

AcademeMedia

Annual and Sustainability Report 2021/22



We are AcadeMedia

AcadeMedia creates opportunities for people to grow. We are Northern Europe's leading and the single largest, independent education provider, with operations in Sweden, Norway, Germany and the Netherlands. In Sweden, we are the second largest education provider; only the City of Stockholm is larger. Our size gives us security and conditions that enable us to act as a long-term, stable education provider that plays a part in helping to develop society. In Norway, Germany, and the Netherlands, we operate preschools. In Sweden, we also operate compulsory schools, upper secondary schools and adult education programmes.



CHILDREN, STUDENTS AND ADULT
EDUCATION PARTICIPANTS*

192,500



EMPLOYEES*

18,875



UNITS*

703



SALES
SEK million

14,339



OPERATING PROFIT SEK million

1,224



OPERATING PROFIT, excl. effects
of IFRS 16 SEK million

936

Our operations

SWEDEN

At year-end, we had 148 preschools and 78 compulsory schools in Sweden. Several of compulsory schools also operate preschools. Around a quarter of our preschools are integrated into a compulsory school. At year-end we had 151 upper secondary schools, making us Sweden's largest independent provider of upper secondary education. We operated adult education programmes at 150 units across Sweden.

NORWAY

At the end of the financial year, we had 107 units in Norway. We acquired the Norwegian company Espira in 2014.

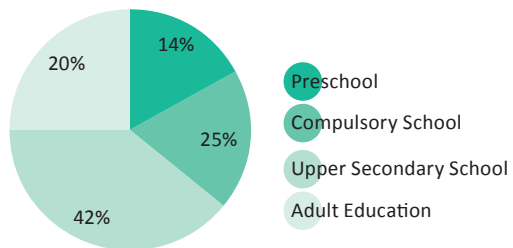
GERMANY

AcadeMedia established operations in Germany in 2016 through the acquisition of Joki in Munich. Expansion has been rapid, through both organic growth and acquisitions. The rate of increase slowed slightly during the pandemic but is now back to normal. At the end of the financial year, we had 73 preschools in Germany.

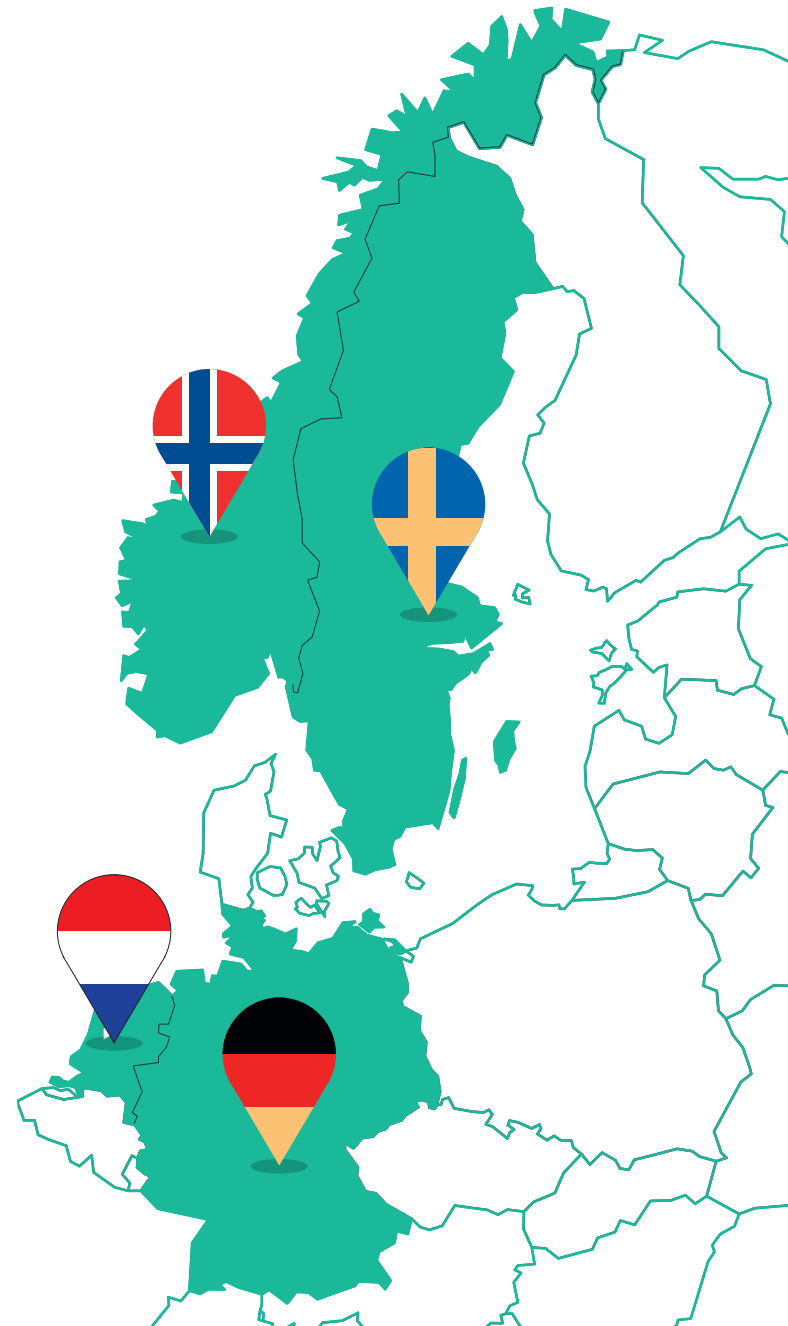
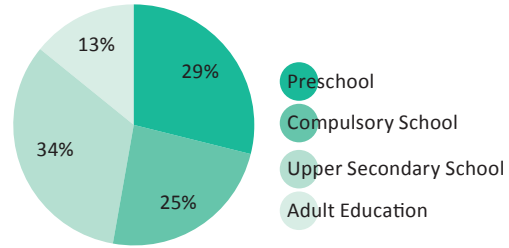
THE NETHERLANDS

In the last quarter, AcadeMedia acquired two preschools in the Netherlands. This is a platform acquisition and we aim to grow both organically and through acquisitions.

Operating profit by segment



Sales by segment





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About the annual and sustainability report.

This is AcadeMedia's annual and sustainability report. The formal annual accounts are presented on pages 43–98. The statutory sustainability report is part of AcadeMedia's sustainability report and is presented mainly on pages 14–42. The sustainability report is inspired by Global Reporting Initiative Standards and meets sustainability reporting requirements stipulated by the Swedish Annual Reports Act.

1. Photo: Rikard Westman for Elvis Photo.
Cover photo: Drottning Blanka Upper Secondary School, Gårda, central Gothenburg.
2. Layout and production: EO Grafiska AB.

The year in brief

Net sales: SEK 14,339 m. (13,340)

Operating profit: SEK 1,224 m. (1,174)

Operating profit, adjusted for items affecting comparability and effects of IFRS 16: SEK 936 m. (931)

Profit/loss for the year: SEK 605 m. (599)

Earnings per share, diluted: SEK 5.72 (5.62)

	2021/22	2020/21	CHANGE
Net sales, SEK m	14,339	13,340	7.5%
Organic growth, %	5.2%	8.1%	-2.9 p.p.
Adjusted EBITDA, SEK m.	1,398	1,295	8.0%
Adjusted EBITDA margin	9.7%	9.7%	0 p.p.
Operating profit/loss (EBIT), SEK m.	1,224	1,174	4.3%
EBIT margin	8.5%	8.8%	-0.3 p.p.
Adjusted operating profit/loss (EBIT), SEK m.	1,001	939	6.6%
Adjusted EBIT margin	7.0%	7.0%	0.0 p.p.
Net financial items, SEK m.	-441	-402	-9.7%
Profit/loss before taxes, SEK m.	784	772	1.6%
Profit for the year	605	599	1.0%
Earnings per share, diluted (SEK)	5.72	5.62	1.7%
Free cash flow	922	1,117	-17.5%
Dividend	SEK 1.75*	SEK 1.75	SEK 0.00
Number of children and students	92,549	87,823	5.4%
Number of full-time employees	13,829	13,360	3.5%

*Proposed. Resolutions to be taken at the 2022 Annual General Meeting.

Significant events during and after the financial year

Fire at a compulsory school: In July 2021, Vittra Kungshagen compulsory school in Nyköping was completely destroyed in an arson attack. The school is operating in temporary premises while it is being rebuilt. Most of the additional costs arising from the fire are expected to be covered by insurance.

Changes in Executive management and Board of Directors: During the financial year, changes took place in Executive management and the Board of Directors. See pages 61 and 75 for more information.

Acquisition of Sandviks AS: During the year, the Group acquired Sandviks AS. The company mainly offers products and services that inspire children to read at an early age. With this acquisition, AcadeMedia launches a new business area to provide products and services to the education sector.

AcadeMedia signs new loan agreement: AcadeMedia has signed a new loan agreement refinancing existing loans totalling the equivalent of SEK 1,650 million until mid-2025, with an option to extend until 2027. This will reduce annual amortisation by SEK 34 million and deliver positive impact on cash flow.

Platform acquisition in the Netherlands: AcadeMedia has acquired two preschools just outside Rotterdam in the Netherlands. This is a small but important platform acquisition. AcadeMedia sees excellent potential for growth through market consolidation in the Netherlands. With our experience and focus on quality, we can create an attractive group of preschools.

AcadeMedia is negotiating an acquisition in Germany: After the end of the financial year, AcadeMedia has initiated negotiations to acquire Fürstenwalder Aus- und Weiterbildungszentrum gGmbH with compulsory school and adult education business in Brandenburg Germany. The business had a turnover in 2021 of approximately EUR 22 million.

The incoming government's agreement on schools: after the end of the reporting period, the incoming government presented an agreement on schools. It contained many proposals which, if implemented, are expected to create a clear regulatory framework with good conditions for serious independent school providers to continue to be an important part of the school development process. Based on known information, the proposals are not expected to affect AcadeMedia's financial position. See page 49 for more information.



Marcus Strömberg, CEO, AcadeMedia

Never before has AcadeMedia done so much for so many

This year, independent schools in Sweden celebrate 30 years of existence. For 30 years, every year, more parents, students and teachers have decided to choose or work at independent schools. Today, more than 400,000 students attend independent schools in Sweden. More than 1 million parents will soon have personal experience of independent schools. Independent schools represent a large and important part of the Swedish school system.

The background to the incredible success of independent schools is our strong drive to establish and operate schools with high-quality teaching, good organisation and discipline and a central focus on the knowledge and skills of students. This is what school is actually about.

AcadeMedia is the leading education provider, and it is with great pleasure that we can sum up the past year by saying that more people than ever before have trusted us to play a part in people's education and development. Nearly 100,000 school students and more than 50,000 adult learners have participated in our activities. Our model, based on a wide range of distinct educational profiles across the entire education ladder, combined with our ability to grow, has created a unique demand.

We deliver on our roadmap

AcadeMedia has for several years worked to a clear roadmap for the future. We have expanded our educational activities and educational profiles, invested in quality and built capacity with new schools and campuses. As a result, organic growth has been good.

We have also taken our model international and currently operate in four countries. Demand in education is buoyant and the AcadeMedia model continues to show strong potential.

The Swedish model – independent schools are for everyone

Independent schools exist in various forms all over the world. What is unique about the Swedish model is that everyone can attend an independent school, not just the well off. In many countries, annual fees for independent schools are well over SEK 100,000 per child, and in many places schools are able to freely select pupils. In some places, your postcode determines your school choice. This makes property prices near good schools far higher than homes two blocks away, because children on those streets will be in the catchment area of a lower-performing school. The Swedish model warrants defending and developing.

Independent schools have solved, and will continue to solve, many societal problems

Schools have an important role to play in solving a range of problems in society. It is our mission to train a skilled workforce that can fulfil important functions in society. With an ageing population that requires more and more health and social care, and the resulting increased demand for a supply of well-trained staff, our country-wide initiative for health and social care training is making a difference. The same applies to various trades. If Sweden is to bring in tax revenue and continue developing, many people need to have work and to be contributing members of society. We must be able to build roads, homes and hospitals. There needs to be many people able to take care of everyone if we want assurance that society will be there for us when we need it.

Through training, we can also shorten the time it takes for migrants and immigrants to get their first job. Mastering the Swedish language, being able to support oneself and contributing to society by paying taxes makes integration easier. This is where vocational education plays a major role, for both individuals and our society.

We must also be an attractive employer. People who choose to work for us must have access to

Continued from page 6

skills development and we must do everything we can to create desirable workplaces – from Ystad in the south to Kalix in the north.

Major initiatives in upper secondary education

In recent years, we have conducted major initiatives in developing and expanding capacity in upper secondary schools. We have invested heavily, not least in vocational education and training. Our breadth in terms of educational profiles, major investments in facilities and expanded capacity have made us a highly attractive option.

At the beginning of the 2022 autumn term, we opened two new campuses in Stockholm to accommodate more than 4,000 students. This is a unique billion-SEK venture that was made possible by AcadeMedia's size and robust financial position.

We believe that there will be healthy demand for our upper secondary school places this autumn. Our schools are attractive and demographic trends remain positive. We have a strong portfolio and are well placed to fill the new establishments we have previously created, and will create in autumn 2022.

International expansion

Our international expansion continues according to plan. At the end of the financial year, AcadeMedia acquired two units in the Netherlands. We will grow our presence in the Netherlands through both organic growth and acquisitions, just as we did in Germany.

Although Germany is still affected by the pandemic, as evidenced by high sickness absence

rates, we established 16 units during the year. Our pipeline has nearly 40 more preschools. The need for preschool places in Germany remains high and decisions about new units are made continuously.

We are shaping the adult education of the future

The strong post-pandemic demand for labour has affected adult education, which is now approaching normal levels. Many participants are obtaining work following their training, which is of course a positive outcome.

We adjusted our operations to these new levels during the spring and we expect demand to remain stable this autumn. Higher inflation and the general economic situation may lead to weaker economic growth, which will again increase the demand for adult education.

A leading educator in game development

AcadeMedia has acquired Futuregames, an important player in game-based education in Sweden. Together we are now the leading provider in Sweden. I would even go so far as to say that we are one of the leading providers internationally as well. This part of AcadeMedia will grow, and we have the opportunity to establish operations in more countries.

Another exciting acquisition, which was announced after the end of the financial year, is Framtidsutveckling i Sverige AB. This company is the largest search service platform in Sweden equipping young adults and professionals to make informed study and career choices and enable education providers and employers to reach the right target groups

Creating different educational profiles based on our operations and building on this work internationally is one of the strategies that AcadeMedia is working on as we move forward.

The independent school sector needs reform if it is to continue to play a part in the Swedish education system.

At AcadeMedia, we have set a clear goal. We will play a part in the provision of high-quality education for all – not just for those who attend independent schools. We need to maintain a particular focus on the children and students who need education the most, as well as the high achievers. Everyone should have the opportunity to succeed, not only in achieving formal goals but also in terms of developing as people. Schools have a very important mission and the responsibility to develop the society through their major impact on future generations.

AcadeMedia has made a series of proposals for reform and development of the sector to prepare for the future.

The proposals include ideas for reforms regarding choice of school and school voucher funding. A reform of independent schools needs to be put in place if such schools are to be able to continue to play an active part in developing the education system.

I'd like to finish by thanking all our employees who make our important journey possible. It's thanks to your commitment that we succeed, and that we continue to be the education provider of choice for so many.

*Marcus Strömberg
President and Group CEO*

The Södermalm Campus, Stockholm, which opened in August 2022.



