4) percent, weighted by child and municipality mix. The last year relatively high increase is an effect of the higher expenses attributable to the staff density norm which now are reflected in the voucher. There is also a maximum parental fee system in Norway. The parental fees in Norway amounts to about 16 percent of revenue and are adjusted annually with an index, which was set to 0.4 (3.0) percent for 2022. As previously communicated, in addition to the school voucher, independent preschool providers received a pension supplement in Norway, which has been revised from January 2022. The expectation remains that the change will impact net sales negatively by SEK 35 million annually.

The average voucher increase for Compulsory School Segment is estimated to 3.1 (2.6) percent. The average voucher increase has been calculated based on voucher notifications for 97 percent of the children and is weighted by child and municipality mix. The growth calculation only reflects the compulsory school voucher and does not take into account changes in the voucher related to before- and after school care, nor does it consider socio-economic compensation.

The voucher increase for the Upper Secondary School Segment amounts to 2.3 (1.0) percent on average. Voucher increases have been calculated based on received voucher notifications for 97 percent of the students weighted with AcadeMedia's student and program mix. The growth calculation only reflects the basic reimbursement and does not take price changes on introduction programs nor socio-economic compensation into consideration.

In summary, the school voucher increase for AcadeMedia's Swedish school operation is estimated at 2.6 (1.7) percent for 2022 based on close to 97 percent of the student population. The result has been calculated based on voucher notifications received and is weighted by child and student mix. The increase in Sweden is in line with the figures provided in AcadeMedia's quarterly report as per 31 December 2021.

<sup>1</sup> Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. By excluding the effects of IFRS 16, continuity is achieved in the KPIs above. See pages 35 to 36 for definitions.

<sup>2</sup> As of 31 March 2021, AcadeMedia owns 41 preschool properties in Norway, which are funded by long-term liabilities in the Norwegian State Housing Bank and short-term construction loans.

## Preschool

- The number of children increased by 5.2 percent to 23,020 (21,891) in the third quarter.
- Sales increased by 10.6 percent to SEK 1,128 million (1,020), positively affected by currency changes. Adjusted for this, sales increased by 6.4 percent.
- Adjusted operating profit (adj. EBIT) decreased to SEK 65 million (71).

AcadeMedia's Preschool segment runs preschools in Sweden, Norway, and Germany. In Sweden, the business is conducted in many municipalities with a total of 110 units. In Norway, Espira is the third largest preschool provider with 107 units. In Germany we operate preschools at 72 units. The segment had a total of 289 units during the quarter

### Outcome for the third quarter

The average number of children increased by 5.2 percent compared with the previous year and amounted to 23,020 (21,891). The increase was mainly driven by new establishments in Germany, but also from acquisitions and growth in existing units in Sweden.

Sales increased by 10.6 percent and amounted to SEK 1,128 million (1,020). Adjusted for positive currency effects, SEK 40 million, net sales increased by 6.4 percent. Lower pension supplement amounted to SEK 9 million.

Adjusted operating profit (EBIT) decreased to SEK 65 million (71) with a margin of 5.8 percent (7.0). The decrease in profit and margin were a result of higher salary expenses and lower pension supplement in Norway, SEK 13 million. The Norwegian business was also negatively impacted by higher electricity costs and higher expenses for temporary staff, approximately SEK 8 million. The expected impact of change to the pension supplement and higher salary expenses, for the financial year 2021/22, is estimated to SEK 20 million and SEK 17 million, respectively.

The effects in Norway were partly mitigated by a return to more normal operations in Germany following the pandemic and lower personnel expenses in Sweden.

### Outcome for the first nine months

The average number of children increased by 3.9 percent and amounted to 22,001 (21,175). Net sales increased by 9.7 percent and amounted to SEK 2,996 million (2,732). Adjusted for positive currency effects of SEK 69 million, net sales increased by 7.0 percent.

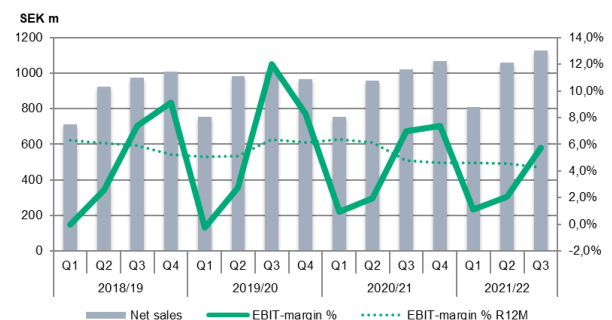
Operating profit (EBIT) for the first nine months was SEK 95 million (97), with an operating margin of 3.2 percent (3.6). The decrease in profit and margin was a result of higher salary revision in Norway, SEK 15 million, and lower pension supplement SEK 9 million. The Norwegian business was also impacted by higher electricity costs and higher expenses for temporary staff, approximately SEK 15 million.

The effects in Norway were partly mitigated by Germany returning to normal operation and of lower personnel expenses in Sweden, in part an effect of staff planning but also a result of high absence due to the pandemic.

### Operational changes

During the third quarter four new units in Germany opened. During the first nine months, net 16 units were added. In the fourth quarter one further unit is planned to open in Germany, why the plan to open 15 units in Germany during 2021/22 has been revised to 16.

More information about the 2022 school voucher increase and the revised pension supplement in Norway can be found on page 7.



### Financial overview<sup>1</sup>

SEK m	Third quarter			Nine months			Rolling 12 months Apr 21 – Mar 22	Full year 2020/21
	2021/22	2020/21	Change	2021/22	2020/21	Change		
Net sales	1,128	1,020	10.6%	2,996	2,732	9.7%	4,064	3,800
Operating profit (EBIT)	65	71	-8.5%	95	97	-2.1%	174	176
EBIT margin, %	5.8%	7.0%	-1.2 p.p.	3.2%	3.6%	-0.4 p.p.	4.3%	4.6%
Items affecting comparability	-	-	n.a.	-	-	n.a.	-	-
Adjusted operating profit	65	71	-8.5%	95	97	-2.1%	174	176
Adjusted EBIT margin, %	5.8%	7.0%	-1.2 p.p.	3.2%	3.6%	-0.4 p.p.	4.3%	4.6%
Number of children and students	23,020	21,891	5.2%	22,001	21,175	3.9%	n.m.	21,447
Number of units	289	270	7.0%	284	268	6.0%	n.m.	269

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

<sup>1</sup> Additional financial information per segment is presented on pages 31-32.



## Compulsory School

- The number of students increased by 3,4 percent to 27,965 (27,046) in the third quarter.
- Sales increased by 7.2 percent to SEK 940 million (877).
- Adjusted operating profit (EBIT) increased to SEK 63 million (50).

AcadeMedia's Compulsory School segment runs compulsory schools and integrated preschools in many municipalities in Sweden under the brands Innovitaskolorna, Montessori Mondial, Noblaskolorna, Pops Academy, Snitz, and Vittra. Operations are based entirely on the school voucher system. The segment had 116 units during the quarter, whereof 38 integrated preschools.

### Outcome for the third quarter

The average number of students increased by 3.4 percent compared with the previous year and amounted to 27,965 (27,046). The increase related mainly to growth in existing units but also bolt-on acquisitions.

Net sales increased by 7.2 percent and amounted to SEK 940 million (877). In addition to higher number of students, the increase was also due to the annual adjustment of school vouchers and increased government grants.

Adjusted operating profit was SEK 63 million (50) with a margin of 6.7 percent (5.7). Operating income and margin were affected by a higher number of students and lower personnel expenses of SEK 5 million. Continued high levels of sick leave and absence due to caring for own sick child (se. vab) in the beginning of the quarter decreased personnel expenses, at the same time as access to temporary staff has been limited.

Items affecting comparability amounted to SEK -12 million (-) and relates to a fire in July. Additional compensation is expected in the coming quarters, which will largely cover the costs. Operating income (EBIT) was in line with last year and amounted to SEK 51 million (50), corresponding to an EBIT-margin of 5.4 percent (5.7).

### Outcome for the first nine months

The average number of students increased by 5.2 percent and amounted to 27,843 (26,470). Net sales

### Financial overview<sup>1</sup>

SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2021/22	2020/21	Change	2021/22	2020/21	Change	Apr 21 – Mar 22	2020/21
Net sales	940	877	7.2%	2,589	2,372	9.1%	3,478	3,260
Operating profit (EBIT)	51	50	2.0%	167	138	21.0%	230	201
EBIT margin, %	5.4%	5.7%	-0.3 p.p.	6.5%	5.8%	0.7 p.p.	6.6%	6.2%
Items affecting comparability	-12	-	n.a.	-24	3	n.a.	-24	3
Adjusted operating profit	63	50	26.0%	191	135	41.5%	254	198
Adjusted EBIT margin, %	6.7%	5.7%	1 p.p.	7.4%	5.7%	1.7 p.p.	7.3%	6.1%
Number of children and students	27,965	27,046	3.4%	27,843	26,470	5.2%	n.m.	26,696
Number of units	116	116	-	116	113	2.7%	n.m.	114

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

<sup>1</sup> Additional financial information per segment is presented on pages 31-32.

increased by 9.1 percent and amounted to SEK 2,589 million (2,372) following the volume increase but also the annual adjustment of school vouchers and increased government grants.

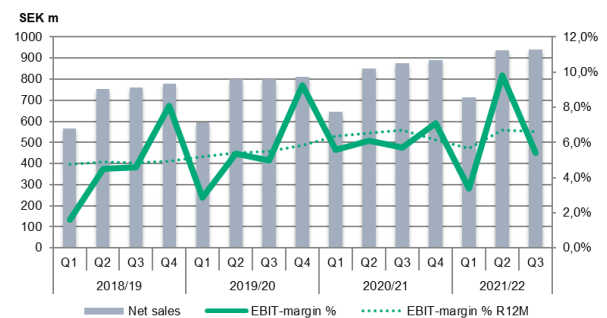
Adjusted operating profit was higher than last year, SEK 191 million (135), positively affected by more students, and lower personnel cost. Increased absence in the second and third quarter and employees taking more vacation days in the first quarter impacted personnel costs.

Items affecting comparability amounted to SEK -24 million (-3) relating to insurance compensation and expenses following a fire in a compulsory school. Additional compensation is expected in the coming quarters, which will largely cover the costs. Operating profit (EBIT) amounted to SEK 167 million (138), and the operating margin was 6.5 percent (5.8).

### Operational changes

During the first quarter, a compulsory school with 190 students, Friskolan Lyftet in Gävle, was acquired.

The Compulsory School segment has strategically worked to bring units with similar pedagogies and governance together under common education profiles. Innovitaskolorna was launched in October 2021 which means that the brand Pysslingen Skolor no longer will be used within AcadeMedia Compulsory Schools.



## Upper Secondary School

- The number of students increased by 3.3 percent in the third quarter, amounting to 42,106 (40,753).
- Sales increased 6,5 percent to SEK 1,280 million (1,202).
- Adjusted operating profit amounted to SEK 115 million (116).

AcadeMedia's Upper Secondary School Segment provides upper secondary education all over Sweden under 16 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 151 units during the quarter.

### Outcome for the third quarter

The number of students increased by 3,3 percent compared with the previous year, to 42,106 (40,753). The growth was attributable to the opening of three new schools at the beginning of the fiscal year, as well as to additional students enrolled in the 18 new units that opened from 2017 to 2020. Together, these 21 new units have admitted approximately 1,100 additional students compared to last year.

Net sales increased by 6,5 percent to SEK 1,280 million (1,202). In addition to increased student enrolment, the growth was also attributable to the annual school voucher revision and higher government grants with corresponding costs.

Adjusted operating profit was SEK 115 million (116), representing a margin of 9.0 percent (9.7). Continued lower personnel costs relating to high sick leave and increase of absence due to caring for own sick child (se. vab), mainly in the beginning of the quarter, reduced expenses by approximately SEK 5 million. Last year activities were cancelled due to the pandemic which reduced expenses by approximately SEK 10 million in the third quarter.

Items affecting comparability SEK -15 million (6) and relates to restructuring expenses. Operating profit (EBIT) decreased and amounted to SEK 100 million (122) and the margin was 7.8 percent (10.1).

### Outcome for the first nine months

The number of students increased by 7.6 percent amounting to 42,451 (39,442) and net sales increased

by 10.1 percent to SEK 3,523 million (3,201). The growth was attributable to new openings, acquisitions and higher school vouchers.

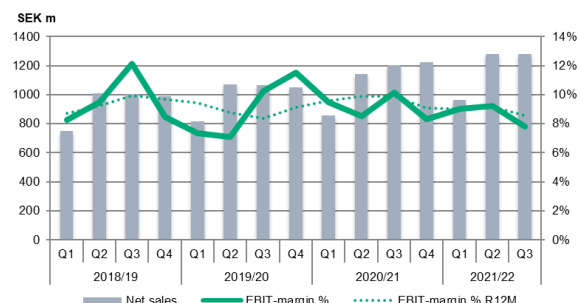
Adjusted operating profit was SEK 320 million (286), representing a margin of 9.1 percent (8.9). Result and margin was mainly affected by higher number of students, but also by lower personnel costs and cancelled activities due to the pandemic in the second and third quarter, and employees taking more vacation days in the first quarter. Previously postponed activities are, similar to last year, expected to take place to some extent in the fourth quarter, which can impact the costs.

Items affecting comparability amounted to SEK -15 million (14). Operating profit (EBIT) was SEK 305 million (299) and the margin was 8.7 percent (9.3).

### Operational changes

In the autumn 2021, three new upper secondary schools with about 200 students opened. In June a small upper secondary school closed, and two units merged to one, affecting the number of units in the first quarter.

Three new schools are planned to start in the autumn 2022. Our two new Stockholm campuses, where eight existing schools will move, will also open in the autumn. In total, approximately 2,500 new educational places are created, to be filled in the coming years. Investments in the campuses will, similar to a new start, have a negative impact on the margin during the next two years.



Financial overview <sup>1</sup>	Third quarter			Nine months			Rolling 12 months	Full year
	2021/22	2020/21	Change	2021/22	2020/21	Change	Apr 21 – Mar 22	2020/21
SEK m								
Net sales	1,280	1,202	6.5%	3,523	3,201	10.1%	4,746	4,424
Operating profit (EBIT)	100	122	-18.0%	305	299	2.0%	407	402
EBIT margin, %	7.8%	10.1%	-2.3 p.p.	8.7%	9.3%	-0.6 p.p.	8.6%	9.1%
Items affecting comparability	-15	6	n.a.	-15	14	n.a.	-25	4
Adjusted operating profit	115	116	-0.9%	320	286	11.9%	432	398
Adjusted EBIT margin, %	9.0%	9.7%	-0.7 p.p.	9.1%	8.9%	0.2 p.p.	9.1%	9.0%
Number of children and students	42,106	40,753	3.3%	42,451	39,442	7.6%	n.m.	39,680
Number of units	151	150	0.7%	151	148	2.0%	n.m.	148

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

<sup>1</sup> Additional financial information per segment is presented on pages 31-32.

## Adult Education

- Sales decreased 7.8 percent to SEK 450 million (488).
- Operating profit (EBIT) was SEK 40 million (64).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education with a presence in about 150 locations in the country. The segment works in three main customer groups: Municipal Adult Education (52 percent of sales), Higher Vocational Education (36) and Labour Market Services (8).

### Outcome for the third quarter

Net sales decreased by 7.8 percent and amounted to SEK 450 million (488). The decrease is attributable to Labour Market Services and Municipal Adult Education.

**AcadeMedia HVE** increased net sales by 18 percent organically compared to last year. The acquisition of KYH is no longer affecting the comparability. A high number of students completing their education and continued good capacity utilization impacted earnings positively.

Volume in the **Municipal Adult Education** continues to return to more normal levels and net sales declined 17 percent. As a result of reduced immigration, the SFI-operation (Swedish for immigrants) and Basic Vocational Education (GRUV), continue to have fewer participants, resulting in lower profitability and operating income. The SFI-operation in Stockholm is adjusting its capacity to the changed demand. The transition is expected to be completed at the beginning of the next financial year.

Sales in the **Labour Market Services** business declined by 40 percent and now account only for 8 percent of the segments total sales. Transition from the STOM contacts to the new matching contracts (KROM), was completed in the quarter. The Vocational Swedish contract is also ramping down which altogether had a negative impact on the earnings in the quarter.

Adjusted operating profit was SEK 40 million (64), and the margin 8.9 percent (13.1). The lower earnings were mainly related to declining volumes in the Municipal Adult Education business, but also to some extent to the contract transition in the Labour Market Services business.

### Outcome for the first nine months

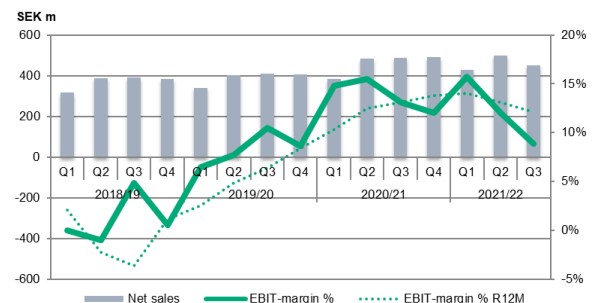
Net sales increased by 1.3 percent to SEK 1,375 million (1,358). Adjusted operating profit was SEK 177 million (196), corresponding to a margin of 12.9 percent (14.4). Operating profit decreased to SEK 166 million (196), impacted by SEK 11 million in VAT-costs in the second quarter following a change to VAT rules. The margin was 12.1 percent (14.4).

### Operational changes and market development

The labour market has developed positively and the number of unemployed registered with the Swedish Public Employment Services has decreased to pre pandemic levels. However, unemployment continues to be high in Sweden with vast shortage of skilled labour in many industries.

The transition towards new matching contracts (KROM) is by the end of the quarter fully implemented and the volumes are expected to grow but the competition is expected to be high. Academediia has a deliberate limited exposure to this market and is instead focused on growing the more stable HVE market.

AcadeMedia's game development education, The Game Assembly, is planning to start an apprenticeship training in the UK in the autumn 2022. The Adult Education Segment is thus taking the important strategic step to grow internationally. The goal is to have a close collaboration with gaming developers and trade associations to be able to, in a longer horizon, create a broad supply of gaming educations.



### Financial overview<sup>1</sup>

SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2021/22	2020/21	Change	2021/22	2020/21	Change	Apr 21 - Mar 22	2020/21
Net sales	450	488	-7.8%	1,375	1,358	1.3%	1,867	1,850
Operating profit (EBIT)	40	64	-37.5%	166	196	-15.3%	226	255
EBIT margin, %	8.9%	13.1%	-4.2 p.p.	12.1%	14.4%	-2.3 p.p.	12.1%	13.8%
Items affecting comparability	-	-	n.a.	-11	-	n.a.	-11	-
Adjusted operating profit	40	64	-37.5%	177	196	-9.7%	237	255
Adjusted EBIT margin, %	8.9%	13.1%	-4.2 p.p.	12.9%	14.4%	-1.5 p.p.	12.7%	13.8%

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

<sup>1</sup> Additional financial information per segment is presented on pages 31-32.

## Quality

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

*“By offering a superior learning environment, AcadeMedia helps people and communities develop and grow. All students have the same right to a quality education, regardless of place of residence or background. A good atmosphere for learning is also about determining the needs of and opportunities for each individual student.”* AcadeMedia's sustainability report.

### Survey results from guardians and students

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

In Sweden, the annual survey targets all preschools, compulsory schools, and upper secondary schools in the Group and aims to emulate the satisfaction, teaching and learning environment in our schools. The survey also evaluates the extent to which students, guardians and adult education participants are prepared to recommend their school or place of learning to others. The percentages reflect the share of respondents that have selected one of the more positive response ranges (7-10).

The result is generally lower than last year's top ratings, but show an improvement compared to previous years. The survey from last year was conducted during special circumstances due to the pandemic. Comparing the result from this year with 2019/20 would in many ways give a more accurate comparison.