Northern Europe's **leading** education provider

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



MISSION
Change through Education



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



VALUES
Passion, trust, courage – together we are stronger.



BUSINESS CONCEPT
AcadeMedia develops and conducts leading, distinctive educational institutions under various brands across the entire education ladder. We offer attractive, excellent preschools, schools and adult education.



STRATEGIES

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



GOALS

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



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

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

See also our sustainability report on pages 14–42.



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



FINANCIAL TARGETS
AcadeMedia's financial targets are unchanged from earlier years.

GOAL	TARGET	OUTCOME 2021/22
Growth	5–7%	AcadeMedia's target for sales growth is 5–7 percent annually for the Group, excluding major acquisitions. 5.2% (8.1%)
Profitability	7–8%	AcadeMedia's profitability target for operating profit (EBIT) excluding items affecting comparability should amount to 7–8 percent over time. 7.0% (7.0%)
Capital structure	<3.0x	AcadeMedia's target is to for net interest-bearing debt to be no more than three times operating profit before depreciation and amortisation (EBITDA) excluding items affecting comparability. During brief periods, however, deviation from this target may occur, such as in the case of major acquisitions. 0.7x (0.9x)
Use of free cash flow	–	Free cash flow is primarily to be reinvested. Any surplus may be distributed to shareholders provided that AcadeMedia meets its targets relating to quality and financial position. SEK 1.75*/share (SEK 1.75/share)

1. Figures in parentheses relate to the previous year. * Proposed dividend. Resolutions to be taken at the 2022 Annual General Meeting.

AcadeMedia's four segments

AcadeMedia's operations are divided into four segments: Preschool, Compulsory School, Upper Secondary School and Adult Education. The Preschool segment has units in Sweden, Norway, Germany and the Netherlands, while the other segments operate only in Sweden.

PRESCHOOL

AcadeMedia's Preschool segment operates in three countries: Sweden, Norway and Germany. In Sweden, preschools operate under the Pyslingen Förskolor brand, in Norway Espira and in Germany Joki, KTS, Stepke and Espira. Our two preschools in the Netherlands were acquired in April 2022.



MOST SIGNIFICANT EVENTS DURING THE YEAR

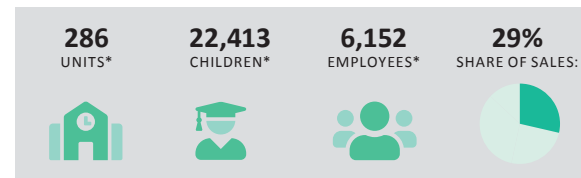
A new digital platform for communication and educational documentation, Mitt Pyslingen, implemented in all preschools in Sweden.

Partnership with Martina Children's Hospital for training of all educators in Sweden in child health.

Higher and more consistent quality at our preschools, as measured by the PING educational inventory system.

We established operations in a new country, the Netherlands.

Growth in Germany is increasing, following the pandemic.



1. *Average per year

COMPULSORY SCHOOL

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



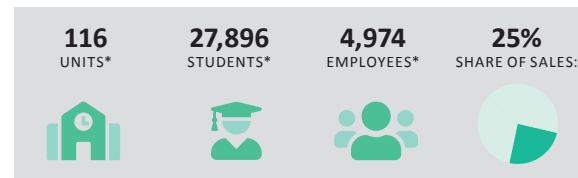
MOST SIGNIFICANT EVENTS DURING THE YEAR

All Innovita brand schools completed their renaming process and are now operating under the same profile with closer cooperation between the schools.

AcadeMedia acquired Friskolan Lyftet (the Lyftet independent school) in Gävle, central Sweden. In February 2022, the school was renamed Vittra Gävle.

Preparation for the establishment of Vittra Örebro, a school that has attracted considerable interest. The first students will be admitted in August 2022.

Just before the end of the financial year, Nobla Bildal relocated to brand new premises – at the same time the school will merge with Nobla Nya Hovås, and as a result will become an F-9 (pre-school to year 9) school.



UPPER SECONDARY SCHOOL

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

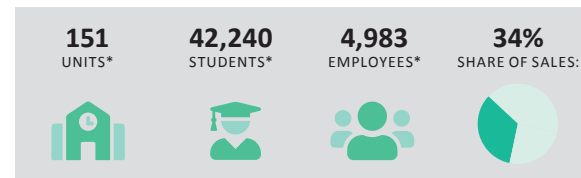


MOST SIGNIFICANT EVENTS DURING THE YEAR

Our campus strategy continues to advance. Our two large campuses in Stockholm, in Vasastan and on Södermalm, were completed during the financial year and will admit students from the 2022 autumn term.

The planned establishment of three new upper secondary schools has made good progress, and the three schools (Sjöllins Malmö, Designgymnasiet Göteborg and NTI Handelsgymnasium Göteborg) will open and admit students for the autumn term 2022.

The effects of the pandemic, including that large numbers of final-year students receiving distance education, are now evident in the form of a slight decrease in students with a diploma in Spring 2022 than in Spring 2021.



ADULT EDUCATION

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



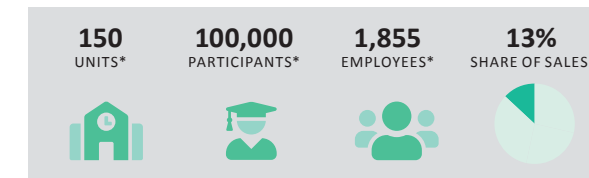
MOST SIGNIFICANT EVENTS DURING THE YEAR

Covid-19 dominated Q1–Q2, with the majority of services being provided remotely. During Q3–Q4, we adjusted to normal operations and capacity in view of a robust improvement in the labour market.

Contract renegotiation with the Swedish Public Employment Service, from existing contracts to the new matching system (KROM).

Higher Vocational Education has continued to grow, with investments in existing activities and the acquisition of KYH AB contributing to the expansion.

Continued investment in game-based education via the acquisition of Changemaker Education/Futuregames and the establishment of The Game Assembly in the UK.



Market overview

AcadeMedia's four segments operate in education. The business models are structured differently, but all four are in the main financed by public funds. External factors that can affect demand for our services include demographic trends, urbanisation, the economy, unemployment and integration. Factors such as the percentage of families who have their children in preschool and school, the need for staff with the right skills, municipal finances and changes in education policy can also affect the markets in which we are active.

Demographic trends and unemployment have an impact

In the Scandinavian countries, the percentage of children who attend preschool is very high. Consequently, the demographic trend in the region largely determines the need for preschool places. Population growth in Norway and Sweden is predicted to be negative in the years ahead. Part of the Norwegian company Espira's strategy is to ensure that our preschools are the top choice. New preschools are to be established in growth areas, and Espira is continuously monitoring how lo-

cal market conditions are changing. In Germany, the percentage of children who attend preschool is low, as are the number of preschool places. However, demand is very high, and demand is the single most important market driver.

The Swedish compulsory and upper secondary schools are expected to show strong demographic growth and here urbanisation also impacts demand. Demand is growing in the

metropolitan areas, which are also the areas where AcadeMedia has had established units for a long time. With rising unemployment, the need for adult education is growing and major public sector investments are now being made in the sector. A shortage of skilled labour is also a strong driver within the Swedish adult education market.



Drottning Blankas Gymnasieskola (upper secondary school), central Gothenburg.

	GERMANY	NORWAY	SWEDEN	THE NETHERLANDS	SWEDEN	SWEDEN	SWEDEN
AGE	1–5 years	1–5 years	1–5 years	1–5 years	5–15 years	15–18 years	Adults
SEGMENT	Preschool	Preschool	Preschool	Preschool	Compulsory School	Upper Secondary School	Adult Education
TYPE OF SCHOOL	Optional	Optional	Optional	Optional	Compulsory	Optional	Optional
MARKET CONDITIONS	Robust growth	Mature	Mature	Mature	Mature	Growth	Unemployment* (June 2022) 8.6%
OTHER PROVIDERS, NOT STATE SCHOOLS	Denk mit!, Educare, pme Familienservice, Little Giants	Læringsverkstedet, Trygge Barnehager/FUS, Kanvas, municipal providers	Norlandia, Dibber, Atvexa, Tellusgruppen, Cedergrenska, municipal providers	KidsFoundation/Partou, Bright Horizon, Norlandia	IES, Kunskapsskolan, Cedergrenska, Tellusgruppen, municipal providers	ThorénGruppen, Kunskapsskolan, Jensen Education, Lärande i Sverige, Cedergrenska, municipal providers	Lernia, Intendia Group, Alea, Cedergrenska, Nackademin, IHM

1. * Unemployment is one of many factors that drives demand for our adult education services. Other drivers with an impact include immigration and various government and municipal initiatives.

30 years of independent schools

This year marks the 30th anniversary of the independent schools reform in Sweden. The reform gave the country's families the power to choose which school their children should attend. This is now taken for granted and enjoys widespread popular support. Today, 400,000 students attend independent schools and the number is rising every year.

The main difference between the Swedish system and other systems is that in Sweden everyone has the right to choose the school they want without having to pay for it. The school vouchers go with the pupil, regardless of the family's financial situation. This means that the independent schools reform may, if everyone chooses their preferred school, serve as a powerful tool for better integration and equality between people.

The large number of independent schools in Sweden is partly because schools can be operated by companies. Businesses will then grow, so well-managed, highly sought after schools can expand and increase in number. However, the basic idea behind the independent school reform remains, and today there is a wide variety of schools, with different educational specialisations, to choose from. The power over where pupils go to school has shifted to those who know the child's needs best: the family.

AcadeMedia's oldest school organisation is Pyslingen Förskolor, which was established in 1986. The first compulsory school, Vittra, opened in 1993 and three years later the NTL Gymnasiet (upper secondary school) welcomed its first students. All of these have since become part of AcadeMedia. AcadeMedia has been built by people driven by the mission to create good schools. Our choice has been to build a big company, with many independent educational institutions that benefit from shared resources for development and growth.

However, a 30-year old system needs to evolve. AcadeMedia has a number of proposals for change to create a better and more equitable school.

Grading system

The Swedish National Agency for Education also takes the view that the current grading system has clear shortcomings related to equivalence. Here, the State needs to take responsibility and create a long-term sustainable system with clear attainment goals. Today, it is practically impossible to set equivalent grades.

National measurements of attainment

Sweden is virtually the only OECD country that does not operate national measurements of attainment. Instead, we rely far too much on international assessments that are not performed frequent enough. National tests need to be developed and results made comparable over time. National tests that can be marked centrally must be marked centrally.

School voucher funding

Today, school voucher funding is based on the education budget for each individual municipality. Municipalities make various calculations that may be lacking in transparency, making it hard to determine if independent schools are receiving the right reimbursement. Clear governmental guidance and better follow-up are desired.

Choice of school

We need a common, standard system for choice of school for everyone, with clear information about the options available. The waiting list system also needs to be developed; choice of school should be made at a specific age and at the same time for everyone. More selection criteria for school admissions should be developed to ensure equivalence.



Sjölin's Gymnasium, Södermalm in Stockholm.

Focus on growth

AcadeMedia has a strong history of expansion based on organic growth and acquisitions. In order to succeed, we work proactively to identify and manage obstacles to growth. These include difficulties in recruiting employees, low reimbursement levels and access to suitable premises. For more information on our risks and how we manage them, see pages 54–60.

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

New establishments – financial profile

AcadeMedia develops organic growth by opening new preschools and schools within its various segments. The financial profile of new establishments varies per segment and per country. Initial investments are in general limited and also require little or no working capital, because school voucher funding is paid by municipalities in advance. The exception is Norway where preschools are built and owned by AcadeMedia, which requires more capital and also means that the EBIT margin has to be higher to cover interest expense.

The fastest and most profitable growth is currently in Germany. As a result of the major shortage of capacity our preschools can be filled and can break even within the first year.

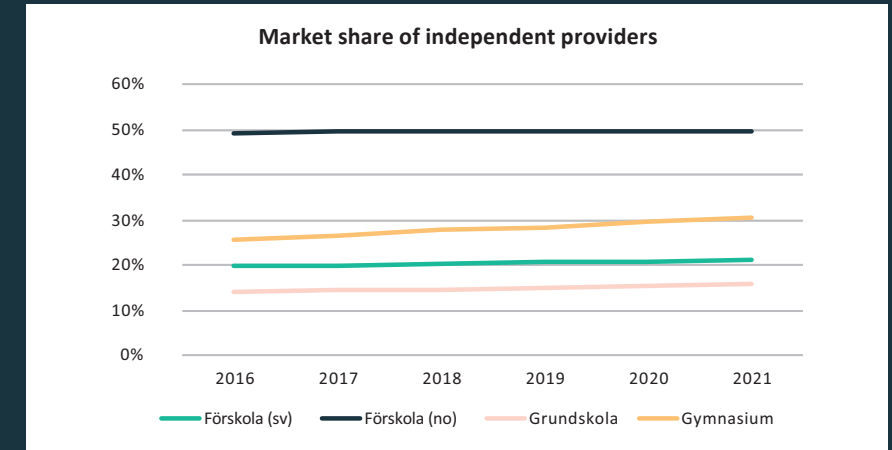
The table below provides an overview of the financial profile for a new establishment in each segment.

	COMPULSORY SCHOOLS	UPPER SECONDARY SCHOOLS	PRESCHOOLS SWEDEN	PRESCHOOLS NORWAY	PRESCHOOLS GERMANY
START-UP INVESTMENT	SEK 5–8 m.	SEK 5–10 m.	SEK 2–3 m.	NOK 38 m.*	EUR 0.3–0.5 m.
TIME TO BREAK-EVEN	4–8 years	3–4 years	2 years	1 year	1 year
TIME TO MATURE PROFITABILITY	5–10 years	5–6 years	3 years	2 years	2 years
NUMBER OF PUPILS AT MATURITY	300–500	200–350	75–120	80–90	75–100
SALES TARGET	SEK 35–55 m.	SEK 20–35 m.	SEK 14–18 m.	NOK 18 m.	EUR 1.0–1.5 m.
EBIT MARGIN TARGET	11–12% (excluding allocated fixed costs)	12% (excluding allocated fixed costs)	~12% (excluding allocated fixed costs)	~15% (excluding allocated fixed costs)	~12% (excluding allocated fixed costs)
LEASES (LEASE TERM)	5–15 years	5–15 years	10–15 years	10–20 years	15–30 years
NEW ESTABLISHMENTS 2022/23	1 unit	3 units	1 unit	0 units	15 units

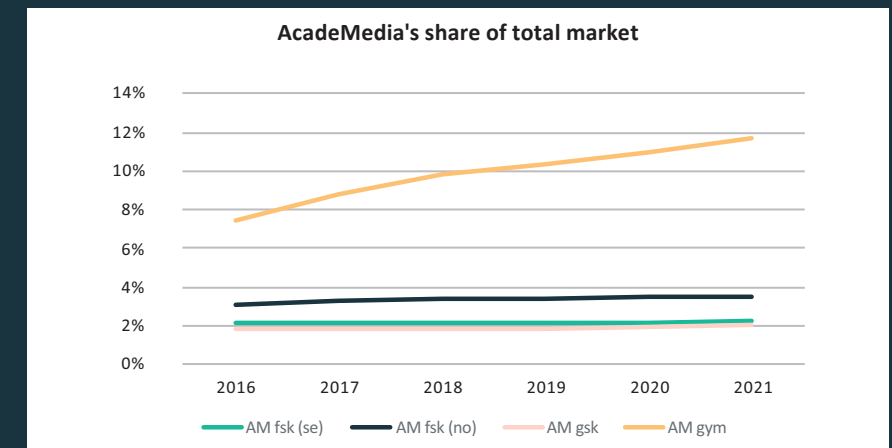
2. *In an initial phase, Espira owns its properties. The property investments are 100%-financed by loans from the Norwegian State Housing Bank.