	2021/22	Full year			
		2020/21	2019/20	2018/19	2017/18
<b>Quality review Preschool</b>					
Recommendation level - Norway	4.5	4.5	4.5	84.7%	84.1%
Recommendation level - Sweden	87%	88%	86%	83%	82%
Their child happy at the preschool	92%	93%	92%	-	-
Satisfaction with the preschool's activities – Sweden	87%	87%	84%	84%	84%
<b>Quality review Compulsory School</b>					
Recommendation level – students	66%	70%	68%	65%	64%
Recommendation level – parents	81%	81%	78%	74%	73%
Satisfaction with teaching – students	72%	74%	72%	70%	69%
Satisfaction with teaching – parents	80%	82%	78%	77%	76%
Satisfaction – students	78%	79%	78%	76%	75%
Satisfaction – parents	85%	85%	83%	81%	82%
<b>Quality review Secondary School</b>					
Recommendation level - students	72%	76%	69%	68%	68%
Satisfaction with teaching – students	75%	78%	72%	69%	69%
Satisfaction – students	82%	83%	78%	-	-
<b>Quality review Adult Education</b>					
Satisfaction with teaching (total) Fall semester)	86%	87%	-	-	-
Recommendation level (total) (Fall semester)	87%	87.7%	86.4%	84.3%	82.9%

### Preschool

The number of parents who would recommend their child's preschool remains at a high level, 87 (88) percent selected one of the more positive response ranges, and 92 (93) percent replied that their child is happy at the preschool. In response to the question "I am satisfied with the operations at my child's preschool" 87 (87) percent of parents selected one of the highest response options.

In Norway, The Norwegian Directorate for Education and Training (Utdanningsdirektoratet<sup>4</sup>) has presented the annual national Norwegian customer survey. The survey targets all guardians with children at Norwegian preschools, public as well as private. The results show that parents of children at AcadeMedia's preschools in Norway are equally satisfied with the operation as the national average (4.5 percent on a 5-point scale). This result is in line with the past three years and continues to be above the municipal preschool's average (4.4) and slightly below the results of private preschools (4.6).

The annual survey in Germany was conducted during the third quarter, the results were not available at the time of publication of this report.

### **Compulsory School**

Within the Compulsory school customer satisfaction among parents was in line with last year whilst it had decreased among the students. The degree of students who would recommend their school were 66 (70) percent, whilst being significantly higher among the parents, 81 (81). The proportion of students and parents who were satisfied with the education were 72 (74) and 80 (82) percent respectively. 78 (79) percent replied that they are Satisfied at their school and the corresponding result among parents were 85 (85).

### **Upper Secondary School**

The customer satisfaction has decreased compared to last year, 72 (76) percent would recommend their school to others and 75 (79) percent responded that they are satisfied with their school. Compared to 2019/20, which would as described above be more accurate, the result is significantly higher. The number of students who replied that they are satisfied at their school increased during last year's survey and remains at a high level 2021/22, 82, (83) percent. In response to the question "I am satisfied with the education at my school" 76 (78) percent of the students selected one of the highest response options. However, it should be noted that there were large variations in results across the upper secondary schools.

### **Adult Education**

The survey from AcadeMedia's Adult Education is compiled by the segment themselves and the 2021 autumn result show that the customer satisfaction and the degree of students who would recommend their school remained at a high level, 86 (86) percent and 87 (88) percent respectively.

In addition, the grade scores in basic adult education as measured by the percentage of students who achieved passing grades increased slightly to 88 (87,6) percent (the national average for 2019 was 89 percent). The percentage of students who achieved passing grades in upper secondary level adult education improved to 83,9 (85) percent (the national average for 2020 was 89 percent).

The percentage of students who completed their education with a diploma in higher vocational education increased to 70 (68) percent<sup>5</sup> (the national average for 2020 was 72 percent according to the Swedish National Agency for Higher Vocational Education's statistical annual report for 2020).

## **Employees**

Each year AcadeMedia conducts an employee satisfaction survey in order to analyse strengths and identify areas for improvement. This year's employee survey had a response rate of 84 (81) percent. The survey has shown consistent and positive results in the employee satisfaction index since 2013. Moreover, it showed that 86 (87) percent of employees were proud of their workplace, and seven out of ten see good opportunities for professional development. Managers at AcadeMedia continue to receive good ratings, where 84 (86) percent of employees responded that they have strong confidence in their manager. 81 (84) percent of employees responded that they would recommend their workplace to others. As of 2021, a question is included about AcadeMedia's vision, seven out of ten responded that AcadeMedia lead the development of tomorrow's education. From 2022 and onwards, a question of sustainability is included, which resulted in seven out of ten considering that their workplace has a clear sustainability perspective.

The Norwegian business will conduct their employee satisfaction survey during Q1 2022/23.

The German business will conduct their employee satisfaction survey during Q4 2021/22.

The average number of full-time employees in the quarter was 13,904 (13,767) which represents an increase of 1.0 percent. The proportion of women in the Swedish operation was 66.9 percent (67.4) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 14.0 percent aggregated over the nine-month July - March period, compared with 12.1 percent aggregated over the corresponding period in the previous year. Absence due to illness for AcadeMedia employees in Sweden (aggregated average short-term absence <90 days) was 5.5 percent (4.9) during the first nine months.

<sup>4</sup> The Norwegian equivalent of The Swedish national agency for education

<sup>5</sup> Excluding the acquired KYH



Absence due to care of sick child (se. VAB) in the Swedish operations was very high during the period October to March, 1.5 percent (1.2) which is 0.4 percentage points higher compared to the same period last year. Over the past nine months (aggregated average), absence due to VAB amounted to 1.5 percent (1.1).

## Parent Company

Net sales in the first nine months amounted to SEK 7 million (8). Operating profit (EBIT) amounted to SEK -10 million (-8) and profit after tax was SEK -5 million (-5). The Parent Company's assets essentially consist of participations in Group companies and intercompany receivables. Operations are funded by equity, bank loans, and intra group loans. Equity in the Parent Company as of 31 March 2022 was SEK 2,406 million (2,562). The Parent Company's interest-bearing external debt as of 31 March 2022 was SEK 730 million (878).

## Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 31 March 2022, share capital was SEK 105,792,878 and the number of shares amounted to a total of 105,792,878 shares distributed among 105,586,973 ordinary shares and 205,905 Class C shares, where the C-shares are held by AcadeMedia AB. The quota value is SEK 1.00 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 21.9 percent of the capital as of 31 March 2022.

The number of shares and votes in AcadeMedia AB has during March 2022 increased through conversion of convertible bonds relating to the convertible program for employees within the AcadeMedia group, adopted at the Annual General Meeting on 22 November 2018. In total, the number of shares and votes has increased by 4,033 ordinary shares and as many votes.

During the quarter the two incentive programs decided on the Annual General Meeting on 30 November 2021 has been launched. Warrant program 2021/2025 and share matching program 2021/2025. For further information refer to the notice convening the Annual General Meeting in AcadeMedia AB (publ) 2021, note 17.

## Significant events after the end of the reporting period

**Platform acquisition in the Netherlands.** AcadeMedia has entered into an agreement to acquire all shares in the preschool companies Blokkentrein and Le Garage Kinderopvang. The acquisition is a platform acquisition into the Dutch market and open up for continued international expansion. The acquisition includes two preschools with about 240 children and an annual turnover of just over EUR 2.7 million. The businesses will be included in the Preschool Segment as of 1 April 2022.

## Changes in Group management

Jens Eriksson, head of Upper Secondary School Segment and Compulsory School Segment and part of the executive management team, has decided to leave AcadeMedia for a new assignment outside the company. Jens Eriksson will leave his role on 30 May 2022.

Karl Sandlund is appointed COO, a new position at AcadeMedia and will be a member of the Executive Management team. As part of strengthening and developing the management function, a new role will be established as head of AcadeMedia's operational activities. Karl Sandlund is currently Chief Commercial Officer at SAS. Karl Sandlund will assume his position no later than October 4th, 2022.

Lotta Krus is appointed head of Compulsory School Segment and will be a member of the Executive Management team. Lotta Krus started her career at AcadeMedia in 2001. Today, she is director of education at AcadeMedia's creative upper secondary school business area. Lotta Krus will assume her new position on June 1st.

Jimmy Kjellström is appointed Director of Administration and acting head of Upper Secondary School Segment and will be part of the Executive Management Team. Jimmy Kjellström started his career at AcadeMedia in 2000. He is today vice head of the Compulsory School Segment and the Upper Secondary School Segment. Jimmy Kjellström will assume both positions on June 1st.

Veronica Rörsgård is appointed head of Preschool Segment. Veronica Rörsgård, currently head of the Swedish preschools and part of the Executive Management Team. Veronica Rörsgård will assume her new position on July 1st and succeeds Marcus Strömberg who has been acting head of the Preschool Segment.

Marit Lambrechts, head of AcadeMedia's Norwegian preschools, will leave the Executive Management Team on July 1st. Marit Lambrechts will continue to lead the Norwegian business.

## Other

### Risks and uncertainties

AcadeMedia categorises risks as operating, external and financial and they are described in detail in AcadeMedia AB's 2020/21 Annual Report. Operating risks include variations in demand and number of students and participants, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk. With declining demand in a specific unit, fixed expenses and thus rental costs are a risk.

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

In the spring, the Swedish Parliament will vote on several proposals put forward by the social democrat led government. These include changes to the financing system (school voucher funding) and the free school choice, both relating only to Compulsory School. The likelihood that the proposals will be voted through is slim, as a parliamentary majority has already said that they will say no. It is too early to speculate how the elections in Sweden in September will affect the independent school sector.

The spread of the coronavirus since spring 2020 has had a significant impact on AcadeMedia's operations. Due to the reduced spread of the infection the government's exception rules have been lifted and society's ability to live with the disease has also improved. In light of this development, the risk that operations again need to close and that new establishments cannot open as planned is no longer considerable.

### Seasonal variations

AcadeMedia's four segments show different seasonal variations. The three school segments show recurring seasonal variations, in which the first half of the 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, January to June, is stronger, as sales typically rise because of the 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 quarters 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 public initiatives. The seasonal variations are described in more detail in Academedias AB's annual report for 2020/21.

Also, Covid-19 have had a significant impact on our operations and so 2019/20 and 2020/21 were untypical years. Earnings were affected mainly by lower expenses in the second and third quarter due to cancelled and postponed activities, but also by high levels of sick leave and a substantial increase of absence due to caring for own sick child (se. vab), at the same time as access to temporary staff has been limited. During last year the spread of the corona virus decreased in the fourth quarter and previous postponed activities were taking place to a larger extent.

## Outlook

AcadeMedia does not publish any forecasts.