Number of independent providers increasing

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



Source: Swedish National Agency for Education and Statistics, Sweden



Source: Swedish National Agency for Education and Statistics, Sweden

The education system – reimbursement models

AcadeMedia operates in Sweden, Norway, Germany and the Netherlands. All markets are stable, with steady growth. Reimbursement models differ, but all operations are primarily financed via public funds. Both public and independent providers are active in these markets.

All school operations (preschool, compulsory school and upper secondary school) require a permit from the authorities. Permits are granted until further notice. In all countries where AcadeMedia operates, extensive regulations govern day-to-day operations and compliance is monitored by regulatory authorities in each country. Non-compliance may, as a last resort, result in revocation of permits.

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

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

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

1. Parental fee is only charged for preschool. In Norway, the parental fee accounts for 16.5 percent (16.1) of the total reimbursement and in Sweden 3.7 percent (3.7). In Germany, the parental fee varies among the different brands, depending on the profile. In the 2021/22 financial year, the average parental fee in Germany was 13.4 percent (15.5) of the total reimbursement.



Pysslingen Trolleborgen in Vällingby, west Stockholm.

Sustainability Report

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1. This sustainability report is presented by the Board of Directors of AcadeMedia AB (publ). AcadeMedia AB (publ), with its registered office in Stockholm, is the listed Parent Company of the Group. Support functions and all educational operations are managed within subsidiaries owned by AcadeMedia AB (publ). The sustainability report applies to all companies within the Group.

*Drottning Blankas Gymnasieskola
(upper secondary school), Gårda,
central Gothenburg.*

AcadeMedias hållbarhetsstrategi

AcadeMedias hållbarhetsarbete ska bidra till att bygga ett hållbart samhälle genom god utbildning för alla, ett ansvarsfullt användande av resurser och ett etiskt förhållningssätt i allt vi gör.

Vi är övertygade om att detta kommer att vara långsiktigt värdeskapande för oss som företag samtidigt som vi är med och gör världen lite bättre.

Sustainability Report

This is AcadeMedia's sustainability report for the Group as a whole, with the exception of our operations in the Netherlands where we made a platform acquisition late in the financial year. The sustainability report has been prepared in accordance with the requirements of the Swedish Annual Accounts Act and adheres to the principles of GRI. The GRI table is provided on pages 41-42.

AcadeMedia is able to influence society and individuals in major ways and in a sustainable direction. Our core business is education, and the UN's Global Goal 4 is about just that: "Quality education for all". Everyone who chooses to attend one of our preschools, schools or adult education programmes will receive a high-quality education.

However, that of itself is not enough in terms of working on sustainability. We also must provide specific teaching on sustainability issues and do what we can as an organisation to make sustainable choices – serving as a good role model through our actions. Teaching specifically on sustainability issues is important. If we do it right, we can influence hundreds of thousands of people to embrace a more sustainable lifestyle.

We have selected three focus areas in sustainability. In two, we are able to make the biggest difference and the third is an obvious choice for everyone (environment/climate).

Learning

This focus area is about what is described above. It is also what permeates everything we do. The part of learning that focuses on the quality of our education strongly affects social conditions and respect for human rights from the perspective of the law. The second aspect of learning, teaching about sustainability, affects all areas, including the environment, social conditions, human resources, respect for human rights and combating corruption. Our Focus area Learning, its impact, risk management and what we did during the year are described in more detail on pages 23–28.

Employees

This focus area spans several of the statutory areas where we are required to describe the impact of our activities. Here, we

not only address obvious issues such as the designation of employees according to the law, but also social conditions, respect for human rights and combating corruption. Our Focus area Employees is described in more detail on pages 29–33.

Environment/climate

This focus area fits with one of the five areas specifically identified by legislators, namely the environment. Our priorities in Focus area Environment are to reduce CO2 emissions, conduct sustainable purchasing, reduce food waste, recycle more, and engage in learning and education in sustainability. This area is described in detail on pages 34–37.

Responsibilities of the Board and management

AcadeMedia's Board of Directors is responsible for this Sustainability Report. Work here is guided by our sustainability strategy and a number of policies. The focus of our sustainability work is decided by the Board of Directors and overseen by Executive management. AcadeMedia operates in all parts of Sweden. We also have a presence in Norway, Germany and the Netherlands. In all, we operate about 700 units. Much of our sustainability work is carried out at these units, often in the form of small but long-term projects. We are convinced that these projects will be more effective – and more sustainable – if they are allowed to operate without external constraints. Working on sustainability locally should be easy and enjoyable. In addition, many schools/operations have sustainability incorporated into their profile. In these schools, sustainability permeates every aspect of activities. Projects that affect the whole organisation are managed centrally.

AcadeMedia's sustainability goals:

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

Agenda 2030 and the UN Sustainable Development Goals

AcadeMedia's sustainability strategy is linked to the UN's Agenda 2030, an action plan that sets goals for transforming society into a sustainable place for people, the planet and prosperity. The goals and targets of Agenda 2030 are integrated and inseparable, encompassing all three elements of sustainable development: economic, social and environmental. The goals are the UN Sustainable Development Goals Agenda 2030 and the Global Goals were adopted by the UN in 2015. Each Member State government is responsible for implementing and monitoring Agenda 2030 at three levels: global, regional and national.

KompetensUtvecklingsInstitutet (KUI), Kungsholmen, Stockholm.

This is AcadeMedia

AcadeMedia is made up of people whose motivation is to build a better and more sustainable society based on school and education. We are an education company that operates across the education ladder. We operate preschools, compulsory schools, upper secondary schools and adult education units.

Summing up a large organisation like AcadeMedia in a few words is nearly impossible. However, anyone reading this report in entirety will obtain a good idea of what we are. For facts in brief, see pages 8–9. On this page, we describe the absolute core elements of how we think and work.

The vast majority of our 18,800 employees in four countries work at one of our 703 units, where the focus is always on the learning of children, students and participants. Our employees and heads of unit are our most important resource, ensuring every day that we make good our pledge to give everyone who chooses one of our schools the best possible chance of achieving their personal and educational goals.

Our business model is based on a decentralised organisation where every principal, or equivalent, has overall responsibility for his or her unit(s). The principals are overseen by school superintendents, or equivalent, who are responsible for a number of units within the organisation. This decentralised business model also creates good opportunities for profitable growth, through both new establishments and acquisitions. As newcomers to the AcadeMedia family, each unit acquired will have a clear home base and will form part of an established structure.

A value-creating organisation

AcadeMedia creates value on several levels.

- **Our children, students and adult participants** – education.
- **Society and owners** – equipping individuals for the future, developing and improving the quality of education systems, distributed economic value.

- **The future** – our greatest contribution to the future is what we teach our children and students, along with our ability to create healthy, inspiring learning environments where everyone is given the opportunity to succeed.

Management and governance – the AcadeMedia model

AcadeMedia's internal governance and monitoring with aligned to our segment organisation. Our operations are governed by a number of internal and external governance documents. Our Group-wide quality model, the AcadeMedia model, is based on research, proven experience and in-depth context analysis, and covers all activities within the Group. In short, the model focuses on what drives performance. Information on our quality performance is summarised and available to all and summarised through our annual quality report.

Central support provides security

Our preschools, schools and adult education units have a very clear mission – education. To support and relieve staff in our units so they can focus on our core mission, a number of key functions work from a central office, including quality teams, internal training academy and HR specialists. One important benefit of being an AcadeMedia school – that is, being part of something bigger – is that we are constantly working together to develop the various aspects of quality. Another benefit is that when something goes wrong, we have the knowledge, experience and ability to sort it out.

Our biggest cost items relate to personnel and resources, but IT, educational materials and food are also major items in our cost base. To ensure that we use our resources wisely, we have more than 200 suppliers delivering under framework agreements. Framework agreement compliance is more than 80 per cent.

Stable supply chain

An essential precondition enabling AcadeMedia to meet the internal and external demands and expectations placed on us is the various partnerships we have with organisations outside our own. Of these, the most important ones are with suppliers of goods and services. Maintaining good relationships with all partners and catching up any problems early ensures that we can deliver high quality teaching.

Public funding – individual choice

Families, students and adult participants who choose an AcadeMedia preschool, school or adult education programme can do so regardless of their finances. We operate in clearly regulated and stable markets and, although reimbursement models differ between our segments and countries, we are in the main publicly funded.

The reasons why an individual chooses a particular unit/school can differ widely. However, factors such as closeness to home, educational focus of the school and recommendations from students already attending the school are commonly cited. In AcadeMedia's case, this means that we actively operate under different educational profiles. Those who choose us should know what to expect, and what sets us apart.

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

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



FACTS ABOUT PERMITS

All school operations (preschool, compulsory school and upper secondary school) require a permit from the authorities. Permits are granted until further notice. In all countries where AcadeMedia operates, extensive regulations govern day-to-day operations and compliance is monitored by regulatory authorities in each country. Non-compliance may, as a last resort, result in revocation of permits. In adult education, permits are linked to fixed-term contracts obtained through procurement or award processes.

Stakeholder analysis – quality of teaching the most important issue

AcadeMedia's stakeholders agree that our sustainability focus should be on our core business – teaching. UN Sustainable Development Goal 4 “Quality education for all” is the one where we can absolutely make the greatest difference.

Last year, we conducted major surveys via both inperson interviews and questionnaires. The view that all stakeholders expressed – that the most important thing AcadeMedia can do to promote a more sustainable society is to empower and develop learning – came as no surprise. Neither was it any surprise that the younger generations attached greater importance to environmental and climate issues than others. Developing learning includes both what is done in our preschools, schools and adult education units, and what we as an organisation need to learn and change in order to contribute to the transformation that is needed.

This year's survey was conducted through interviews with a people from across all stakeholder groups, as well as via a survey of internal managers. Both the interviews and the survey confirmed the results from last year. The interviews were conducted with the same questions as last year, and the weighting between different areas was very similar to last year's. The issue where the reasoning behind the figures differs is on the topics of the environment and climate. Several stakeholders, especially in the "society" group, point out that AcadeMedia cannot make much of a difference in that area, so we should focus elsewhere.

At the same time, other groups – especially our employees – believe that issues of environment and climate are important, and that we should not be content with saying that we cannot make much of a difference. Also, our activities have an impact on the environment and the climate. For instance, through our premises, which we rent from many different property owners, and our extensive use/consumption of computers.

The stakeholder at the bottom of the table raised some questions when we added it last year. That stakeholder is the planet Earth. In our view, this stakeholder needs to be included on this list, even though it is not possible to conduct a dialogue in the literal sense of the word. In other words, it is about taking part in and following research in the field of climate change.

STAKEHOLDER	STAKEHOLDERS' MOST IMPORTANT POINTS OF VIEW	CHANNEL FOR DIALOGUE	KEY ISSUES FOR STAKEHOLDER GROUP
CHILDREN, STUDENTS, ADULT STUDENTS AND GUARDIANS	AcadeMedia's goal is to equip children, students and adult learners with knowledge and education to enable them to shape their own future.	<ul style="list-style-type: none"> Daily meetings at preschools, schools and education units. Development reviews Mentoring time Parents' meetings Learning platforms Social media Fairs and other public arenas (less during pandemic) 	<ul style="list-style-type: none"> Reducing climate and environmental impact. Involving students in sustainability work More themes highlighting everyday situations in the classroom High quality teaching A good environment for development and learning Low employee turnover. Student health Good food
EMPLOYEES	AcadeMedia will recruit, develop and motivate the best educators and school managers. We will also create an efficient organisation.	<ul style="list-style-type: none"> Meetings Internal communication Performance reviews Employee satisfaction surveys Union meetings Internal training Talent programmes Leadership development programmes 	<ul style="list-style-type: none"> Making the work environment more sustainable Support in teaching Ability to show results to employees and students/participants Leadership Professional development
SUPPLIERS	AcadeMedia aims to lead by example and, by virtue of our size, to negotiate good terms for financial and sustainability aspects in the contracts we conclude.	<ul style="list-style-type: none"> Procurement Purchases Meetings Monitoring 	<ul style="list-style-type: none"> Collaboration and close dialogue Reducing CO2 through shared solutions Compliance with policies.
OWNERS/INVESTORS	AcadeMedia will create long-term sustainable operations and a robust return for our owners.	<ul style="list-style-type: none"> Meetings Board representation Annual General Meeting Financial statements Investor presentations 	<ul style="list-style-type: none"> Employee issues Clear and transparent financial and sustainability reporting Environment and climate Focus on Learning
SOCIETY	AcadeMedia will meet society's expectations by providing appropriate educational programmes of high quality and by maintaining a high level of transparency.	<ul style="list-style-type: none"> External reference and steering groups Traditional mass media Social media Meetings and seminars 	<ul style="list-style-type: none"> Highlight learning even more clearly Clear leadership profile Collaborate with others
THE PLANET	AcadeMedia will help to reduce climate impact and bring about a more sustainable world through responsible use of all types of resource.	<ul style="list-style-type: none"> Research reports News reporting 	<ul style="list-style-type: none"> Reduced, and sustainable, use of resources



The Game Assembly, Kista, north Stockholm.

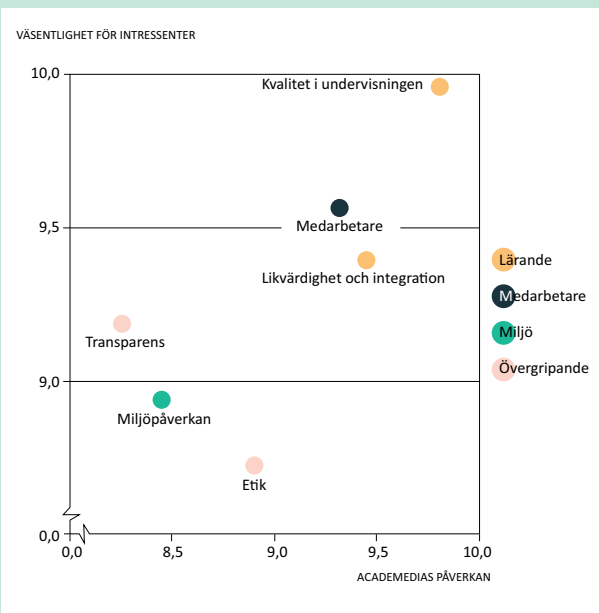
Materiality analysis

Our materiality analysis in the diagram indicates the importance of various factors to our stakeholders, and the extent to which AcadeMedia can influence such factors.

During the year, we conducted a large number of interviews with stakeholders to see if previous assessments continue to hold true or if anything needs to be changed. We also conducted internal surveys at our annual Leadership Forum.

We ranked stakeholders' choices according to our own focus areas (terms used in the legislation in brackets):

- Learning (environment, social conditions, human resources, respect for human rights and combating corruption).
- Employees, with sub-areas ethics and inclusion/equivalence (social relations, respect for human rights and combating corruption).
- Environment/climate (environment).



Focus areas and risk management

All of AcadeMedia's risks and how we mitigate and manage them are described in the section "Risks and risk management" on pages 54–60 of this Annual Report. The following is a brief description of the risks to sustainability, based on our focus areas.

Learning

By offering a superior learning environment, AcadeMedia helps people and communities to develop and grow. All students have the same right to an excellent education, irrespective of where they live or their background. A good learning environment is also about looking at the needs and potential of each individual student. We also aim to be a learning organisation, where both staff and managers can develop professionally. This is measured via our quality objectives. See pages 23–28 and 39–40.

Risk and risk management – learning

If the quality of teaching were to decline affecting the performance of students/participants, it could have a major impact on our reputation, and on how many people would seek our services. We counter this risk mainly through the AcadeMedia model, where we both monitor and develop quality. The model also includes an established process for correcting deficiencies within a unit, or across an entire brand.

Employees

AcadeMedia will recruit, develop and motivate the best educators and school managers. We want our employees to enjoy their work and be given opportunities to develop professionally. We will always strive to maintain an ethical approach, guided by clear governance documents and active discussion. This is measured via our employee surveys, employee turnover, absence due to illness and our whistleblower policy. See pages 29–33 and 39–40.

Risk and risk management – employees

The greatest risks in terms of employees are two of the four areas we measure: employee turnover and sickness absence. If these key indicators go up, it may have a negative impact on both the quality of the business, and the health and well-being of employees. The measurements, which can now also be done as regular pulse surveys in small groups, are an important tool in preventative work. We also have easily accessible occupational health care, and have managers who are trained to catch individuals and groups at risk.

Environment

AcadeMedia will use all types of resources responsibly and set an example of environmental sustainability in the education sector. We are committed to reducing the Group's environmental impact over time. Some environmental metrics have been developed, however this is an area of development for us. See pages 34–37 and 39–40.

Risk and risk management – environment/climate

Our environmental risks are linked to our environmental impact. We work strategically to reduce it, including through our Code of Conduct which all our employees and suppliers must follow. We rent the majority of our premises (our Norwegian operations own some of their premises), where we work with the property owners to reduce the environmental impact. We also measure our climate footprint in terms of buildings, computers, travel and meals.

General

Maintaining public confidence in AcadeMedia's work is crucial to our operations, which rely largely on public funds. An ethical approach in everything we do and an open and proactive communication are an integral part of AcadeMedia's way of working. We have a public intranet, our employee website, where the goal is that 85 percent of the material should be open for anyone to read. Transparency and ethics are measured our Code of Conduct and use of our whistleblower procedure. See page 33.

Risks and risk management – overarching issues

The main overall risks are that we do not live up to society's expectations in terms of ethics/morality and transparency. Our Code of Conduct is key to managing the trust that society has placed in us – and our main preventative tool against these overarching risks. If employees breach the Code of Conduct, it is always serious, and if senior managers do so, it can have a major, long-term impact on the business. We have control systems in place to prevent corruption and financial irregularities. Our whistleblower procedure is well known within the business, and new employees are informed about it at the start of their employment. External demands for transparency are important to meet, while laws and regulations due to AcadeMedia's status as a listed company are followed.

Knowledge – a precondition for sustainable societies

Using education as a tool, AcadeMedia can help 192,500 children, students and participants gain the knowledge and insight they need to live more sustainable lives. If we add our employees, carers and other family members, who may be indirectly affected, the figure rises to well over half a million people.

So many are involved that it affects society today, and it will affect how future generations can live their lives. Education empowers people to make wise decisions, and enables them to contribute to a more sustainable world.

Our sustainability work is guided by, the UN Sustainable Development Goals and we are also preparing for various future regulations such as the EU Taxonomy, see page 38.

Global goals at the heart

Agenda 2030 and the UN Global Goals for Sustainable Development (SDGs), adopted in 2015, are the path that we have chosen together to create a more sustainable future. The 17 goals define the world we aspire to, and each goal has various sub-goals linked to it. Quality education for all (Goal 4) is the goal to which AcadeMedia contributes the most and the goal that, in our view, has the strongest impact on the other goals. In the table on the next page we describe more about which goals we can directly influence through our activities. Indirectly, we can influence all 17 goals by providing excellent education for all.

One of our own sustainability goals is to be a role model in our sector. We can only do that if we act in a sustainable way in more areas than are covered by UN Goal 4. Employees and environment/climate are two other sustainability areas that AcadeMedia has chosen to prioritise. Together, they and UN Goal 4 (which we call Learning) hit seven of the UN's goals.

Human rights and an ethical approach

Another important aspect of sustainability work is that both we as an organisation, and our employees as individuals, should always have an ethical approach to everyone who is in any way affected by our activities. Everyone should be able to trust that their rights will be respected. Our Code of Conduct and our whistleblower procedure, which is accessible to everyone, are two important elements of our policy and control work. The Code of Conduct is based on the UN Global Compact corporate network, which has developed ten principles relating to human rights, health and safety, the environment and anti-corruption.

Basically, it is about complying with the UN Declaration of Human Rights adopted in 1948. The document describes both what all people have a right to, such as education and health care, and what all people have a right to be free from, such as slavery. Human rights apply to everyone, and no distinction should be made between people. The UN's Sustainable Development Goals (the Global Goals) can be seen as a way of implementing the Declaration of Human Rights.



AcadeMedia contributes directly to 7 out of 17 goals

Our biggest contribution to a more sustainable world is via our core business, education. However, we can indirectly contribute to all 17 UN Sustainable Development Goals. We do this by complying with the curricula for our preschools, compulsory schools and upper secondary schools that require us to teach about sustainability. We also have an impact as an organisation, through the decisions we make and the priorities we set. One example

of this is our adult education programme which we elected to ISO-certify. In the table below, we have included all the global sustainable development goals as the first item, as our indirect impact is so powerful. Every day, we are in contact with nearly 200,000 people through our activities. The other 7 items in the list are the goals where we have a direct impact.

WHY IS IMPORTANT HOW CAN WE MAKE A DIFFERENCE?		EXAMPLES OF GOVERNANCE DOCUMENTS AND POLICIES	READ MORE ABOUT ¹ ...
LEARNING			
The UN's Global Goals	AcadeMedia's core business contributes indirectly to all UN Global Goals through education.		
Goal 4 Quality education for all	Through our core activities, we can equip our children and students with knowledge for the future. More specifically: a reliable compass and a sound understanding of issues such as the environment/climate, human rights and personal responsibility.	– School legislation – Curricula – The AcadeMedia Model	... goal achievement, page 27 ...the segments, pages 9 and 45
Goal 10 Reduced Inequalities	We focus actively on equal opportunity plans and follow up learning at different levels in order to allocate resources fairly.		
EMPLOYEES			
Goal 8 Decent work and economic growth	Our most important resource is our nearly 20,000 employees. Their work environment and well-being are important to the quality of our core business. We encourage our employees to take part in skills development, collegial learning and career development within AcadeMedia's operations. AcadeMedia believes that trade unions, which are represented on our Board, are of great importance to our employees and to our organisation.	– Work Environment Act – Cooperation with trade unions – Whistleblower policy – Code of Conduct	... our employees, pages 29–33 ... trade union cooperation, page 30 ... our whistleblower procedure, page 33 ... gender distribution, page 39
Goal 5 Gender Equality			
ENVIRONMENT			
Goal 7 Affordable and clean energy	The majority of our operations are conducted on premises measuring in all 984,000 square meters, where large amounts of energy are consumed for heating, lighting, ventilation, cooking and other power consumption. By actively choosing type of energy source where we can, and influencing our landlords where the choice lies with them, we can reduce our carbon footprint.		
Goal 12 Responsible consumption and production	Five days a week, nearly 200,000 individuals are gathered on our premises, overseen by our 20,000 employees. Purchases of educational materials, cleaning products, food and computers each year are significant. What we buy, ensuring and training that all materials are used in a sustainable and, when they can no longer be used, recycled properly, makes a difference. Our purchasing policy, good physical environments where it is easy to do the right thing and training are our main tools.	– Meals policy – Procurement policy – Travel policy – Code of Conduct	... food waste management, page 36 ... our CO ₂ survey, page 36 ... our cooperation with our suppliers, page 36 ... our environment- & climate-related work, pages 34-37
Goal 13 Climate action	One of the most important tools in combating climate change is knowledge of the problems that exist and how we as a society – individually and collectively – can adapt to make a difference. Through our core activities, we can provide both knowledge and insight to our students and staff.		

1. On pages 39–40 Non-financial key performance indicators, a complete presentation is provided.



Responsible social player

Quality education for all is the foundation of all social development. AcadeMedia contributes by enabling both individuals and society to develop. Our size also allows us to contribute to the development of the sector. Our methods and models are accessible to all. A sustainable society is created by many working together to achieve just that.

The aim of AcadeMedia's internal sustainability work is to make a journey of change to create a better AcadeMedia. The external aim is to help create an even more responsible education sector. This work took a big step forward in the 2020/21 financial year, despite the pandemic, when the organisation was put in place. This organisation has continued to work in 2021/22. Based on our three focus areas (learning, employees and environment/climate), we have the following specific sub-areas in our work, described on pages 23–37.

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

Transparency and knowledge sharing

AcadeMedia is one of the very few companies that has chosen to open its intranet to everyone, which means that our intranet is not password protected. Some information is locked, such as various order forms, student health and other materials that need to be locked for various reasons. Our target, which we are currently achieving, is that 85 percent of the information should be open and accessible to everyone.

We also hold open seminars/webinars on various topics and are happy to aid other organisations with training and advice.

Active partner in the development of society

AcadeMedia actively participates in various associations and organisations to contribute to the development of schools and

the independent school sector in a way that benefits society. We also meet regularly with politicians and other key stakeholders to find ways forward together. Some examples are AcadeMedia's HR Director Lisa Oldmark who is a Board member of the National Federation of Independent Schools and Almega Tjänsteföretagen, our Segment Manager for Adult Education Christer Hammar who is chairman of Almega Tjänsteförbundet and AcadeMedia's Head of Communications and Public Affairs Paula Hammerskog who was one of the representatives of the National Federation of Independent Schools in the meetings the National Agency for Education and the Ministry of Education held first during the pandemic, then during the war in Ukraine.

Examples of organisations where we take an active role:

- Swedish Association of Independent Schools
- PBL (Private Barnehagers Landsforbund) in Norway
- Deutsche KITA Verband
- Association of Independent Education Providers
- Ifous, which is an independent research institute that works to create benefit for Swedish schools and preschools
- Confederation of Swedish Enterprise

AcadeMedia uses resources efficiently

AcadeMedia's operations are to a large extent funded by taxpayers' money. Not least thanks to our size, we can make major investments quality development, among other things. Our quality model – the AcadeMedia model – is the clearest example of this endeavour. This is something that is difficult for individual municipalities to invest in. We also have economies of scale in areas such as rents, purchasing and administration.

As a result, we can build a sustainable company that will contribute to the development of society for a long time to come.



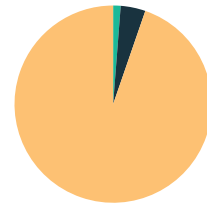
Drottning Blankas Gymnasieskola (upper secondary school), Gårda, central Gothenburg.

Distributed economic value

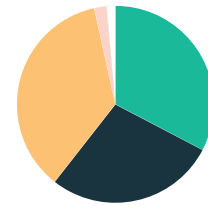
AcadeMedia pays taxes in the countries where we operate. Most of the taxes are payroll-related taxes and contributions for our nearly 19,000 employees in Sweden, Norway, Germany and the Netherlands. We pay salaries as well as buy in services and goods with our revenue, of which school voucher funding represents a large share. We also pay interest and taxes. The taxes we pay benefit our employees, society and the public economy. This creates payment flows, and a level of prosperity that affects all AcadeMedia's stakeholders. Tax is an important sustainability issue for all societies and their citizens.

In the 2021/2022 financial year, AcadeMedia had a total tax burden of SEK 4,476 million. The main part of our tax footprint is payroll taxes and contributions and employees' preliminary income tax. Corporate income tax for the financial year amounted to SEK 179 million.

The pie charts show the economic value created and how this value was distributed.



Direct economic value generated and distributed, SEK m.



Direct economic value generated and distributed, SEK m.

State subsidies 243

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

Parental fees* 598

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

Education-related and other revenue 13,179

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

14,339

Society 4,476

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

Suppliers 3,913

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

Employees 4,925

Salaries and other remuneration

Reinvestment 322

Investments (excluding acquisitions). For example, in buildings and inventory.

Shareholders 185

Dividend (proposed by the Board of Directors for 2021/22: SEK 1.75 per share).

13,822

Societal problems that AcadeMedia is helping to solve

The communities where AcadeMedia operates all have problems needing a solution. AcadeMedia, not least due to our size, can make a positive difference to many of them.

WELFARE SYSTEM UNDER PRESSURE

The population in many countries is ageing. As a result, we need more trained professionals. This is true not only in the welfare sector but also in many other professions. Without skilled plumbers, industrial workers and delivery drivers, communities grind to a halt. Our task is to provide more education and training for the resources allocated by society. More people should be able to earn a living and thus contribute to society, while at the same time more people are trained in professions necessary for welfare to grow.

SKILLS SUPPLY

Every year, we provide education and training for nearly 200,000 children, young people and adults in four countries. And we can influence not only them, but also their families, to live more sustainable lives both through our education and by acting as role models.

SKILLS SHORTAGE/TEACHER SHORTAGE

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

LACK OF LEADERSHIP IN THE EDUCATION SYSTEM

Good leadership at all levels is crucial to the success of students/participants in their studies. AcadeMedia focuses on leadership development at multiple levels through a number of different programmes. See also page 32.

INTEGRATION

In Sweden, it takes too long from the moment an individual arrives in the country until they have a job and are self-sufficient. Our investment in apprenticeships, and Swedish for Immigrants, is helping to shorten this time.

1. * Parental fees are included in Education revenue

The remaining pages of our Sustainability Report go into more detail on how we view our three focus areas; **Learning, Employees** and **Environment/climate**. They appear in this order as the area of learning is area our stakeholders consider most important, and it is the one where we believe we have the most impact. This is followed by the area of employees, and finally environment/ climate.

Focus area Learning

Focus area learning centres on AcadeMedia's core mission. Our goals in this area are to help people and communities develop and grow. We do this by looking at the needs and potential of every child, student and participant, in which recruiting the best teachers and school managers is a key factor. This is how we create high-quality education.