## Calendar

5 May 2022	Interim report, third quarter
30 August 2022	Year-end report
25 October 2022	Interim report, first quarter
25 October 2022	Annual report 2021/22

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

Stockholm 5 May 2022

Marcus Strömberg  
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*This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CEST on 5 May 2022.*



# Report of Review (Translation of Swedish Original)

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

## **Introduction**

We have reviewed this report for the period July 1, 2021 to March 31, 2022 for AcadeMedia AB. The board of directors and the managing director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of Review**

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

## **Conclusion**

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

Stockholm, May 5, 2022

PricewaterhouseCoopers AB

Patrik Adolfson  
Authorized Public Accountant  
Auditor in charge

Eva Medbrant  
Authorized Public Accountant

## Consolidated income statement

SEK m	Note	Third quarter		Nine months		Rolling 12 months	Full year
		2021/22	2020/21	2021/22	2020/21	Apr 21- Mar 22	2020/21
<b>Net Sales</b>	3	<b>3,802</b>	<b>3,591</b>	<b>10,488</b>	<b>9,668</b>	<b>14,160</b>	<b>13,340</b>
Cost of services		-336	-280	-953	-804	-1,268	-1,120
Other external expenses		-349	-354	-941	-944	-1,349	-1,352
Personnel expenses		-2,331	-2,213	-6,351	-5,914	-8,544	-8,106
Depreciation/amortization		-447	-404	-1,305	-1,170	-1,716	-1,580
Items affecting comparability <sup>1)</sup>		-27	6	-50	7	-65	-7
<b>TOTAL OPERATING EXPENSES</b>		<b>-3,490</b>	<b>-3,244</b>	<b>-9,600</b>	<b>-8,825</b>	<b>-12,941</b>	<b>-12,166</b>
<b>OPERATING INCOME</b>		<b>313</b>	<b>346</b>	<b>887</b>	<b>843</b>	<b>1,218</b>	<b>1,174</b>
Financial income		0	3	0	3	0	3
Financial expenses	6	-113	-101	-327	-305	-427	-405
<b>Net financial items</b>		<b>-113</b>	<b>-98</b>	<b>-327</b>	<b>-302</b>	<b>-427</b>	<b>-402</b>
<b>INCOME BEFORE TAX</b>		<b>200</b>	<b>249</b>	<b>560</b>	<b>541</b>	<b>791</b>	<b>772</b>
Tax		-44	-58	-120	-124	-169	-173
<b>PROFIT FOR THE PERIOD</b>		<b>155</b>	<b>191</b>	<b>441</b>	<b>418</b>	<b>622</b>	<b>599</b>
<b>Profit for the period attributable to:</b>							
Owners of the parent company		155	191	441	418	622	599
Basic earnings per share (SEK)		1.47	1.80	4.17	3.93	5.88	5.64
Diluted earnings per share (SEK)		1.47	1.80	4.17	3.92	5.87	5.62
Earnings per share based on number of shares outstanding (SEK)		1.47	1.80	4.17	3.93	5.87	5.62

<sup>1)</sup> Items affecting comparability are specified on page 4 and 5. Key performance indicator definitions are on pages 35-36. Please see note 2 for information on how application of IFRS 16 impact the financial reports.

## Consolidated statement of comprehensive income

MSEK	Third quarter			Nine months		Rolling 12 month	Full year
	Not	2021/22	2020/21	2021/22	2020/21	Apr 21- Mar 22	2020/21
<b>PROFIT FOR THE PERIOD</b>		<b>155</b>	<b>191</b>	<b>441</b>	<b>418</b>	<b>622</b>	<b>599</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to profit/loss</i>							
Actuarial gains and losses		54	46	35	60	30	55
Deferred tax relating to actuarial gains and losses		-12	-10	-8	-13	-6	-12
		<b>42</b>	<b>36</b>	<b>27</b>	<b>47</b>	<b>23</b>	<b>43</b>
<i>Items that may be reclassified to profit/loss</i>							
Translation differences		35	44	57	32	39	14
<b>Other comprehensive income for the period</b>		<b>77</b>	<b>80</b>	<b>85</b>	<b>79</b>	<b>62</b>	<b>57</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>233</b>	<b>271</b>	<b>525</b>	<b>497</b>	<b>684</b>	<b>656</b>
<b>Comprehensive income for the period attributable to:</b>							
Owners of the parent company		233	271	525	497	684	656

## Consolidated statement of financial position in summary

SEK m	Note	31 mar 2022	31 mar 2021	30 jun 2021
<b>ASSETS</b>				
Intangible non-current assets		6,515	6,406	6,409
Buildings		1,119	1,061	1,044
Right-of-use assets		7,875	7,565	7,489
Other property, plant, and equipment		857	758	791
Other non-current assets		150	77	41
<b>Total non-current assets</b>		<b>16,516</b>	<b>15,866</b>	<b>15,773</b>
Current receivables		782	772	662
Cash and cash equivalents <sup>1</sup>		976	760	966
<b>Total current assets</b>		<b>1,758</b>	<b>1,532</b>	<b>1,628</b>
<b>TOTAL ASSETS</b>		<b>18,274</b>	<b>17,398</b>	<b>17,401</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>5,647</b>	<b>5,130</b>	<b>5,305</b>
Non-current liabilities to credit institutions		1,649	1,934	1,824
Long-term lease liabilities		6,915	6,601	6,495
Provisions and other non-current liabilities		160	210	187
<b>Total non-current liabilities</b>		<b>8,724</b>	<b>8,745</b>	<b>8,506</b>
Current interest-bearing liabilities		402	184	195
Short-term lease liabilities		1,134	1,031	1,077
Other current liabilities		2,367	2,308	2,319
<b>Total current liabilities</b>		<b>3,903</b>	<b>3,524</b>	<b>3,591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,274</b>	<b>17,398</b>	<b>17,401</b>

<sup>1</sup> Cash includes Cash restricted for payroll tax withholdings with SEK 30 million (SEK 32 million per 31 March 2021 and SEK 34 million per 30 June 2021).

## Summary of consolidated statement of changes in equity

Equity attributable to the owners of the Parent Company

SEK m	Jul – mar 2021/22	Jul - mar 2020/21	Jul-jun 2020/21
<b>Opening shareholders equity in accordance with Approved balance sheet</b>	<b>5 305</b>	<b>4 807</b>	<b>4 807</b>
Effect of amended accounting policies**	-	-17	-17
<b>Opening balance</b>	<b>5 305</b>	<b>4 790</b>	<b>4 790</b>
Profit for the period	441	418	599
Other comprehensive income for the period	85	79	57
<b>Consolidated statement of comprehensive income</b>	<b>525</b>	<b>497</b>	<b>655</b>
Dividend paid	-185	-158	-158
Other transactions with owners <sup>1</sup>	2	1	17
<b>Closing balance</b>	<b>5 647</b>	<b>5 130</b>	<b>5 305</b>

<sup>1</sup>) Transactions with owners include a new share issue connected to the convertible program for employees SEK +0,2 million and premium for issued warrants of SEK +2,1 million in the third quarter. Transactions with owners in the previous year includes new share issue connected to warrants SEK +17,1 million in the third and fourth quarter and share-matching program of SEK +0.2 million.

\*\* ) New and amended accounting standards is applied, see note 1 on page 22

## Consolidated cash flow statement

SEK m	Third quarter		Nine months		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Operating profit (EBIT)	313	346	887	843	1,174
Depreciation/amortization	447	404	1,305	1,170	1,580
Adjustment for other non-cash items	-10	6	-25	28	24
Tax paid	-87	-76	-157	-113	-146
<b>Cash flow from operating activities before changes in working capital</b>	<b>663</b>	<b>680</b>	<b>2,010</b>	<b>1,928</b>	<b>2,632</b>
Cash flow from changes in working capital	-123	31	-83	115	240
<b>Cash flow from operating activities</b>	<b>540</b>	<b>711</b>	<b>1,927</b>	<b>2,043</b>	<b>2,872</b>
Acquisition of subsidiaries	-2	-28	-53	-199	-235
Investments in buildings	-1	-3	-20	-25	-23
Leasehold improvements	-15	-6	-80	-52	-107
Investments in equipment	-29	-19	-103	-87	-128
Investments in intangible non-current assets	4	0	-0	-1	-3
Divestment of tangible non-current assets	-	-	-	62	62
Investments in non-current financial assets	-50	-4	-64	-7	-7
Divestment of non-current financial assets	-	-	-	-	3
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>-61</b>	<b>-319</b>	<b>-309</b>	<b>-437</b>
Interest received (+) and paid (-)	-10	-6	-23	-23	-31
Interest paid, lease liabilities	-103	-91	-302	-277	-368
Dividend paid	-	-	-185	-158	-158
New share issue	2	1	2	1	17
Increase (+)/decrease (-) of interest-bearing liabilities	-41	-214	-86	-111	-182
Repayment of lease liabilities	-416	-381	-1,024	-945	-1,281
<b>Cash flow from financing activities</b>	<b>-568</b>	<b>-692</b>	<b>-1,618</b>	<b>-1,513</b>	<b>-2,003</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-120</b>	<b>-41</b>	<b>-11</b>	<b>220</b>	<b>433</b>
Cash and cash equivalents at beginning of period	1,084	787	966	528	528
Exchange-rate differences in cash and cash equivalents	13	14	21	11	5
<b>Cash and cash equivalents at end of period</b>	<b>976</b>	<b>760</b>	<b>976</b>	<b>760</b>	<b>966</b>

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

## Notes and accounting policies

The interim report includes pages 1 to 36 and pages 1 to 16 are an integrated part of this financial report.

Significant events after the end of the reporting period are when applicable presented on page 14. Segment reporting is presented on pages 8 to 11. Disclosures about risk factors and seasonality are presented on page 15.

### NOTE 1: ACCOUNTING POLICIES

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

The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2020/21 Annual Report, which was prepared in accordance with the Annual Accounts Act and the International Financial Reporting Standards (IFRS) as adopted by the EU.

#### New and amended accounting standards applied from 1 July 2021

New and amended standards and interpretations applicable from 1 July 2021 have not and will not have any significant effect on the financial reports, except the effects from the below new accounting standard.