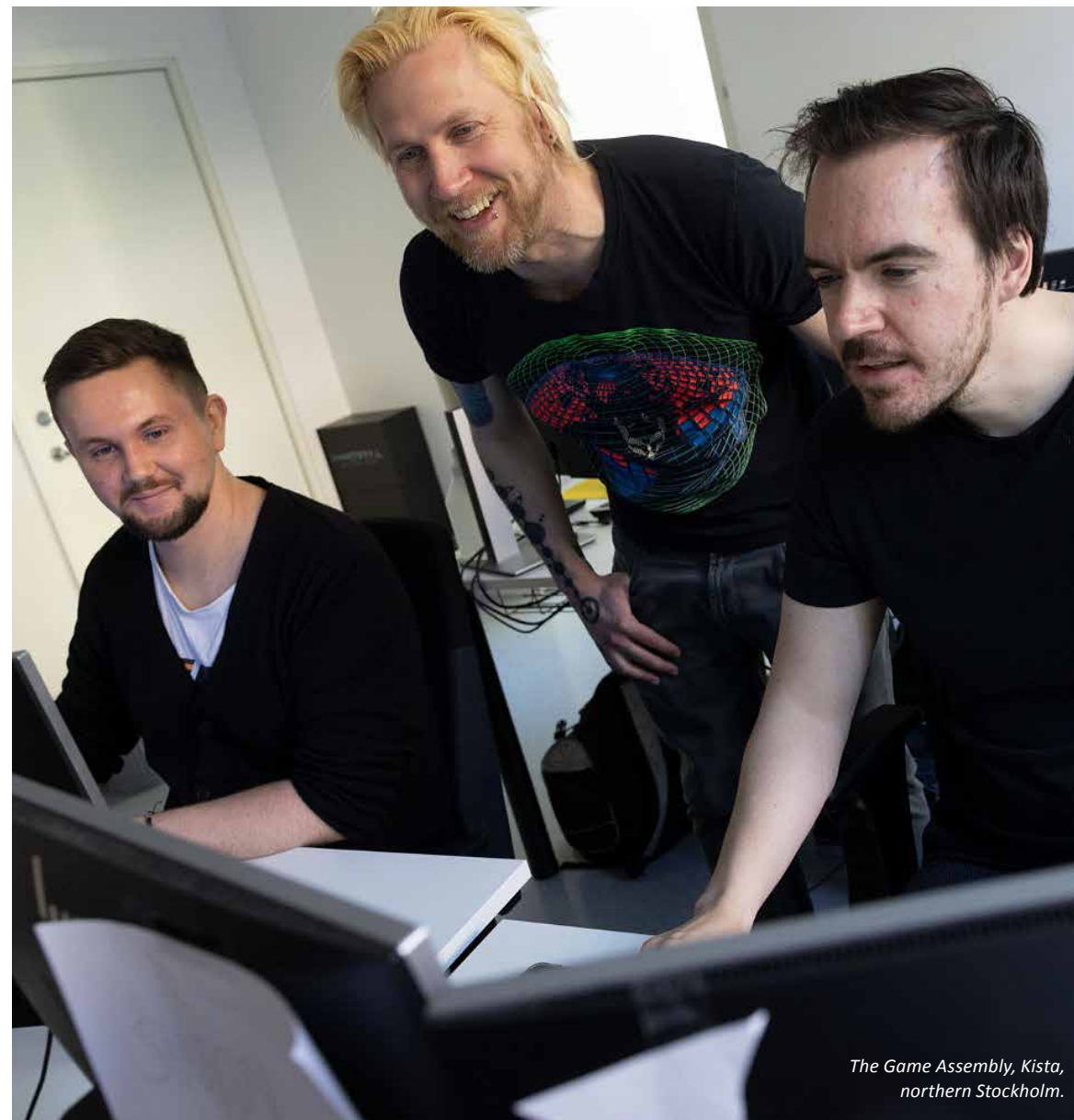
The risks we have identified in this area are also described on page 59. The two risks identified regarding sustainability are:

- **Quality of education.** This risk is about how well those who have chosen our activities are succeeding in relation to the governance documents, and how satisfied they are. This risk is mainly countered by our proactive work through the AcadeMedia Model, as well as skills development for our employees.
- **Expectations of accountability.** The expectation risk is about AcadeMedia not being perceived as taking sufficient responsibility for the global goals; we recognise expectations that we will take responsibility for all aspects of sustainability. This risk is mitigated through stakeholder dialogues, in which suppliers are an important group, and by developing sustainability education.

Policies governing focus area Learning:

- Work health and safety policy (a prerequisite for learning)
- Purchasing policy (guidance towards good environmental/ climate choices)
- Recruitment policy (ensures that the right people and skills are recruited)
- Communication policy (shows what we are doing)
- Code of Conduct (overall)
- Whistleblower policy (important tool to catch any issues in the organisation)

In the following pages, we describe our work in this focus area during the year.



The Game Assembly, Kista, northern Stockholm.

Core mission leads directly to goals

The most important thing AcadeMedia can do to contribute to sustainable development and support the transformation that society is facing is to continue to focus on our core mission – education and teaching. By championing lifelong learning, equality in education and a sustainable future for children, students and adult learners, we can create the best conditions for both our core mission and the UN's 17 Sustainable Development Goals in Agenda 2030.

Our focus area Learning also highlights the importance of our staff continuously developing themselves and their teaching. This is also an important factor in playing a part in sustainable development.

Over the past year, several of the AcadeMedia providers of preschool, school and adult education have increased their focus on sustainable development. This has been done both by strengthening teaching and by reviewing how everyday life in our units can be made more sustainable. At Group level, we are also working to continually reduce our carbon footprint with the aim of achieving climate-neutral operations. We are doing this by increasing the demands we place on our suppliers regarding climate-smart measures in buildings, school lunches, energy supply, transport, recycling etcetera.

New habits – high expectations

Our learning focus area has an important role to play in sustainable development by developing teaching and creating new habits for staff, children, students and participants. In practice, our commitment to freedom of choice means that we offer a variety of educational concepts, which supports the individual's ability to find a profile that suits their needs. We focus on meeting children, students and adult participants with high expectations and strong belief in each individual's abilities. By also constantly focusing on our

core business and following up on the governing documents that regulate the field education, we reinforce the goals of Agenda 2030 in general, but of course in particular Goal 4 – Quality education for all.

The AcadeMedia Model

Our way of creating the best possible conditions for the learning of our preschool children, students and participants in all AcadeMedia activities is to base all our work on the AcadeMedia model. By providing a good environment and good teaching, we can help people and communities to develop and grow. Thanks to research, proven experience and qualified correlation analyses, we know what works, and it is with this knowledge that we are building for the future. We have identified four success factors: focus on the mission, proactive follow-up, collegial collaboration and active resource allocation. These, together with our quality themes, form the foundation of the AcadeMedia model.

They are factors that have major impact on our success in achieving our learning goals. Goal achievement is monitored and reported at three different levels – unit, provider and group. The Group's Quality Report, which is published shortly before the Annual and Sustainability Reports, provides a good overview of the current situation and is the basis for prioritising development initiatives.



Drottning Blankas Gymnasieskola (upper secondary school), Gårda, central Gothenburg.

Initiatives in focus area Learning

During the year, AcadeMedia launched, or continued, a number of initiatives to develop the focus area of Learning. The following is a selection from our four education segments, preschool and compulsory school on this page, upper secondary school and adult education on the next.

International preschools

Language development creates confidence

Pysslingen Förskolor has developed a language strategy that will make it easier for units to fulfil one of the missions of the preschool, to develop rich language skills. Language skills give chil-



Pysslingen Ängsbacken, Saltsjö-Boo, Nacka, Greater Stockholm

dren confidence, a greater sense of security and the eventual opportunity to speak up on issues that affect them, which is in itself a fundamental right in a democratic society. The aim of the strategy is to ensure that all children in our preschools have equal opportunities to develop their communicative language skills.

Children's language development is also a key task in our Norwegian and German preschools. Espira in Norway has had this as a focus area for several years. An analysis of our German preschools during the year had an extra focus on language development. Children were encouraged to borrow and read books and to describe what they read. Germany has also been working on teaching children basic social media skills.

Child health in preschools

Children's physical and mental health is an important area of focus in preschools. It is part of the Swedish Pysslingen Förskolor sustainability work; sustainability-minded children will be needed to navigate the future. Pysslingen has worked with the Martina Children's Hospital to develop a training package for school leaders and educators. The training package comprises six areas:

- Children and food
- Movement and rest
- Toilet training
- Sickness in preschools
- Attachment in preschools

In Germany, specially certified preschools offer family centres to support carers, children and social services. This is part of our German operation's ambition to be a strong support in both safety and learning. Particular focus is placed on families of foreign origin.

Norway is also working on children's health and well-being, with the theme of "movement" as one of three focus areas. This is of course about physical activity, but also about food and meals.

Compulsory School

System support for planning and implementing training

With national targets and the educational mission in focus, a resource planning tool (Plan Digital) was rolled out at AcadeMedia's 78 compulsory schools during the 2021/22 academic year. The tool supports principals and organisational providers in planning and organising education efficiently and sustainably, which in turn creates good conditions for good outcomes. The rationale is that for activities to be sustainable, they need to be well planned and organised, both in the short and the long term.

Long-term investment in teacher training

The legal certainty and equivalence in assessments and grading need to be improved. That is why Karlstad University has developed a web-based course "Assessment and Grading" on behalf of AcadeMedia. The course is compulsory for all teach-

ers and principals at AcadeMedia's compulsory schools and is designed to support teachers in their professional development.

The training is based on the Swedish National Agency for Education's general advice on grading.

Innovita Balance – for a sustainable lifestyle

All of our compulsory schools include sustainability in their teaching, it is part of the curriculum. There are also many sustainability projects in progress at our units. Innovitaskolan (30 schools) launched the Innovita Balance concept during the 2021/22 academic year. In the programme, physical activities and mental health are a natural part of everyday life at the schools – both during and after school hours. The aim is to improve students' well-being and learning ability by increasing physical activity. Innovitaskolan works with the non-profit organisation Generation Pep and several schools are well on their way to achieving the "Pep Skola" certification.

Continued on next page →



Innovitaskolan, Segeltorp, Huddinge

Initiatives in Focus area Learning

Continued from page 25 ➔

Upper Secondary School

System support for the planning and implementation of training

The same digital tool used in our compulsory schools, Plan Digital, has been implemented in our 151 upper secondary schools. See description in the section Compulsory Schools on the previous page.

Long-term training initiative for our teachers

The online course "Assessment and Grading" is also compulsory in our upper secondary schools. See description in the section Compulsory Schools on the previous page.

PiL – A training programme for vocational teachers

For many years, an in-house training programme – Practice in Learning (PiL) – has been organised in the practical upper secondary school sector. The programme takes place over six full

days spread over an academic year. The aim of the programme is to support vocational teachers who lack pedagogical training through skills development and to provide the best possible conditions for quality teaching.

KLARA days with a focus on sustainability

KLARA Teoretiska Gymnasium (academic upper secondary schools) is actively working on sustainability issues. Making conscious, sustainable and climate-smart choices that make a difference, as well as being socially engaged in the community around us, is an important part of the students' education.

During the 21/22 academic year, all staff gathered for what are called KLARA days, which focused on sustainability. The days included lectures and peer-to-peer exchange of experiences of how schools work on both ecological and social sustainability. This is just one of many examples from the sustainability work at our upper secondary schools.

Adult Education segment

Shared environmental goal

The segment has set the overall goal of increasing environmental awareness for both employees and participants. A number of different projects have been launched to achieve this goal.

This year's biggest event in the adult education segment, attended by all managers and leaders, was themed "A Sustainable Future", with social and environmental sustainability as the common thread.

The environmental training course launched in 2019, which is mandatory for all employees, was reviewed during the year.

Onboarding for sustainable induction into work

Adult Education has developed processes for onboarding, processes that make it easier for employees and managers to get off to a good start. As of 2022, role-specific onboarding has been provided for education leaders in YH (higher vocational education) and employees in Komvux. Onboarding is intended to improve integration for new employees who have not previously worked in Komvux or YH, to help them get off to a good start.

Highly developed learning platform to meet requirements

Our in-house learning platform Omniway has now been developed to act as a system support to meet the implementation requirements of the Swedish Agency for Higher Vocational Education (MYH). This makes follow-up easier and creates favourable conditions for quality results. All AcadeMedia's YH companies will transition to using Omniway as a learning platform in their operations by no later than 2023.



The Game Assembly, Kista, northern Stockholm.



Praktiska gymnasieskola (practical upper secondary school), Nacka, Greater Stockholm.

FOCUS AREA LEARNING

Goal achievement 2021/22

The decline in grade scores that many thought would arrive during the pandemic seems instead to have materialised in the following year. The Swedish National Agency for Education's statistics for the 2021/22 school year show falling grades, especially in compulsory schools. At AcadeMedia, the percentage of students qualifying for upper secondary school decreased by 3.0 percentage points to 89.8 (compared to the national average, which decreased by 1.2 percentage points to 85.0). In upper secondary school, AcadeMedia's statistics show that the percentage of students graduating fell by 2 percentage points to 90 per cent. For upper secondary education, no national statistics were available for comparison at the time of publication of the annual report.

In this context, it is worth noting that, contrary to expectations, grade scores – both within AcadeMedia and over the rest of the country – rose during the years of the pandemic. Analyses by the Agency have shown that the pandemic posed major challenges for teachers in conducting exams, assessing pupils' learning progress and setting grades. In addition, national exams were cancelled. New national averages for compulsory school now indicate a return to pre-pandemic levels.

As no national statistics have yet been published on, for example, the results of national exams and deviations between national exam results and grades, much analytical work remains to be done. Some brief comments follow regarding the quality performance for the 2021/22 financial year. See the 2021/22 quality report published in October for further comment on the outcome.

PRESCHOOL: In June, the results of the Swedish preschools' own assessments of target achievement in relation to the national mandate were compiled. The target areas where preschool teaching gets the highest results in the 2021/22 academic year were language and communication, 5.9 (5.8), followed norms and values 5.8 (5.8). The lowest results were recorded for target areas of culture 5.5 (5.5) and mathematics 5.5 (5.5).

COMPULSORY SCHOOL: AcadeMedia's own compilation of grades for the 2021/22 school year indicates that the proportion of compulsory school students with passing grades in all subjects has fallen to 80.6 percent (85.0). The average assessment level in AcadeMedia's compulsory schools decreases to 243.5 (249.5). The national average is 229.2. The percentage of students qualifying for upper secondary school decreases to 89.8 percent (92.5), the national average is 85.0

UPPER SECONDARY SCHOOL The in-house compilation of grades for AcadeMedia's upper secondary schools indicates that the proportion with a diploma fell to 90.0 percent (92.0). The grade point average for students with a diploma remained unchanged at 14.2. The national average for the academic year 2021/22 had not been published when this was written.

ADULT EDUCATION In Adult Education achievement is measured differently, depending on the type of education. Statistics for the overall segment are compiled on two occasions, a mid-year survey in August and a full-year survey in January–February.

- **Swedish for Immigrants (sfi)** The percentage of students with passing grades (lowest grade E, 2021) in AcadeMedia's Adult Education is 94.9 percent, which is stable over time and in line with national average of 94.7 percent in 2021. On 1 January 2022, a simplified grading scale, pass and fail, was introduced.
- **Basic adult education** Grade scores are marginally higher than last year. Classroom (face-to-face) teaching has a slightly higher level of goal achievement than distance teaching. The results are stable over time, with a marginally upward trend. On 1 January 2022, a simplified grading scale, pass and fail, was introduced.

- **Upper secondary school education for adults** Grade scores are lower than last year, and stable over time. Classroom (face-to-face) teaching shows a slightly higher, and in some areas, increasing trend for achievement rate than distance teaching. The proportion of distance learners in upper secondary school education for adults is significantly higher in AcadeMedia than in the rest of the country, especially in programmes leading to university.
- **Higher vocational education** 88 percent of those who graduated in higher vocational education in 2021 had a job six months later. 73 percent of the students had a job corresponding to the focus of the programme, which is higher than the latest published national average.



AcadeMedia's Quality Report 2021/22 was published in October 2022.

Joki Preschool,
Munich, Germany.

Pysslingen Förskolor in research project on sustainability

Many new ideas on how to work on sustainable development, more children who take their own initiative and a higher awareness among educators. These are the initial findings from Ifous* ongoing research project focusing on sustainability in preschool.

According to the preschool curriculum, preschool should lay the foundations for a growing interest in and responsibility for sustainable development – environmental, economic and social. Children should have the opportunity to develop their understanding of how to protect the environment for the future and how to create opportunities to live in just and peaceful societies. So how do you do this in practice? To answer this question, Ifous has launched a three-year programme called Sustainable Preschool.

Pysslingen Förskolor is participating in the programme along with eight other providers.

"We're looking for what knowledge we need so we can start building right at the preschool stage in order to achieve a long-term, sustainable society, and how in concrete ways it can be done," says Sara Lindberg, Head of Pysslingen Förskolor.

Developing specifics is an important goal of the research project.

Pysslingen Järven in Nacka, Greater Stockholm, Stockholm, is one of the preschools participating in the programme. Järven's profile is sustainable education.

Work in the project provides educators with a wide range of methods that they can use and adapt according to the children's different interests, conditions and needs. This paves the way for the sustainability perspective that will permeate the entire organisation.

Children in a social perspective

Taking responsibility for social sustainability is part of the preschool's mission. Seeing children from a social perspective allows the children's interest and curiosity to guide the process. The school's principal is Elise Silleviis Smitt.

"For the third year in a row, we have chosen to start with a book, this year *Ottos ulliga tröja* (Otto's Woolly Jumper)". "The book provides a common platform, simplifies and underpins the

meeting, or creates the conditions for more meetings, between the departments. It also creates a broad community between children and educators across the entire school", she says.

"When we talk about a sustainable approach, we don't just mean the environment. Sustainability is a holistic concept, it's about teaching children to see how everything is connected. Everything from how we are to each other, to how we take care of our things and our nature. But it's also about how we take care of ourselves and take responsibility for our health through nutritious food and exercise", says Elise Silleviis Smitt.

**Ifous is an independent research institute operated as a non-profit association with founding members the Swedish Association of Local Authorities and Regions (SKR), the Swedish National Federation of Independent Schools and the Swedish National Federation of Idea-Based Schools. Ifous's mission is to serve as a national platform for the R&D work of schools and to provide support in the development of a form of education based on science and proven experience.*



Sara Lindberg, Head of Pysslingen Förskolor

ifous

Focus area Employees

Our most important resource from any perspective is our employees, so they are an obvious focus area for sustainability. We will recruit, develop and motivate the best educators and school leaders. We want our employees to enjoy their work and be given opportunities to develop professionally.

The risks we have identified in this area are also described on page 59. The risks identified are:

- **Absence due to illness.** For AcadeMedia to be able to perform its activities, our employees must be in good health and have a feeling of well-being. This risk is managed by offering easily accessible company health care, and having managers who are trained to catch individuals and groups at risk.
- **Employee turnover** Low employee turnover is important to maintain good continuity of operations. Employee turnover is a growing problem today, not least because there is a shortage of staff with the right skills in all the markets where AcadeMedia operates.
- **Gender equality** AcadeMedia is a female-dominated organisation. We strive for greater diversity, including through an active recruitment policy.
- **Corruption** There is a risk that employees or suppliers may systematically exploit the Company for their own gain through, for example bribes or personal kickbacks. Particularly vulnerable individuals are principals, teachers, purchasing staff and property management staff. This risk is mitigated by various control and reporting systems.
- **Transparency** This risk is that we are perceived as not living up to the world's demands for transparency. We are a publicly funded enterprise with a special responsibility to manage the resources we have with care. This risk is mitigated through our whistleblower system, and through our communication policy.

Policies governing the employee focus area:

- Work environment policy (creating workplaces that promote physical and mental health)
- Anti-drug policy (same as above)
- Data protection policy (protecting individuals' personal data)
- Equality policy (guidance on and promotion of diversity)
- Communication policy (guidance on transparency)
- Pay policy (fair and equitable salaries)
- Pension policy (allows employees to influence how pension assets are managed)
- Personal security policy (protection of employees)
- Recruitment policy (the right person, with the right skills, in the right place)
- Code of Conduct (overarching)
- Whistleblower policy (important tool to pick up on problems in the organisation)

In the following pages, we describe our work in this focus area during the year.



Arkipelagen Förskola (preschool), Gustavsberg, Nacka, Greater Stockholm.



Our employees are the key to success

AcadeMedia's vision is that we should lead the development of the education of the future. Our employees are the obvious key to how we as an organisation succeed in that aim.

When employees feel good and develop themselves, so does AcadeMedia. Together we can make a difference for our children, students and participants.

Pledges to employees in Roadmap 2023

As AcadeMedia's employees develop, so too does AcadeMedia. Our vision, to lead the development of the education of the future, can only be achieved if our employees are willing and able to contribute. To create these conditions, we as an organisation offer four employee pledges, see below.

The pledges are part of Roadmap 2023, which outlines our common way forward. The document describes the employee pledges in more detail.

Courage, passion and trust – together we are stronger.

AcadeMedia's various educational institutions all have their own values, but we also have common ones. These are summarised as "courage, passion and trust – together we are stronger". We are convinced that independent operations, on a common platform in the form of AcadeMedia, equip our employees to succeed. We are therefore constantly working on values and self-leadership, not least in the various development programmes that are carried out each year.

We can combine the long-term vision of a large group with the unique character of each business

We have good managers

We offer the world's most important mission

We offer good conditions and opportunities to grow

*AcadeMedia's pledges to employees.

Cooperation with trade unions

AcadeMedia in Sweden is signed up to several collective agreements.

- The independent school agreement with the Almega Service Employer Association and the National Union of Teachers in Sweden, the Swedish Teachers' Union, the Swedish Association of Municipal Workers and Vision.
- The education agreement between Almega Service Associations with the Swedish Association of Graduate Engineers and Unionen.

At AcadeMedia, the Swedish Association of Municipal Workers has 1.0 full-time position, the Swedish Teachers' Union has a National Division with 4.8 full-time positions and the National Union of Teachers in Sweden has a branch with 4.0 positions at the Group. These positions are paid for by AcadeMedia.

Within the framework of the independent school agreement, AcadeMedia signed a new local partnership agreement with the Swedish Teachers' Union and National Union of Teachers in Sweden during the year. The teachers' unions also have seats on AcadeMedia's Board of Directors.

Combating corruption

In our work to combat corruption, AcadeMedia's Code of Conduct and Purchasing Policy are the two key policies that all employees in the organisation must be aware of and comply with. The Code of Conduct is a framework that covers human rights, labour law, the environment and anti-corruption. The

purchasing policy ensures, through various framework agreements, that our purchases of goods and services comply with both the law and our ethical requirements, thus mitigating the risk of corruption and bribery. Compliance is monitored by all support functions and the two policies are available on AcadeMedia's open intranet.

Work environment and health and safety

The work environment at our units and support functions must be physically, mentally and socially safe and healthy for our employees, students and participants. Risks of occupational injuries and work-related ill health must be prevented.

During the year, a new work environment agreement was signed regulating the organisation of the joint safety committee/work environment council at AcadeMedia. The agreement clearly defines the work of the safety committee at group level, the work environment councils at segment and unit level and the joint approach of the parties.

Increasing mental ill health among young people and growing anxiety in society arising from gang crime, segregation and other factors are affecting Swedish schools in particular. All our units must be safe, and the number of training initiatives to prevent anxiety and provide security increased during the year. This has improved our collective ability to deal with critical situations.

During the year, one of our upper secondary schools, NTI Gymnasiet in Kristianstad, suffered a school attack. A student armed with a knife attacked students and employees. The school's staff had attended the preventive training course that all employees at compulsory and upper secondary schools are required to attend and acted as a team to reduce the impact of the attack. Two people were injured, but the assessment is that the joint efforts of the employees prevented a disaster.

Our work environment policy and our personal safety policy are closely linked and are addressed during these training sessions. Both are available on the open employee website.

From pandemic to war – internal security

All countries where AcadeMedia operates have been heavily affected by the Covid-19 pandemic over the past two years. At the beginning of the spring 2022 term, many restrictions were eased, and the feeling that things were returning to a more normal situation was evident. When Russia attacked Ukraine and we were faced with a full-scale war in Europe, things changed. In Sweden, in particular, which had remained outside military alliances, there was concern about the deteriorating security situation.

During the pandemic, AcadeMedia carried out a variety of communication initiatives to convey both facts and insights to provide reassurance throughout our organisation. We took the same approach for the war in Ukraine. Our aim is to ensure that all employees are informed about how the current situation may affect, or is affecting, their work.

A key issue for society was how to accommodate the expected influx of refugees. Early estimates from the authorities pointed to several hundred thousand refugees by mid-2022. The number turned out to be much lower, around 80,000. Another major issue was how to provide school places for all the children who came. AcadeMedia was early to make an inventory of all preschools, compulsory schools and upper secondary schools and was able to contribute 2,500 places. While this is worthy from a societal perspective, we know that so many new students, with no knowledge of Swedish, would put a great strain on our organisation.

As a result, a special coordinator for reception was appointed in March, tasked with supporting all AcadeMedia through the reception process. However, less than half of the children and young people who have arrived in Sweden have started school in Sweden. Nevertheless, we have established the organisation to enable us to scale up quickly if the situation changes.

FOCUS AREA EMPLOYEES

Overarching activities during the year



Employee surveys

Once a year, all AcadeMedia employees take part in a country-specific employee survey. The survey is conducted in different ways in the countries where we operate. We want to use backward comparative data, which requires us to proceed according to each country's tradition. The purpose of the surveys is to determine how our employees feel and whether they perceive that they have the conditions to perform their work.

In all countries, both the results and the response rate is high. The largest operation, the Swedish organisation, is briefly described here. All are shown in the table below.

- More than 8 out of 10 employees at AcadeMedia Sweden say they would recommend their workplace to others and 86 percent are proud to be working at their preschool, school or adult education unit.
- Around 8 out of 10 feel that their immediate manager motivates them in their work and is clear in their communication. An equal proportion say their manager helps them prioritise tasks when necessary, and 85 percent state that their manager is receptive to ideas and suggestions.
- 7 out of 10 employees feel that they have good opportunities to develop in their professional role and more than 8 out of 10 feel that good use is made of their skills.
- Development potential in workload: 77 percent say that their work-life balance is good and 66 percent say that their workload is reasonable over time.

EMPLOYEES	Note	2021/22	2020/21	2019/20
Number of full-time employees		13,829	13,360	12,686
Percentage of women				
AcadeMedia		72.1%	71.7%	72.0%
Senior executives		56.0%	58.0%	60.0%
Board of Directors		49.2%	56.0%	47.0%
Employee turnover (Sweden)	1, 2	17.8%	15.0%	18.4%
Absence due to illness (Sweden)	1, 3	5.1%	4.7%	4.6%
Employee Satisfaction Index (Sweden)		74	74	72
Employee Satisfaction Index (Norway)	4	-	4.4	4.3
Leadership Index (Sweden)	1	77	79	77
Number of whistleblower reports	5	26	34	17
Number of justified whistleblower reports	5	13	5	4

1. Statistics are only available for the Swedish operations.
2. (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees).
3. Aggregated average short-term absence due to illness <90 days.
4. Espira postponed its employee survey, and the results were not available when this report was published.
5. Whistleblowing reports are received and handled by an external party, which ensures whistleblower anonymity and performs an initial assessment. During the year, 26 unjustified whistleblower reports were submitted. See also page 33.



Benefits/health care

The conditions and benefits offered to AcadeMedia's employees should provide each employee with good conditions for good health and a good balance in life. Current and potential employees should feel that, as an employer, AcadeMedia wants to help build a corporate culture that is sustainable and inclusive.

As part of achieving this goal, AcadeMedia offers employees a wellness allowance. Through the 1,000 or so offers available on the Benefits website, employees can be inspired to find something that suits their own needs. The wellness allowance has also increased to a minimum level of SEK 3.000.



Pulse surveys

To complement the annual employee survey, HR in the Swedish organisation has provided an ongoing pulse survey tool, with research-based questions strongly correlated to workplace engagement and well-being. In addition to offering managers an ongoing and up-to-date overview of the Group's focus areas, employee self-leadership is developed by enabling each individual to monitor their own development and take responsibility for their work situation. The project will be monitored in 2022/23.

FOCUS AREA EMPLOYEES

Activities during the year in the AcadeMedia Academy

The Academy is AcadeMedia's in-house academy for skills development, its mission is to enable employees to enjoy the best possible conditions for continuous development and stimulation. The Academy operates in four goal and development areas: educational development, leadership development, employee development and school and community development. Within these areas, new initiatives and programmes are constantly being rolled out and developed.

The Academy operates according to four objectives and development areas



Selected specific initiatives

- Talent programmes:** A year-long development programme for aspiring leaders.
- Mentoring programme:** For new and senior leaders, respectively.
- Self-leadership programme:** Leadership training for staff at AcadeMedia Support.
- Quality development with an international flavour:** Leadership training exclusively developed by the Academy and UK school development expert Lucy Crehan.
- Process and head teacher training:** Perspectives and tools for planning and implementing development work, and what is needed to enable learning and change in a group.

Selected overarching programmes and meetings

- School superintendents' network**
Quarterly meetings for everyone with that professional role
- Leadership forum**
Annual forum for all AcadeMedia leaders
- Leaders for leaders**
Quarterly meetings for the organisation's top managers
- Leadership mornings**
Digital meetings for all leaders
- Administrators' network**
Structured exchange of experiences, inspiration and skills development for administrators across segments.
- After School:** Digital inspiration meetings for teachers and principals, with guests from different institutes of higher education

AcadeMedia's new leadership profile



During the year, AcadeMedia developed a new leadership profile. The process was conducted in the context of developing our PRP (performance, results, potential) leadership assessment tool to link it more closely to our roadmap and goal areas.

The previous manager profile is now being updated to a leadership profile that strengthens our ambition to function as a learning and process-oriented organisation, where everyone has the opportunity to develop and be stimulated. The new leadership profile focuses more closely on leadership. We make a distinction between manager and leader – both are needed, but from different perspectives.

Management a formal/role title that is assigned to an employee. A role to be mastered.

Leadership a process by which an individual influences individuals and groups to achieve a common goal. A role to conquer and continually develop.

The new leadership profile will take effect from the start of the 2022/23 school year.

FOCUS AREA EMPLOYEES

Code of Conduct and whistleblowing procedure

Code of conduct and whistleblowing reports are an important framework.

AcadeMedia's Code of Conduct is based on the Global Compact established by the United Nations in 1999. With our Code of Conduct, our aim is to lay the foundations for an ethical approach to our day-to-day work. The aim of the UN Global Compact was to create international principles for business based on human rights, labour law and environmental and anti-corruption issues.

A large part of AcadeMedia's activities involve the education of children and young people. The perspective of the child should determine the nature of our activities.

Our whistleblower policy was established in 2013, several years before the legislation caught up and the law on whistleblower rights, and freedom of information, for employees in publicly

funded organisations came into force. In July 2022, EU whistleblowing legislation was amended, making it more difficult for anyone wishing to blow the whistle on AcadeMedia's activities. We used to let everyone, including people who does not have a relationship with the organisation, use this function. It is now difficult. In addition, the definition of what constitutes a whistleblowing action has been narrowed.

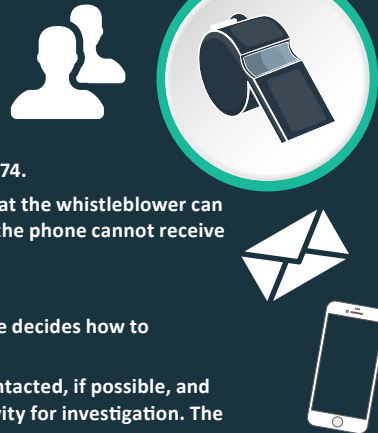
A lot of work was done during the year to comply with the new legislation, both technically and in terms of content. The new whistleblower policy, adapted to the upcoming legislation and to AcadeMedia's operations, was published on 30 June 2022.