The IFRS Interpretation Committee (IFRS IC) published an agenda decision in April 2021 on configuration or customization costs in cloud computing arrangements. During the quarter, Academedia has completed the review of the effects on the consolidated financial statements and found that some previously reported intangible assets no longer meet the requirements to be reported as intangible assets. Adjustment has been made and is presented in this interim report.

#### Income statement, transition effect

SEK m	Full year 2020/21		
	Reported	Adjustments	Adjusted
<b>Net Sales</b>	<b>13 340</b>	-	<b>13 340</b>
Cost of services	-1 120	-	-1 120
Other external expenses	-1 351	-1	-1 352
Personnel expenses	-8 106	-	-8 106
Depreciation/amortization	-1 587	6	-1 580
Items affecting comparability <sup>1)</sup>	-7	-	-7
<b>OPERATING INCOME</b>	<b>1 169</b>	<b>5</b>	<b>1 174</b>
Net financial items	-402	-	-402
<b>INCOME BEFORE TAX</b>	<b>767</b>	<b>5</b>	<b>772</b>
Tax	-173	-	-173
<b>PROFIT FOR THE PERIOD</b>	<b>594</b>	<b>5</b>	<b>599</b>

#### Cash-flow statement, transition effect

SEK m	Full year 2020/21		
	Reported	Adjustments	Adjusted
Operating profit (EBIT)	1 169	5	1 174
Depreciation/amortization	1 587	-6	1 580
<b>Cash flow from operating activities before changes in working capital</b>	<b>2 634</b>	<b>-1</b>	<b>2 632</b>
Cash flow from changes in working capital	238	1	240
<b>Cash flow from operating activities</b>	<b>2 872</b>	<b>-</b>	<b>2 872</b>
<b>Cash flow from investing activities</b>	<b>-437</b>	<b>-</b>	<b>-437</b>
<b>Cash flow from financing activities</b>	<b>-2 003</b>	<b>-</b>	<b>-2 003</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>433</b>	<b>-</b>	<b>433</b>

#### Balance sheet, transition effect

SEK m	July 1, 2020		July 1, 2020
	Reporter	Adjustments	Adjusted
Intangible assets	6 191	-23	6 168
Current receivables	704	6	710
Shareholders equity	4 807	-17	4 790

**NOTE 2: FINANCIAL REPORTS DISCLOSING THE IMPACT FROM IMPLEMENTATION OF IFRS 16**

Below, the effects on the financial reports from implementation of IFRS 16 Leasing are disclosed.

**Consolidated income statement**

SEK m	Third quarter 21/22			Nine months 21/22			Full year 20/21		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
<b>Net Sales</b>	<b>3,802</b>	-	<b>3,802</b>	<b>10,488</b>	-	<b>10,488</b>	<b>13,340</b>	-	<b>13,340</b>
Cost of services	-336	-	-336	-953	-	-953	-1,120	-	-1,120
Other external expenses	-349	420	-769	-941	1,226	-2,167	-1,352	1,466	-2,818
Personnel expenses	-2,331	-	-2,331	-6,351	-	-6,351	-8,106	-	-8,106
Depreciation/amortization	-447	-345	-103	-1,305	-1,010	-295	-1,580	-1,224	-357
Items affecting comparability	-27	-	-27	-50	-	-50	-7	-	-7
<b>TOTAL OPERATING EXPENSES</b>	<b>-3,490</b>	75	<b>-3,565</b>	<b>-9,600</b>	216	<b>-9,816</b>	<b>-12,166</b>	243	<b>-12,409</b>
<b>OPERATING INCOME</b>	<b>313</b>	<b>75</b>	<b>237</b>	<b>887</b>	<b>216</b>	<b>671</b>	<b>1,174</b>	<b>243</b>	<b>931</b>
Financial income	0	-	0	0	-	0	3	-	3
Financial expenses	-113	-103	-10	-327	-299	-28	-405	-365	-40
<b>Net financial items</b>	<b>-113</b>	<b>-103</b>	<b>-10</b>	<b>-327</b>	<b>-299</b>	<b>-28</b>	<b>-402</b>	<b>-365</b>	<b>-37</b>
<b>INCOME BEFORE TAX</b>	<b>200</b>	<b>-28</b>	<b>227</b>	<b>560</b>	<b>-83</b>	<b>643</b>	<b>772</b>	<b>-122</b>	<b>894</b>
Tax	-44	6	-50	-120	18	-138	-173	27	-201
<b>PROFIT FOR THE PERIOD</b>	<b>155</b>	<b>-21</b>	<b>177</b>	<b>441</b>	<b>-65</b>	<b>505</b>	<b>599</b>	<b>-95</b>	<b>694</b>
Other comprehensive income for the period	77	-	77	85	-	85	57	-	57
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>233</b>	<b>-21</b>	<b>254</b>	<b>525</b>	<b>-65</b>	<b>590</b>	<b>656</b>	<b>-95</b>	<b>751</b>
Earnings per share basic (SEK)	1.47	-0.20	1.68	4.17	-0.61	4.79	5.64	-0.90	6.54
Earnings per share basic/diluted (SEK)	1.47	-0.20	1.67	4.17	-0.61	4.78	5.62	-0.90	6.52
Earnings per share based on number of shares outstanding (SEK)	1.47	-0.20	1.68	4.17	-0.61	4.79	5.62	-0.90	6.52

**Consolidated statement of financial position in summary**

SEK m	31 mar 2022			31 mar 2021		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
<b>ASSETS</b>						
Intangible non-current assets	6,515	-	6,515	6,406	-	6,406
Buildings	1,119	-	1,119	1,061	-	1,061
Right-of-use assets	7,875	7,675	200	7,565	7,396	168
Other property, plant, and equipment	857	-	857	758	-	758
Other non-current assets	150	22	128	77	54	23
<b>Total non-current assets</b>	<b>16,516</b>	<b>7,697</b>	<b>8,819</b>	<b>15,866</b>	<b>7,451</b>	<b>8,415</b>
Current receivables	782	-316	1,098	772	-286	1,058
Cash and cash equivalents	976	-	976	760	-	760
<b>Total current assets</b>	<b>1,758</b>	<b>-316</b>	<b>2,075</b>	<b>1,532</b>	<b>-286</b>	<b>1,818</b>
<b>TOTAL ASSETS</b>	<b>18,274</b>	<b>7,381</b>	<b>10,894</b>	<b>17,398</b>	<b>7,165</b>	<b>10,233</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>5,647</b>	<b>-277</b>	<b>5,925</b>	<b>5,130</b>	<b>-191</b>	<b>5,321</b>
Non-current liabilities to credit institutions	1,649	-	1,649	1,934	-	1,934
Long-term lease liabilities	6,915	6,831	84	6,601	6,535	66
Provisions and other non-current liabilities	160	-58	217	210	-	210
<b>Total non-current liabilities</b>	<b>8,724</b>	<b>6,773</b>	<b>1,951</b>	<b>8,745</b>	<b>6,535</b>	<b>2,210</b>
Current interest-bearing liabilities	402	-	402	184	-	184
Short-term lease liabilities	1,134	1,015	119	1,031	927	105
Other current liabilities	2,367	-131	2,498	2,308	-106	2,414
<b>Total current liabilities</b>	<b>3,903</b>	<b>885</b>	<b>3,018</b>	<b>3,524</b>	<b>821</b>	<b>2,702</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,274</b>	<b>7,381</b>	<b>10,894</b>	<b>17,398</b>	<b>7,165</b>	<b>10,233</b>

**Consolidated cash flow statement**

SEK m	Third quarter 21/22			Nine months 21/22		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	313	75	237	887	216	671
Depreciation/amortization	447	345	103	1,305	1,010	295
Adjustment for other non-cash items	-10	-	-10	-25	-	-25
Tax paid	-87	-	-87	-157	-	-157
<b>Cash flow from operating activities before changes in working capital</b>	<b>663</b>	<b>420</b>	<b>243</b>	<b>2,010</b>	<b>1,226</b>	<b>784</b>
Cash flow from changes in working capital	-123	61	-184	-83	-7	-76
<b>Cash flow from operating activities</b>	<b>540</b>	<b>481</b>	<b>59</b>	<b>1,927</b>	<b>1,219</b>	<b>708</b>
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>-</b>	<b>-93</b>	<b>-319</b>	<b>-</b>	<b>-319</b>
<b>Cash flow from financing activities</b>	<b>-568</b>	<b>-481</b>	<b>-87</b>	<b>-1,618</b>	<b>-1,219</b>	<b>-399</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-120</b>	<b>-</b>	<b>-120</b>	<b>-11</b>	<b>-</b>	<b>-11</b>



**NOTE 3: REVENUE**

SEK m	Third quarter		Nine months		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Education-related income	3,696	3,508	10,176	9,416	12,967
State subsidies	53	42	177	124	164
Other income	53	42	135	128	209
<b>Net Sales</b>	<b>3,802</b>	<b>3,591</b>	<b>10,488</b>	<b>9,668</b>	<b>13,340</b>

Education-related income consists of school vouchers and participant fees. Tuition fees are recognised as revenue and allocated in line with the degree of completion over the period during which the education is provided, including time for planning and grading of student learning. Revenue for preschool operations is recognised based on the same fundamental principles. Revenue for services sold is recognised upon delivery to students. Revenue in the adult education operation is based on the same fundamental principles, but also takes into account the empirical estimate of the number of participants not completing the programme started, as well as estimates of compensation received based on the number of participants completing the programme.

State subsidies include State subsidies for the primary school initiative, smaller classes, skills development and before and after school care initiatives. State subsidies are recognised at fair value in the case that there is reasonable certainty that they will be received and that AcadeMedia will meet the conditions attached to the grant. Subsidies received to cover costs are recognised as an expense reduction for the relevant expense item, for example teacher salary premiums, head teacher premiums and other salary subsidies.

Other income refers to income not directly related to education.

**NOTE 4: RELATED-PARTY TRANSACTIONS**

Related party transactions are described in detail in the 2020/21 Annual Report. Related party transactions take place at an arm's length basis. During the first nine months no significant related-party transactions took place.

**NOTE 5: ACQUISITIONS**

Acquiring company	Acquired company	Acquisition date	Segment
Vittraskolorna AB	Friskolan Lyftet AB	30-Aug-21	Comp. School
Pyslingen Förskolor och Skolor AB	Kråkbrinkens Förskola AB	01-Nov-21	Preschool
Espira Barnehager AS	Espira Holbekk Idrettsbarnehage AS	01-Nov-21	Preschool
Espira Barnehager AS	Holbekk Barnehagetun	01-Nov-21	Preschool
Espira Barnehager AS	Naturbarnehagene	01-Nov-21	Preschool
Espira Barnehager AS	Espira Sandtoppen Naturbarnehage AS	01-Nov-21	Preschool
Espira Barnehager AS	Espira Eikenøtta Naturbarnehage AS	01-Nov-21	Preschool

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

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

The purchase consideration was in the form of cash.

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

Acquisition effects of acquisitions made (SEK m)	Total
Purchase consideration including transaction expenses	74
Purchase consideration excluding transaction expenses and including interest	72
Fair value of acquired net assets excluding goodwill	-37
<b>Total goodwill</b>	<b>35</b>

<b>Fair values acquired (SEK m)</b>	<b>Total</b>
Intangible non-current assets	8
Property, plant and equipment	47
Right-of-use assets	18
Financial non-current assets	-
Current assets	5
Cash and cash equivalents	19
Interest bearing liabilities	-26
Interest bearing liabilities - IFRS 16	-18
Non-interest-bearing liabilities	-9
Current tax liability	-1
Deferred tax liability	-5
<b>Net assets acquired</b>	<b>37</b>

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

<b>Impact of the acquisitions on the Group's cash and cash equivalents (SEK m)</b>	<b>Total</b>
Purchase consideration excluding transaction expenses and including interest	72
Less purchase consideration that has not been settled in cash as of period end.	0
Cash and cash equivalents at time of acquisition	-19
<b>Impact on the Group's cash and cash equivalents</b>	<b>53</b>

<b>Contribution of acquisitions to consolidated profit (SEK m)</b>	<b>Total</b>
Net sales	27
Operating profit (EBIT)	3

<b>If the units had been included in consolidated profit from July 1, 2021 the contribution would have been (SEK m)</b>	<b>Total</b>
Net sales	38
Operating profit (EBIT)	5

After the end of the reporting period, two preschools in the Netherlands were acquired, with a turnover of just over EUR 2.7 million annually.

## NOTE 6: FINANCIAL EXPENSES

SEK m	Third quarter		Nine months		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Financial expenses</b>					
Interest expense	-7	-7	-19	-22	-28
Borrowing costs <sup>1</sup>	-1	-1	-2	-2	-2
Interest expense on the lease liability	-104	-92	-304	-278	-370
Exchange rate losses	-0	-	-0	-0	-0
Other	-1	-1	-2	-3	-4
<b>Financial expenses</b>	<b>-113</b>	<b>-101</b>	<b>-327</b>	<b>-305</b>	<b>-405</b>
<i>Interest expense, property related lease liabilities</i>	<i>-103</i>	<i>-91</i>	<i>-299</i>	<i>-274</i>	<i>-365</i>

<sup>1</sup> Acquisition costs for loans are expensed over the term of the loan.

The financial expenses are somewhat higher than previous year, following increased property-related leasing liabilities as the operations grow.

**NOTE 7: TAXES**

The tax expense for the first nine months amounted to SEK 120 (124) million, corresponding to an effective tax rate of 21.4 percent (23.0). The lower effective tax rate follows a lower nominal tax rate in Sweden, 20.6 percent 2021/2022 vs 21.4 percent in 2020/2021.

**NOTE 8: FINANCIAL INSTRUMENTS**

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

**NOTE 9: LEASING COMMITMENTS**

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered into leasing contracts which have not yet commenced. The total commitment for these contracts as per 31 March 2022 amounts to SEK 3,050 million (3,447 as per 30 June 2021). The decrease in first nine months is an effect of leasing contracts commencing in the period.

## Parent company – financial reports

### Parent company income statement in summary

SEK m	Third quarter		Nine months		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Net sales</b>	1	3	7	8	8
<b>Operating expenses</b>	-6	-5	-16	-16	-22
<b>OPERATING PROFIT</b>	-5	-2	-10	-8	-14
Interest income and similar items	5	4	14	14	18
Interest expense and similar items	-3	-2	-11	-11	-15
<b>Net financial items</b>	1	2	3	2	3
Year-end appropriations	-	-	-	-	25
<b>PROFIT BEFORE TAX</b>	-3	-0	-7	-6	14
Tax	1	0	1	1	-3
<b>PROFIT FOR THE PERIOD</b>	-3	0	-5	-5	11

### Parent company other comprehensive income

SEK m	Third quarter		Nine months		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
<b>Profit for the period</b>	-3	0	-5	-5	11
<b>Other comprehensive income for the period</b>	-	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-3	0	-5	-5	11

### Parent company balance sheet in summary

SEK m	31 mar 2022	31 mar 2021	30 jun 2021
<b>ASSETS</b>			
Participations in Group companies	3,261	3,261	3,261
<b>Total non-current assets</b>	<b>3,261</b>	<b>3,261</b>	<b>3,261</b>
Current receivables	3,022	2,936	3,017
Cash and cash equivalents	744	421	662
<b>Total current assets</b>	<b>3,766</b>	<b>3,357</b>	<b>3,679</b>
<b>TOTAL ASSETS</b>	<b>7,028</b>	<b>6,618</b>	<b>6,941</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	106	106	106
Non-restricted equity	2,300	2,456	2,488
<b>Total equity</b>	<b>2,406</b>	<b>2,562</b>	<b>2,593</b>
<b>Non-current liabilities</b>	355	728	653
<b>Current liabilities</b>	<b>4,266</b>	<b>3,329</b>	<b>3,694</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,028</b>	<b>6,618</b>	<b>6,941</b>

### Parent company statement of changes in equity

SEK m	Jul-mar 21/22	Jul-mar 20/21	Jul-jun 20/21
<b>Opening balance</b>	<b>2,593</b>	<b>2,723</b>	<b>2,723</b>
Profit for the period	-5	-5	11
Other comprehensive income for the period	-	-	-
<b>Total profit for the period</b>	<b>-5</b>	<b>-5</b>	<b>11</b>
Dividend	-185	-158	-158
Other transactions with owners <sup>1</sup>	2	1	17
<b>Closing balance</b>	<b>2,406</b>	<b>2,562</b>	<b>2,593</b>

<sup>1</sup>) Transactions with owners include a new share issue connected to the convertible program for employees SEK +0.2 million and premium for issued warrants of SEK +2.1 million in the third quarter. Transactions with owners in the previous year includes new share issue connected to warrants SEK +17.1 million in the third and fourth quarter and share-matching program of SEK +0.2 million.

## Multi-year review

SEK million, unless otherwise stated	Third quarter		Nine months			Full year			
	2021/22	2020/21	2021/22	2020/21	2020/21	2019/20	2018/19 <sup>1</sup>	2017/18 <sup>1</sup>	2016/17 <sup>1</sup>
<b>PROFIT/LOSS ITEMS</b>									
Net sales	3,802	3,591	10,488	9,668	13,340	12,271	11,715	10,810	9,520
Items affecting comparability	-27	6	-50	7	-7	36	1	-48	-23
EBITDA	760	750	2,192	2,013	2,754	2,486	931	872	827
Depreciation/amortization	-447	-404	-1,305	-1,170	-1,580	-1,513	-296	-250	-212
Operating profit/loss (EBIT)	313	346	887	843	1,174	973	635	622	615
Net financial items	-113	-98	-327	-302	-402	-417	-69	-68	-80
Profit/loss for the period before tax	200	249	560	541	772	556	566	555	535
Profit/loss for the period after tax	155	191	441	418	599	431	431	430	416
<b>BALANCE SHEET ITEMS</b>									
Non-current assets	16,516	15,866	16,516	15,866	15,773	15,262	8,218	7,823	6,574
Current receivables and inventories	782	772	782	772	662	710	976	860	695
Cash and cash equivalents	976	760	976	760	966	528	527	699	579
Non-current interest-bearing liabilities	1,675	1,959	1,675	1,959	1,850	1,914	2,205	2,209	2,200
Long-term lease liabilities	6,915	6,601	6,915	6,601	6,495	6,346	-	-	-
Non-current non-interest-bearing liabilities	135	185	135	185	162	207	305	135	114
Current interest-bearing liabilities	402	184	402	184	195	270	592	673	516
Short-term lease liabilities	1,134	1,031	1,134	1,031	1,077	1,010	-	-	-
Current non-interest-bearing liabilities	2,367	2,308	2,367	2,308	2,319	1,965	2,030	2,103	1,577
Equity	5,647	5,130	5,647	5,130	5,305	4,790	4,589	4,262	3,443
Total assets	18,274	17,398	18,274	17,398	17,401	16,500	9,720	9,383	7,849
Capital employed*	8,204	7,635	8,204	7,635	7,705	7,232	7,386	7,144	6,158
Net debt*	1,303	1,554	1,303	1,554	1,222	1,797	2,266	2,179	2,133
Property adjusted net debt*	514	836	514	836	526	1,138	1,533	1,528	1,550
<b>KEY RATIOS</b>									
Net sales, SEK m	3,802	3,591	10,488	9,668	13,340	12,271	11,715	10,810	9,520
Organic growth incl. Bolt-on acquisitions, %	4.7%	7.3%	5.7%	7.3%	8.1%	5.4%	4.4%	5.8%	9.0%
Acquired growth, larger acquisitions, %	-	3.1%	2.0%	1.1%	1.6%	-	3.2%	7.9%	0.8%
Change in currency, %	1.2%	-1.0%	0.8%	-1.5%	-1.1%	-0.7%	0.8%	-0.1%	0.8%
Operating margin (EBIT), %	8.2%	9.6%	8.5%	8.7%	8.8%	7.9%	5.4%	5.8%	6.5%
Adjusted EBIT, SEK m	264	279	722	657	939	728	634	670	638
Adjusted EBIT margin, %	6.9%	7.8%	6.9%	6.8%	7.0%	5.9%	5.4%	6.2%	6.7%
Adjusted EBITDA, SEK m	367	372	1,016	922	1,296	1,066	930	920	850
Adjusted EBITDA margin, %	9.7%	10.4%	9.7%	9.5%	9.7%	8.7%	7.9%	8.5%	8.9%
Return on capital employed, %, (12 months)	12.7%	12.4%	12.7%	12.4%	12.6%	10.0%	8.7%	10.1%	10.9%
Return on equity, %, (12 months)	12.6%	13.9%	12.6%	13.9%	13.3%	11.6%	9.7%	11.2%	12.9%
Equity/assets ratio, %	54.4%	52.0%	54.4%	52.0%	53.3%	51.4%	47.2%	45.4%	43.9%
Interest coverage ratio, times	32.3	23.5	32.3	23.5	27.9	15.9	12.5	10.9	9.4
Net debt/Adjusted EBITDA (12 months)	0.9	1.2	0.9	1.2	0.9	1.7	2.4	2.4	2.5
Adjusted net debt/adjusted EBITDA (12 months)	0.4	0.7	0.4	0.7	0.4	1.1	1.6	1.7	1.8
Free cash flow	19	246	525	775	1,117	805	356	688	658
Cash flow from investing activities	-93	-61	-319	-309	-437	-375	-559	-970	-374
Number of full-time employees	13,904	13,767	13,765	13,236	13,360	12,686	12,405	11,863	10,564

<sup>1</sup> Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases. Key performance indicator definitions, see pages 35 to 36.