The number of whistleblowing reports received during the year was 30, five of which concerned the same case. The number of unique cases was therefore 26 (34), of which 13 (5) were deemed justified.

ACADEMEDIA'S WHISTLEBLOWING PROCEDURE:

Reports can be made in any of three ways:

- Through the Trumpet reporting tool, using the organisation code EMS274.
- A physical letter to Trumpet, Box 479, SE-201 24 Malmö, Sweden.
- By phone, on 020-10 30 91 (the line is always open). Organisation code EMS274.
- Whistleblowing reports via Trumpet are confirmed and assigned a code so that the whistleblower can log in and follow the case. Any report made anonymously in writing or over the phone cannot receive feedback.
- An initial assessment is carried out by an independent provider.
- If the case is deemed to be justified, AcadeMedia's whistleblowing committee decides how to investigate it.
- In cases where the report is not considered justified, the whistleblower is contacted, if possible, and asked whether the information can be passed on to the relevant staff or activity for investigation. The majority of these cases relate to various HR matters where there is a disagreement.



Protection of privacy

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

GDPR – Protection of privacy

AcadeMedia's data protection policy is the framework for how we handle personal data. The policy is supplemented by underlying procedures such as whitelisting of apps and how we act when an incident occurs. AcadeMedia has four data protection officers whose day-to-day role is to ensure protection for personal privacy.

The Board of Directors of the company authorised to provide education is responsible for the data protection of students. This means, for example, that Vittraskolorna AB is the data controller for all children, students and employees in Vittra's operations and AcadeMedia Support AB is responsible for all those employed there.

During the year, AcadeMedia's data protection officers paid particular attention to:

- Camera surveillance. The aim was to support schools that need to monitor their activities and premises.
- Protected personal data. These are the most sensitive personal data we process.
- Personal data processors where the contribution was mainly supplier audits and updated processor agreements.
- Updated review of new processing that takes place via new apps in education and new, more comprehensive system solutions.

During the year, we had 21 personal data incidents reported to IMY, the Swedish Authority for Privacy Protection. None of these led to any actions on the part of IMY.

Focus area Environment and Climate

Our focus area environment and climate is based on AcadeMedia's pledge to use all types of resource responsibly and to serve as a model of environmental sustainability in the education sector. We are working to make our operations climate neutral.

As AcadeMedia's direct impact on environmental and climate issues is relatively minor, we have not identified any risks in this focus area. We have performed an analysis based on the EU Taxonomy. The analysis shows that the risks identified there do not apply to us to any great extent.

One risk discussed is whether we as an organisation take the environment and climate issue seriously enough. This risk is mitigated by high internal and external expectations of us, expectations that we are well aware we must meet.

A key decision during the year was to invest in large solar panel installations at 28 of our vocational secondary schools. Praktiska Gymnasiet is the largest provider of the electrical engineering programme in Sweden, with more than 1,300 students. Next year, all schools will be able to procure their own teaching facilities so that students can be certified in this field. There is currently a severe shortage of solar installers, which means there can be a long wait for homeowners who want to install solar panels.

Policies governing Focus area Environment:

- Company car policy (steering towards climate-smart choices)
- Communication policy (guidance towards transparency)
- Code of Conduct (comprehensive, includes sections on environmental issues)
- Whistleblower policy (important tool to pick up on problems in the organisation)



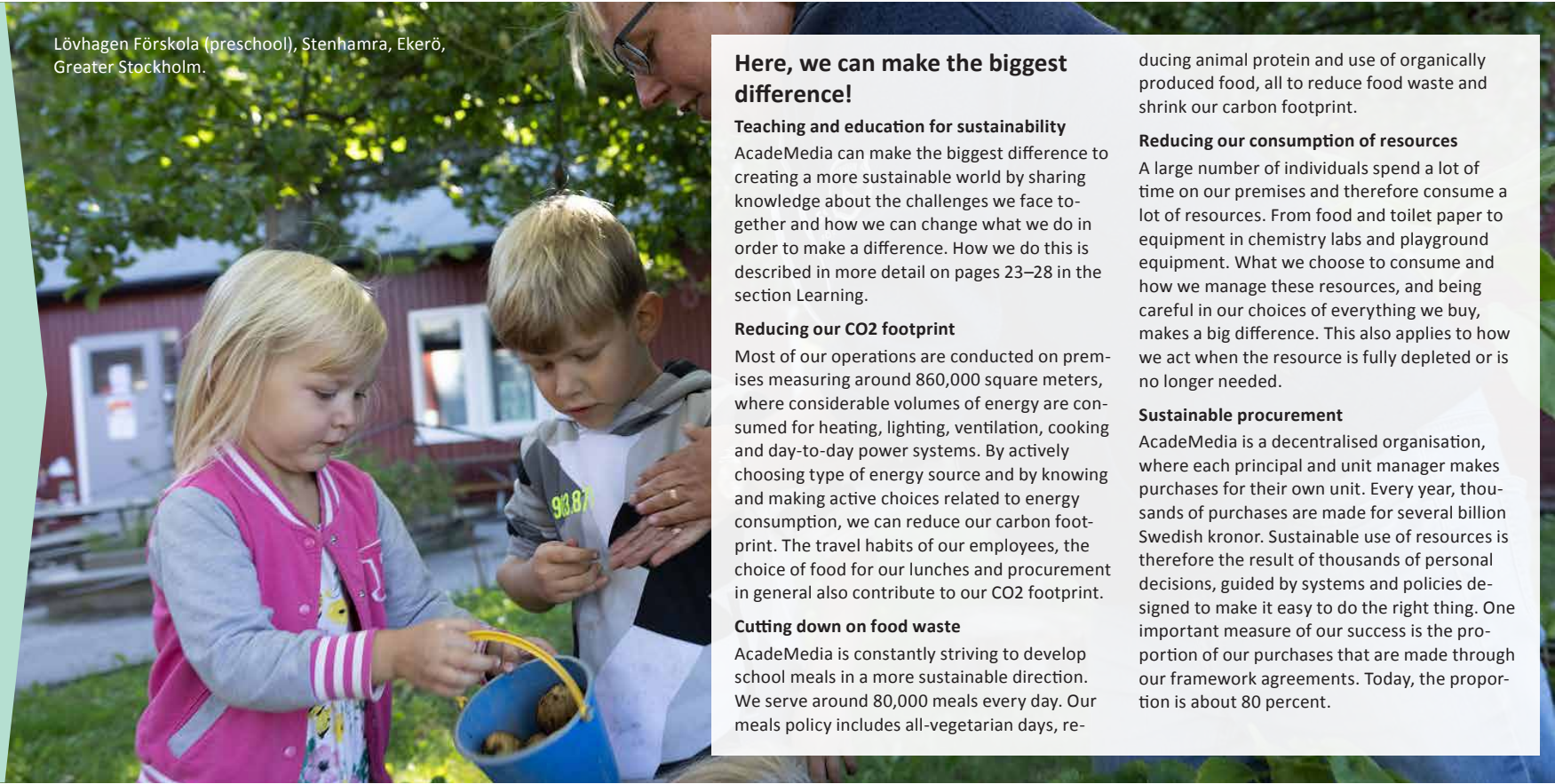
Södermalm Campus, central Stockholm.

Focus area Environment and Climate

AcadeMedia's operations, from preschool to adult education, are undertaking a large number of large and small initiatives to shift to a more sustainable way of working. Our biggest impact in terms of the environment is through education, and as an organisation we must live as we teach. But that is not enough.

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

The area where we have historically done the least to contribute is environmental and climate change issues. We are on a journey of change, driven by both internal and external expectations. Primarily based on internal and external expectations, as well as the UN's Global Goals, we have identified five environmental and climate change areas where we can make the biggest difference, and will therefore prioritise them going forward. These contribute directly to UN Sustainable Development Goals 7, 12 and 13.



Lövågen Förskola (preschool), Stenhamra, Ekerö, Greater Stockholm.

Here, we can make the biggest difference!

Teaching and education for sustainability

AcadeMedia can make the biggest difference to creating a more sustainable world by sharing knowledge about the challenges we face together and how we can change what we do in order to make a difference. How we do this is described in more detail on pages 23–28 in the section Learning.

Reducing our CO2 footprint

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

Cutting down on food waste

AcadeMedia is constantly striving to develop school meals in a more sustainable direction. We serve around 80,000 meals every day. Our meals policy includes all-vegetarian days, re-

ducing animal protein and use of organically produced food, all to reduce food waste and shrink our carbon footprint.

Reducing our consumption of resources

A large number of individuals spend a lot of time on our premises and therefore consume a lot of resources. From food and toilet paper to equipment in chemistry labs and playground equipment. What we choose to consume and how we manage these resources, and being careful in our choices of everything we buy, makes a big difference. This also applies to how we act when the resource is fully depleted or is no longer needed.

Sustainable procurement

AcadeMedia is a decentralised organisation, where each principal and unit manager makes purchases for their own unit. Every year, thousands of purchases are made for several billion Swedish kronor. Sustainable use of resources is therefore the result of thousands of personal decisions, guided by systems and policies designed to make it easy to do the right thing. One important measure of our success is the proportion of our purchases that are made through our framework agreements. Today, the proportion is about 80 percent.

FOCUS AREA ENVIRONMENT

AcadeMedia's environmental work during the year

This year's work in the areas of environment and climate change is largely a continuation of last year's. However, some new and important initiatives have been undertaken.

CO2 survey

Work on surveying our energy consumption continues. We focused on the carbon footprint left by buildings, computer purchases, food and travel. Our conclusion is that the pandemic has affected our carbon footprint, which has been lower for the past two years of operation.

- **Real estate:** AcadeMedia conducts teaching activities over a total area of approximately 860,000 square metres. Of the electricity used in buildings, we have decision-making power on about 50 percent, and it is fossil-free. The remaining 50 percent is included in the rent and the energy source is therefore decided by the landlord.
- **Computers:** At the start of the school year, more than 20,000 computers are delivered to our schools. As they are an integral part of teaching, it is difficult to reduce the overall number. However, we can make some difference through our choice of computer. Our biggest impact comes through education, where we make our students and staff aware that a computer comes with more than a price tag, it also comes with an environmental resource footprint. This means that when the computer has a long life and is recycled properly, the negative environmental impact will be limited.
- **Food:** From a CO2 perspective, the food we serve is the single biggest footprint we make. We serve around 80,000 meals every day, 178 school days a year. At our preschools and in

our before- and after-school care, the number of meals is even higher. In addition, we serve snacks and in some cases breakfast at a number of our units.

- **Travel:** During the financial year, the number of trips decreased sharply and we became more proficient in using digital solutions for meetings. The expectation is that the number of journeys after the pandemic will increase, but not to the same level as before. However, our travel volume is small, with one individual who travelled on an exchange to Buenos Aires ranking in the top 3 for carbon footprint due to travel.

Food waste

Food waste is an important, and educational, area to work on. We follow up on food waste that occurs in our school canteens, and we also have partnerships with nearby grocery stores where food that is rejected by customers is taken care of at the school.

- **Food waste in school canteens:** During the year, eight units have been part of a pilot food waste monitoring study where food waste is divided into four categories – food waste, plate waste, kitchen waste and buffet waste. The trend is for increased monitoring to reduce food waste. The study is still ongoing.

Sustainable procurement

Dialogues with major suppliers on how we can work together to reduce our carbon footprint

have begun. In addition to the carbon footprint of the product and service, the dialogue has also included a learning perspective. In other words, how we can engage and educate children, students and staff so that they adopt more considered behaviour.

28 solar panel installations for education

AcadeMedia is Sweden's largest provider of the electrical engineering programme at upper secondary schools. There is a major shortage of solar panel installers and with this initiative we will be able to certify a large number of them. Our more than 1,100 electrical engineering students at our 28 schools at practical upper secondary schools will also receive training in solar panel installation through this initiative.

In another major environmental initiative, two upper secondary school campuses were completed in Stockholm's inner city during the year. They opened at the start of the 2022 autumn term and are both in climate-smart buildings. The total area of the campuses is 25,500 square meters and they can accommodate 4,600 students.

ENVIRONMENT	Note	2021/22	2020/21 ¹	2019/20 ¹
PROPERTY				
Number of sq.m		984,150	869,674	–
Electricity used in buildings – own leases (actual) kWh	2	21,294,190	22,130,063	19,749,211
Electricity used in buildings – included in the lease (estimated) kWh	3	22,339,304	23,980,211	–
Electricity used in buildings – total kWh		43,633,494	46,110,274	–
Electricity used in buildings – kg CO2	2, 3	449,859	483,269	–
IT HARDWEAR				
Number – Purchases	4	27,320	18,680	–
CO2 footprint (kg CO2)	4	6,675,879	4,363,042	–
ON-DUTY TRAVEL				
Air – Number	5	2,483	304	4,227
Rail – Number	5	12,631	3,165	18,293
CO2 footprint (total)	5	418,394	38,181	660,526
MEALS				
Percentage of organic produce		20.7%	21.2%	22.5%
Meals, kg of food waste (rough estimate)	6	820,000	780,000	–
Meals, kg of CO2 (rough estimate)	7	21,250,000	20,200,000	–

1. Due to the pandemic, the environmental and climate footprint was very low in 2020/21.
 2. Electricity contracts over which we have control refer to hydropower sources. Emission factor applied hydropower kg/kWh 0.0045.
 3. Electricity contracts over which we have no control, electricity is included in the rent; we have estimated that the electricity consumption is in line with the Group in general and the calculation is based on consumption per sq. m. Emission factor applied Swedenmix kg/kWh 0.016.
 4. A new sustainability report from AcadeMedia's primary supplier of IT hardware contains revised figures compared to the previous year's sustainability report.
 5. The number of journeys and the environmental impact of the journeys are compiled by the Group's travel agency service. Journeys booked outside their system are not included in the compilation.
 6. Food waste is calculated as 50 grams per meal that averages 350 grams (excluding beverages). The calculation includes lunch in the school segments 178 days a year; other meals such as snacks and breakfast are not included.
 7. Kg CO2 is calculated assuming 2 vegetarian meals per week are served and students drink 1 glass of milk/meal.

Ongoing activities in our operations

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

- During the year, Drottning Blanka's 27 upper secondary schools developed a sustainability plan for all schools, creating a common structure and consensus on sustainability. The aim is to develop environmentally conscious and committed young citizens by setting an example and playing a part in the development of creative educational activities.

- NTI-Gymnasiet has several projects in Green Tech Skills in progress. Students work on recycling projects, including restoring old computers that are then donated to schools in Uganda and elsewhere. Several schools operate hydroponic systems and cultivations based on global environmental goals. This has developed into international collaborations with schools in Denmark, the Netherlands, Spain and other countries.
- Our preschool operations in Sweden, Norway and Germany are all working on sustainability, an issue that is as impor-

tant as it is obvious to employees, carers and children alike. See also page 28 for information on the major projects of the year.

- Innovitaskolan has 28 preschools and compulsory schools that focus on innovation to create a better society. This indicates a clear perspective on sustainability, where children and students can explore and put ideas about sustainability in the future into practice.
- Our adult education operations are eco-certified in accordance with ISO 14001.

- Several sustainability projects are in progress in our adult education activities. For example, projects are ongoing in Hermods Gothenburg's SFI teaching, where all courses now include an environmental perspective. All students are also offered the chance to take part in a digital environment course. At NTI-Skolan, all travel is climate compensated and all courses are given digitally – delivering a huge environmental gain.



Lövhagen Förskola (preschool), Stenhamra, Ekerö, Greater Stockholm.



Lövhagen Förskola (preschool), Stenhamra, Ekerö, Greater Stockholm.