## Quarterly data, Group

Quarterly data SEK million, unless otherwise stated	2021/22				2020/21		
	Q2	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,802	3,774	2,911	3,672	3,591	3,436	2,641
<b>EBITDA</b>	<b>760</b>	<b>778</b>	<b>655</b>	<b>741</b>	<b>750</b>	<b>660</b>	<b>603</b>
Depreciation/amortization	-447	-436	-421	-411	-404	-386	-380
Items affecting comparability	-27	7	-30	-14	6	-9	10
<b>Operating income (EBIT)</b>	<b>313</b>	<b>342</b>	<b>233</b>	<b>330</b>	<b>346</b>	<b>275</b>	<b>222</b>
Total financial items	-113	-108	-106	-100	-98	-100	-104
<b>Income before taxes</b>	<b>200</b>	<b>234</b>	<b>127</b>	<b>231</b>	<b>249</b>	<b>174</b>	<b>118</b>
Tax for the current period	-44	-48	-27	-50	-58	-40	-26
<b>Profit/loss for the period</b>	<b>155</b>	<b>186</b>	<b>100</b>	<b>181</b>	<b>191</b>	<b>134</b>	<b>93</b>
Number of children/students, schools	93,092	92,363	91,431	90,032	89,691	85,927	85,642
Number of full-time employees	13,904	13,847	13,543	13,733	13,767	13,127	12,814
Number of education units	556	552	545	539	536	525	525
<b>Key ratios</b>							
Operating margin (EBIT), %	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%
Adjusted EBIT	264	263	194	281	279	225	153
Adjusted EBIT, %	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%
Adjusted EBITDA	367	365	285	374	372	315	235
Adjusted EBITDA, %	9.7%	9.7%	9.8%	10.2%	10.4%	9.2%	8.9%
Net margin, %	4.1%	4.9%	3.4%	4.9%	5.3%	3.9%	3.5%
Return on equity, % (12 months) <sup>1</sup>	12.6%	13.9%	13.1%	13.3%	13.9%	14.0%	12.9%
Return on capital employed, % (12 Months) <sup>1</sup>	12.7%	13.2%	12.8%	12.6%	12.4%	11.7%	10.8%
Equity/assets ratio, % <sup>1</sup>	54.4%	53.0%	53.5%	53.3%	52.0%	50.2%	51.4%
Net debt/Adjusted EBITDA (12 months) <sup>1</sup>	0.9	0.9	1.1	0.9	1.2	1.4	1.6
Interest coverage ratio <sup>1</sup>	32.3	33.0	31.0	27.9	23.5	21.6	18.4
<b>Other</b>							
Free cash flow	19	606	-99	341	246	572	-42
Cash flow from operating activities	59	675	-26	435	275	621	26
Cash flow from investing activities	-93	-120	-106	-128	-61	-236	-12

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

## Quarterly data, segment

SEK million, unless otherwise stated	2021/22				2020/21		
<b>Preschool (SE, NO, DE)</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Number of children/students (average)	23,020	21,982	20,999	22,265	21,891	20,969	20,664
Net sales	1,128	1,061	808	1,068	1,020	958	755
of which Sweden	351	339	253	349	343	328	247
of which Norway	574	520	377	552	524	481	364
of which Germany	203	201	178	168	153	149	144
EBITDA	91	45	33	104	93	40	28
EBITDA margin, %	8.1%	4.2%	4.1%	9.7%	9.1%	4.2%	3.7%
Depreciation/amortization	-26	-23	-24	-24	-22	-20	-22
Operating profit/loss (EBIT)	65	22	9	79	71	19	7
EBIT margin, %	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%
Items affecting comparability	-	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	65	22	9	79	71	19	7
Adjusted EBIT margin, %	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%
Number of preschool units	289	285	278	273	270	267	266

SEK million, unless otherwise stated	2021/22				2020/21		
<b>Compulsory School</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Number of children/students (average)	27,965	27,867	27,697	27,374	27,046	26,193	26,170
Net sales	940	937	713	888	877	851	644
EBITDA	72	113	43	81	68	69	52
EBITDA margin, %	7.7%	12.1%	6.0%	9.1%	7.8%	8.1%	8.1%
Depreciation/amortization	-21	-21	-18	-18	-18	-18	-16
Operating profit/loss (EBIT)	51	92	24	63	50	52	36
EBIT margin, %	5.4%	9.8%	3.4%	7.1%	5.7%	6.1%	5.6%
Items affecting comparability	-12	18	-30	-	-	-	3
Adjusted operating profit/loss (EBIT)	63	74	54	63	50	52	33
Adjusted EBIT margin, %	6.7%	7.9%	7.6%	7.1%	5.7%	6.1%	5.1%
Number of education units	116	116	116	116	116	112	112

SEK million, unless otherwise stated	2021/22				2020/21		
<b>Upper Secondary School</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Number of children/students (average)	42,106	42,513	42,735	40,394	40,753	38,765	38,808
Net sales	1,280	1,278	964	1,223	1,202	1,142	856
EBITDA	153	168	129	147	170	144	121
EBITDA margin, %	12.0%	13.1%	13.4%	12.0%	14.1%	12.6%	14.1%
Depreciation/amortization	-53	-51	-41	-45	-48	-47	-40
Operating profit/loss (EBIT)	100	118	87	102	122	97	81
EBIT margin, %	7.8%	9.2%	9.0%	8.3%	10.1%	8.5%	9.5%
Items affecting comparability	-15	-0	-0	-10	6	-	8
Adjusted operating profit/loss (EBIT)	115	118	87	112	116	97	73
Adjusted EBIT margin, %	9.0%	9.2%	9.0%	9.2%	9.7%	8.5%	8.5%
Number of education units	151	151	151	150	150	146	147

SEK million, unless otherwise stated	2021/22				2020/21		
Adult Education	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	450	498	427	492	488	484	385
EBITDA	44	64	71	63	68	79	61
EBITDA margin, %	9.8%	12.9%	16.6%	12.8%	13.9%	16.3%	15.8%
Depreciation/amortization	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	40	60	67	59	64	75	57
EBIT margin, %	8.9%	12.0%	15.7%	12.0%	13.1%	15.5%	14.8%
Items affecting comparability	-	-11	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	40	71	67	59	64	75	57
Adjusted EBIT margin, %	8.9%	14.3%	15.7%	12.0%	13.1%	15.5%	14.8%

SEK million, unless otherwise stated	2021/22				2020/21		
Group-OH and adjustments	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4	0	0	0	4	1	1
EBITDA	400	388	380	346	350	328	341
Depreciation/amortization	-342	-337	-333	-319	-311	-297	-299
Operating profit/loss (EBIT)	57	51	46	27	39	32	42
Items affecting comparability	-	-	-	-4	-	-9	-
Adjusted operating profit/loss (EBIT)	-18	-21	-23	-32	-22	-18	-17

SEK million, unless otherwise stated	2021/22				2020/21		
Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	93,092	92,363	91,431	90,032	89,691	85,927	85,642
Net sales	3,802	3,774	2,911	3,672	3,591	3,436	2,641
EBITDA	760	778	655	741	750	660	603
EBITDA margin, %	20.0%	20.6%	22.5%	20.2%	20.9%	19.2%	22.8%
Depreciation/amortization	-447	-436	-421	-411	-404	-386	-380
<b>Operating profit/loss (EBIT)</b>	<b>313</b>	<b>342</b>	<b>233</b>	<b>330</b>	<b>346</b>	<b>275</b>	<b>222</b>
EBIT margin, %	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%
Items affecting comparability	-27	7	-30	-14	6	-9	10
Effect of IFRS 16 on operating profit	75	72	69	63	61	59	59
Adjusted operating profit/loss (EBIT)	264	263	194	281	279	225	153
Adjusted EBIT margin, %	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%
Net financial items	-113	-108	-106	-100	-98	-100	-104
<b>Profit/loss after financial items</b>	<b>200</b>	<b>234</b>	<b>127</b>	<b>231</b>	<b>249</b>	<b>174</b>	<b>118</b>
Tax	-44	-48	-27	-50	-58	-40	-26
<b>Profit/loss for the period</b>	<b>155</b>	<b>186</b>	<b>100</b>	<b>181</b>	<b>191</b>	<b>134</b>	<b>93</b>
Number of full-time employees (period)	13,904	13,847	13,543	13,733	13,767	13,127	12,814
Number of units	556	552	545	539	536	525	525



## Reconciliation of alternative key performance indicators

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

SEK million, unless otherwise stated	Third quarter		Nine months			Full year		
	2021/22	2020/21	2021/22	2020/21	2020/21	2019/20	2018/19	2017/18
<b>Adjusted operating profit</b>								
Operating profit	313	346	887	843	1,174	973	635	622
- Items affecting comparability	-27	6	-50	7	-7	36	1	-48
- IFRS 16 impact	75	61	216	179	243	209	-	-
<b>= Adjusted operating profit</b>	<b>264</b>	<b>279</b>	<b>722</b>	<b>657</b>	<b>939</b>	<b>728</b>	<b>634</b>	<b>670</b>
<b>Adjusted EBIT margin</b>								
Adjusted operating profit	264	279	722	657	939	728	634	670
Divided by /Net sales	3,802	3,591	10,488	9,668	13,340	12,271	11,715	10,810
<b>= Adjusted EBIT margin</b>	<b>6.9%</b>	<b>7.8%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>5.9%</b>	<b>5.4%</b>	<b>6.2%</b>
<b>Adjusted EBITDA</b>								
Adjusted operating profit	264	279	722	657	939	728	634	670
- Depreciation excluding depreciation relating to property rental agreements	-103	-93	-295	-264	-357	-338	-296	-250
<b>= Adjusted EBITDA</b>	<b>367</b>	<b>372</b>	<b>1 016</b>	<b>922</b>	<b>1,295</b>	<b>1,066</b>	<b>930</b>	<b>920</b>
<b>Net debt</b>								
Non-current interest-bearing liabilities	8,589	8,560	8,589	8,560	8,344	8,260	2,205	2,209
+ Current interest-bearing liabilities	1,536	1,216	1,536	1,216	1,272	1,279	592	673
- Interest-bearing receivables	-	-	-	-	-	-	4	4
- Cash and cash equivalents	976	760	976	760	966	528	527	699
- IFRS 16 Non-current and current lease liabilities <sup>1</sup>	7,846	7,462	7,846	7,462	7,428	7,214	-	-
<b>= Net debt excluding IFRS 16<sup>2</sup></b>	<b>1,303</b>	<b>1,554</b>	<b>1,303</b>	<b>1,554</b>	<b>1,222</b>	<b>1,797</b>	<b>2,266</b>	<b>2,179</b>
<b>Property-adjusted net debt</b>								
Net debt (as described above)	1,303	1,554	1,303	1,554	1,222	1,797	2,266	2,179
- non-current property loans	762	694	762	694	671	597	644	603
- current property loans	27	24	27	24	25	62	89	48
<b>= Property adjusted net debt excluding IFRS 16<sup>2</sup></b>	<b>514</b>	<b>836</b>	<b>514</b>	<b>836</b>	<b>526</b>	<b>1,138</b>	<b>1,533</b>	<b>1,528</b>
<b>Return on capital employed %, 12 months</b>								
Adjusted EBIT	1,003	936	1,003	936	939	728	634	670
+ Interest income	0	0	0	0	0	0	1	2
divided by								
Average equity	5,389	4,890	5,389	4,890	5,047	4,690	4,426	3,853
+ average non-current interest-bearing liabilities	8,575	8,471	8,575	8,471	8,302	5,232	2,207	2,204
+ average current interest-bearing liabilities	1,376	1,373	1,376	1,373	1,276	935	632	594
- IFRS 16 average equity <sup>1</sup>	-234	-141	-234	-141	-165	-59	-	-
- IFRS 16 average non-current and current lease liabilities <sup>1</sup>	7,654	7,326	7,654	7,326	7,321	3,607	-	-
<b>= Return on capital employed excluding IFRS 16<sup>2</sup>, %</b>	<b>12.7%</b>	<b>12.4%</b>	<b>12.7%</b>	<b>12.4%</b>	<b>12.6%</b>	<b>10.0%</b>	<b>8.7%</b>	<b>10.1%</b>
<b>Return on equity %, 12 months</b>								
Profit/loss after tax	622	597	622	597	599	431	431	430
- IFRS 16 profit/loss after tax	-86	-101	-86	-101	-95	-117	-	-
divided by								
Average equity	5,389	4,890	5,389	4,890	5,047	4,690	4,426	3,853
- IFRS 16 average equity <sup>1</sup>	-234	-141	-234	-141	-165	-59	-	-
<b>= Return on equity<sup>2</sup>, %</b>	<b>12.6%</b>	<b>13.9%</b>	<b>12.6%</b>	<b>13.9%</b>	<b>13.3%</b>	<b>11.6%</b>	<b>9.7%</b>	<b>11.2%</b>

SEK million, unless otherwise stated	2021/22				2020/21		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Interest coverage ratio</b>							
Adjusted operating profit EBIT (12 months)	1,003	1,018	980	939	936	881	806
+ Interest income (12 months)	0	0	0	0	0	0	0
+ Other financial income (12 months)	-0	3	3	3	3	4	4
divided by							
Interest expense (12 months)	-421	-409	-402	-399	-403	-404	-404
- Interest expense (12 months) IFRS 16 <sup>1</sup>	-390	-378	-370	-365	-363	-363	-360
<b>= Interest coverage ratio (excl. IFRS 16)</b>	<b>32.3</b>	<b>33.0</b>	<b>31.0</b>	<b>27.9</b>	<b>23.5</b>	<b>21.6</b>	<b>18.4</b>

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

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

## Definitions of key performance indicators

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

KPIs	Definition	Purpose <sup>6</sup>
Number of children/students	Average number of children/students enrolled during the specified period. Adult education participants are not included in the Group's total figures for number of children/students.	The number of children/students is the most important driver for revenue.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating in the period. Integrated units where preschools and compulsory schools are combined are counted as two units as they each hold their own permit.	The number of education units indicates how the Company grows over time through new establishments and acquisitions minus discontinued units.
Number of full-time employees	Average number of full-time employees during the period, full-time equivalent (FTE).	The number of employees is the main cost driver for the Company.
Return on equity <sup>7</sup>	Profit/loss for the most recent 12-month period according to IAS 17 i.e. excluding the effects of the implementation of IFRS16, divided by average equity applying IAS 17 (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed <sup>2</sup>	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital.	Adjusted return on capital employed is used to set adjusted operating profit/loss in relation to total tied up capital regardless of type of financing.
EBITDA	Operating profit/loss before depreciation/amortisation and impairment of non-current assets and right-of-use assets. This KPI is only used for monitoring the segments which accounts for leasing of properties in accordance with IAS 17.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to set EBITDA in relation to sales.
Equity excl. IFRS16 <sup>2</sup>	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16.	Equity excluding IFRS16 is used to be able to calculate return on equity consistently.
Net financial items	Financial income less financial expenses.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.
Free cash flow <sup>2</sup>	Cash flow from operating activities and changes in working capital inclusive of property lease payments less investments in operating activities. Investments in operating activities relate to all investments in property, plant and equipment and intangible assets except buildings and acquisitions.	This measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for purposes such as expansion, amortisation, or dividends.
Acquired growth	Increase of net sales due to larger acquisitions during the last 12 months.	Indicates growth generated from acquisitions in contrast to organic growth and currency effects.
Adjusted EBITDA <sup>2</sup>	Operating profit/loss according to the previous standard IAS 17 i.e. excluding the effects of IFRS16 and before amortisation/depreciation of intangible assets and property, plant, and equipment, and excluding items affecting comparability.	Adjusted EBITDA is used to measure underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin <sup>2</sup>	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt <sup>2</sup>	Net debt less real estate-related	Adjusted net debt shows the portion of loans that finance the business, while property loans are linked to a building asset that can be separated off and sold.
Adjusted net debt/Adjusted EBITDA <sup>2</sup>	Adjusted net debt divided by adjusted EBITDA for the past 12 months	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings (adjusted EBITDA), to pay off the Company's liabilities, including property-related loans. It shows the loan-to-value ratio of the business excluding real assets such as real estate.
Adjusted EBIT <sup>2</sup>	Operating profit/loss (EBIT) according to the previous standard IAS 17 i.e. excluding the effects of the implementation of IFRS 16, adjusted for items affecting comparability.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin <sup>2</sup>	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as larger (>SEK 5 million) retroactive income related to prior financial years, to property-related items such as capital gains, major property damage not covered by insurance, advisory costs relating to larger acquisitions or fundraising, major integration costs resulting from	Items affecting comparability are used to illustrate the profit/loss items that are not included in ongoing operating activities, to obtain a clearer picture of the underlying profit trend.

<sup>6</sup> According to ESMA guidelines on performance measures, each performance measure must be motivated.

<sup>7</sup> The key indicator was calculated applying IAS 17 i.e. excluding effects from implementing IFRS 16, as the implementation had a significant impact on assets and liabilities as well as items in the income statement. By excluding the IFRS 16 effects continuity is achieved.



	acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in closing units.	
Net debt <sup>2</sup>	Interest-bearing debt excluding property-related lease liabilities net of cash and cash equivalents and interest-bearing receivables.	Net debt is used to illustrate the size of the debt less current cash and cash equivalents (which in theory could be used to repay loans).
Net debt/ Adjusted EBITDA <sup>2</sup>	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months. .	Net debt/EBITDA is a theoretical measure of how many years it would take, with current earnings (EBITDA), to pay off the Company's liabilities, including property-related loans.
Organic growth incl. smaller bolt-on acquisitions	Increase of net sales excluding larger acquisitions and changes in currency.	The Company's growth target is to increase net sales including smaller bolt-on acquisitions by 5-7 percent per year. The purpose of the key performance indicator is thus to follow up on this target.
Employee turnover	The average number of employees who left the company during the year, in relation to the average number of employees. (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees) Calculated on an aggregated basis over the reporting period.	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
Earnings per share	Profit/loss for the period in SEK, divided by the average number of shares outstanding, basic/diluted calculated according to IAS 33. The key performance indicator is affected by IFRS16 because net profit is affected by elimination of rent and the addition of amortisation and interest expense related to right-of-use assets.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
Interest coverage ratio <sup>2</sup>	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense excluding interest expense attributable to property-related leasing liabilities.	Interest coverage ratio is used to measure the Company's ability to pay interest costs.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of net sales.	The operating margin shows the percentage of sales remaining after operating expenses, which can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax. .	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time divided by the number of full-time employees (FTE). Calculated as an average over the reporting period.	Absence due to illness is used to measure employee absence and provide indications as to employee health.
Equity/assets ratio <sup>2</sup>	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16 in percent of total assets excluding property-related right of use assets.	The equity/assets ratio shows the proportion of the Company's total assets financed by shareholders' equity. A high equity/assets ratio is a measure of financial strength.
Capital employed excl. IFRS16 <sup>2</sup>	Total assets, less non-interest-bearing current liabilities, provisions, and deferred tax liabilities adjusted for property-related lease liabilities. Or: Equity plus interest-bearing liabilities but excluding property-related lease liabilities.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the IFRS16 effect, continuity can be achieved in the return figure.

## General

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period in the previous year, unless otherwise stated. Totals of amounts in whole figures do not always match reported totals due to rounding. The reported total amounts are correct.