Our stakeholders have clear ideas about the order of priorities

When we asked our stakeholders what we should focus on to reduce our carbon footprint and help achieve the global goals, the answers are clear and consistent over time. We make the biggest difference through our core business: educating about and encouraging more sustainable behaviours. Next, they believe we can make the biggest difference by focusing on our CO2 footprint and food waste.

OUR STAKEHOLDERS

	STUDENTS	LEADERS	TEACHERS	TRADE UNIONS	SWEDISH ASSOCIATION OF LOCAL AUTHORITIES AND REGIONS (SALAR)	SWEDISH NATIONAL AGENCY FOR EDUCATION	INVESTORS	AVERAGE
TEACHING AND EDUCATION FOR SUSTAINABILITY	1	1	1	1	4	1	1	1
REDUCING CO2	2	2	3	4	2	5	3	2
REDUCED FOOD WASTE	3	4	2	2	1	5	4	2
RECYCLING	5	4	3	3	5	5	2	4
SUSTAINABLE PROCUREMENT	4	3	5	4	3	5	5	5

AcadeMedia's exposure to the EU Sustainable Investment Taxonomy

This is AcadeMedia's first report based on the EU Taxonomy, a common tool for defining whether a company's economic activities are environmentally sustainable and in line with the Paris Agreement. The results of our analysis show that AcadeMedia's economic activities are not covered by the EU Taxonomy definitions of what should be reported. At the same time, we recognise that the core of our business, education, is key to creating an environmentally sustainable future.

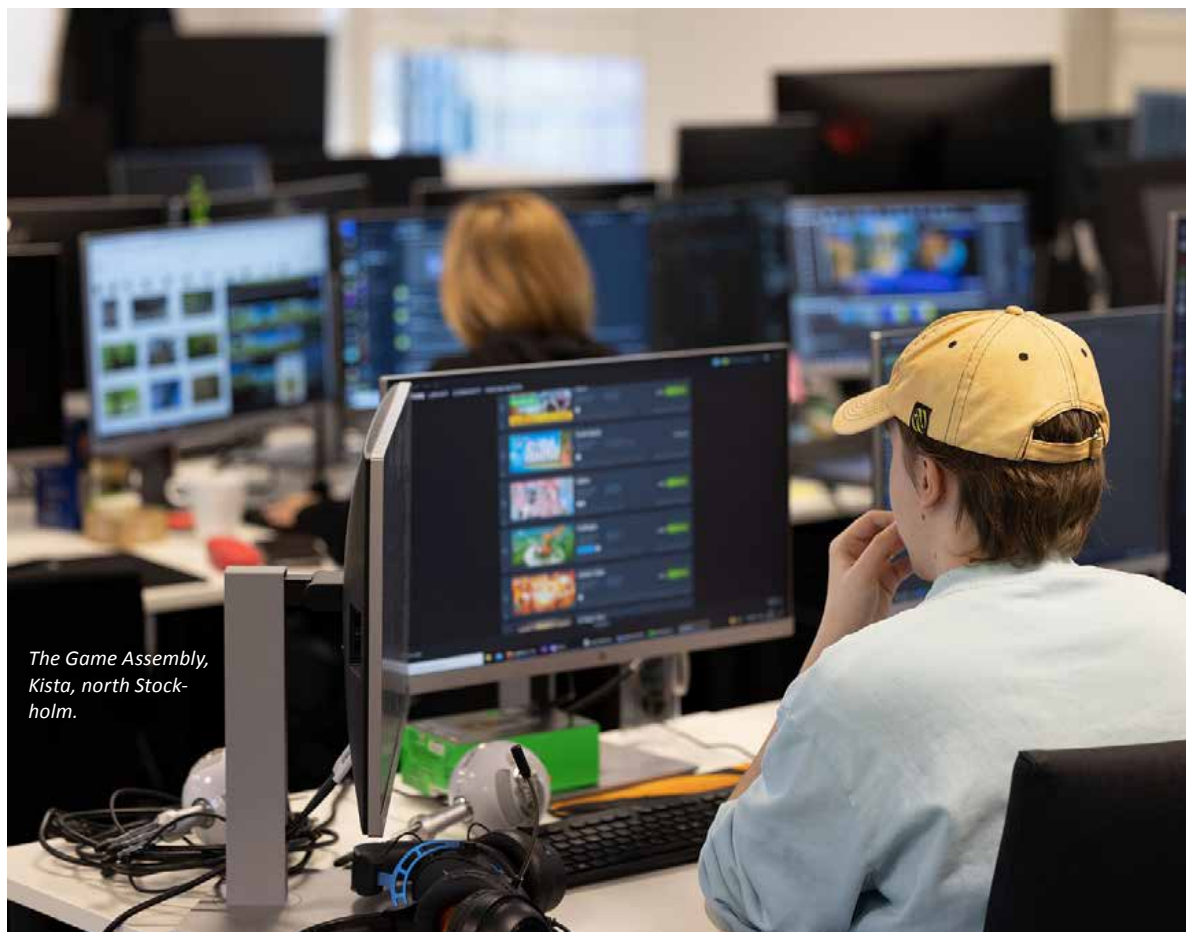
- 1. Climate change mitigation:** AcadeMedia's activities fall under the heading of Sector 11 Education. Sector 11 is not included in the economic activities listed in the Delegated Acts relating to Environmental objective 1. AcadeMedia is therefore not exposed to the taxonomy's environmental objectives for climate change mitigation.
- 2. Adaptation to climate changes** AcadeMedia is included in the economic activities listed in the Delegated Acts relating to environmental objective 2. A detailed review of AcadeMedia's activities was performed in relation to the economic activities described in the EU Taxonomy, and in relation to the Taxonomy's reporting requirements and its criteria. The aim is to develop environmentally conscious and committed young citizens by setting an example and playing a part in the development of creative educational activities. The need essentially refers to the buildings used by AcadeMedia. On that basis, AcadeMedia is not exposed to the Taxonomy's environmental objectives for adaptation to climate changes.

The above interpretation applies as at the end of June 2022, our last year of operation. A new interpretation will be performed next year.



Campus Vasastan, central Stockholm

Non-financial KPIs



The Game Assembly, Kista, north Stockholm.

OTHER

	Note	FULL YEAR				
		2021/22	2020/21	2019/20	2018/19	2017/18
EMPLOYEES						
Average number of full-time employees		13,829	13,360	12,686	12,405	11,863
Percentage of women in the AcadeMedia Group		72.1%	71.7%	72.0%	72.5%	74.0%
Percentage of women among senior executives		56.0%	58.0%	60.0%	55.0%	44.0%
Percentage of women on Board of Directors		49.2%	56.0%	47.0%	43.0%	36.0%
Employee turnover (SE)	1, 2	17.8%	15.0%	18.4%	22.6%	26.3%
Absence due to illness (SE)	1, 3	5.1%	4.7%	4.6%	4.4%	4.8%
Employee Satisfaction Index (SE)		74	74	72	71	71
Employee satisfaction (NO)	4	–	4.4	4.3	4.4	4.4
Leadership index	1	77	79	77	77	79
ENVIRONMENT						
Electricity used in buildings – kg CO2	5	449,859	483,269	–	–	–
Computers (purchased), kg CO2	5	6,675,879	4,363,042	–	–	–
Travel (business trips), kg CO2	5	418,394	38,181	660,526	824,469	–
Food (rough estimate), kg CO2	5	21,250,000	20,200,000	–	–	–
Percentage of eco-certified produce		20.7	21.2	22.5	21.2	22.3
TRANSPARENCY						
Number of unique visits to AcadeMedia's public intranet		146,459	206,296	299,249	267,780	100,541
Number of unique visits to AcadeMedia's Code of Conduct		295	351	279	470	410
Number of whistleblower reports	6	30	34	17	11	9
Number of justified whistleblower reports	6	13	5	4	1	6

1. Statistics are only available for the Swedish organisation.

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

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

4. Espira postponed its employee survey, therefore the results were not available when this report was published.

5. AcadeMedia's CO2 footprint is described in more detail on page 36.

6. Whistleblowing reports are received and handled by an external party, which ensures the whistleblower's anonymity and carries out an initial assessment. During the year, 30 whistleblower reports were made, five of which related to the same case. In all, 13 whistleblower cases were deemed justified.

QUALITY

	2021/22	2020/21	2019/20	2018/19	2017/18
PRESCHOOL					
Recommendation level – Norway	4.5	4.5	4.5	84.7%	83.9%
Recommendation level – Germany (Joki) ²	–	84%	–	88%	92%
Recommendation level – Germany (KTS) ²	–	81%	–	79%	–
Recommendation level – Germany (Stepke) ²	–	77%	–	76%	61%
Recommendation level – Germany (Espira) ²	–	86%	–	–	–
Recommendation level – Sweden	87%	88%	86%	83%	82%
Satisfaction with the preschool’s activities – Sweden	87%	87%	84%	84%	84%
COMPULSORY SCHOOL					
Percentage qualifying for upper secondary school	89.8%	92.8%	91.8%	91.3%	90.6%
Percentage with lowest passing grade (A–E) in all subjects	80.6%	85.0%	83.9%	82.3%	83.0%
Average assessment level	243.5	249.5	246.7	242.3	245.8
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%
UPPER SECONDARY SCHOOL					
Percentage with diploma (based on students with “leaving certificate”) ³	90.0%	92.0%	90.3%	89.5%	88.7%
Grade point average (based on students with “leaving certificate”) ³	14.2	14.2	14.2	14.1	14.1
Percentage of students leaving with a diploma within three years ⁴	–	79.2%	76.5%	74.5%	74.2%
Recommendation level – students	72%	76%	69%	68%	68%
Satisfaction with teaching – students	76%	78%	72%	69%	69%
ADULT EDUCATION⁵					
Average number of hours per completed course/“learning curve” – sfi	n.a.	291	247	240	270
Percentage passed - sfi	94.9%	–	–	–	–
Percentage with lowest grade E – komvux (basic adult education)	88.0%	87.6%	87.3%	88.0%	90.2%
Percentage with lowest grade E – upper secondary school for adults	83.9%	85.0%	83.9%	83.3%	85.0%
Percentage with diploma – higher vocational education	68%	68%	66%	69%	70%
Recommendation level – students/participants (total) (Spring Semester Autumn Semester) ⁶	87.1%	87.1%	86.4%	86.4% 84.3%	84.0% 82.9%

1. According to the national user survey, Espira’s recommendation level is 4.5 on a five-point scale.

2. The results of the parent surveys in the German preschools were not available when this report was published.

3. Preliminary results 2021/22. Note also that the figures for 2020/21 have been adjusted in line with now published national statistics.

4. 2020/21 reflects the proportion of students starting in school year 2018/19 who received their diploma.

5. Adult learning outcomes based on full year, not academic year.

6. Since 2019/20, recommendation level is compiled once per year.



GRI Index

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

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
GENERAL DISCLOSURES				
GRI 102	102-1	Name of the organisation	Back cover	
	102-2	Activities, brands, products and services	9, 25, 26, 31, 32, 36, 37	
	102-3	Location of headquarters	68, back cover	
	102-4	Location of operations	2, 3, 68, 73	
	102-5	Ownership and legal form	68, 105-106	
	102-6	Markets served	3, 9–10, 12	
	102-7	Scale of the organisation, including number of employees, operations, sales and capital	2-3, 43, 72, 74, 105-106	
	102-8	Information on employees and other workers	74-76	Reporting covers all Group employees, including all subsidiaries in the four countries in which we operate.
	102-9	Supply chain	16	
	102-10	Significant changes to the organisation and its supply chain	9, 105-106	
	102-12	External initiatives	20	
	102-13	Membership of associations	21	
	102-14	Statement from senior decision-maker	6-7	
	102-16	Values, principles, standards and norms of behaviour	8, 23, 29, 30, 34	
	102-18	Governance structure	50-53	The CEO has overall responsibility for sustainability work. Support function managers are responsible for analysis and actions, while the sustainability manager is responsible for reporting and communication.
	102-40	List of stakeholder groups	17	
	102-41	Collective bargaining agreements	30	Norway and Germany have similar systems to the Swedish collective agreement, in what are known as tariff agreements. Both our Norwegian and German operations use these.
	102-42	Identifying and selecting stakeholders	17	
	102-43	Approach to stakeholder engagement	17	
	102-44	Key topics and concerns raised	17	
102-45	Entities included in the consolidated accounts	9, 43, 72		
102-46	Defining report content and topic boundaries	14-16		
102-47	List of material topics	17-18, 20		
102-48	Restatements of information	68 and 89	The operating profit for the financial year 2020/21 has been recalculated due to the application of a new accounting policy for cloud computing arrangement costs. A recalculation for the items has been performed and relevant information for comparison is presented below.	
102-49	Changes in reporting			

Continued on next page

Sustainability – GRI Index (cont.)

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
GENERAL DISCLOSURES				
	102-50	Reporting period	43	
	102-51	Date of most recent report		This is AcadeMedia's second sustainability report based on a GRI index. Our most recent annual accounts with statutory sustainability report were published on 29 October 2021.
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	Back cover	Head of Sustainability Paula Hammerskog, paula.hammerskog@academedia.se
	102-55	GRI content index	41-42	
	102-56	External assurance	42	The auditor has stated their opinion on the statutory Sustainability Report. This statement of opinion does not include a check against GRI standards.
Management approach				
Management approach	103-1	Explanation of the material topic and its boundary	15	
	103-2	The management approach and its components	16, 18	

Auditor's opinion on the statutory Sustainability Report

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

Duties and allocation of responsibilities

The Board of Directors is responsible for the Sustainability Report for the financial year 1 July 2021–30 June 2022 on pages 14–42 and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of review

Our review was conducted in accordance with FAR recommendation RevR 12: Auditor's opinion regarding the statutory sustainability report. This means that our examination of the Sustainability Report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination provided a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.
Stockholm, 24 October 2022
PricewaterhouseCoopers AB

Patrik Adolfson

Authorised Public
Accountant
Lead auditor

Eva Medbrant

Authorised Public
Accountant

SPECIFIC DISCLOSURES

GRI STANDARDS	DISCLOSURE	CONTENTS	PAGE REFERENCE	COMMENT/RESERVATION
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Administration Report

The Board of Directors and the Chief Executive Officer of AcadeMedia AB (publ), referred to below as AcadeMedia, corporate registration number 556846-0231, registered office in Stockholm, Sweden, hereby submit their Annual Report and consolidated accounts for the financial year 1 July 2021–30 June 2022.

Business overview

AcadeMedia is the largest independent education provider in northern Europe. In 2021/2022 nearly 93,000 children and students attended AcadeMedia's pre-schools, compulsory schools and upper secondary schools. A further approximately 100,000 people took part in one of AcadeMedia's education programmes for adults. On average, during the 2021/22 financial year, AcadeMedia operated just over 700 preschools, compulsory schools, upper secondary schools and adult education units, located throughout Sweden and Norway, as well as in parts of Germany and the Netherlands.

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

Significant events during the financial year

The 2021/22 financial year was dominated by a number of major events.

Fire at a compulsory school

In July 2021, Vittra Kungshagen compulsory school in Nyköping was completely destroyed in an arson attack. The school continues to operate in temporary premises and is being rebuilt. Most of the additional costs arising from the fire are expected to be covered by insurance.

Changes in Executive management and Board of Directors

During the financial year, changes took place in Executive management and the Board of Directors. See pages 61 and 75 for more information.

Acquisition of Sandviks AS

During the year, the Group acquired Sandviks AS. The company mainly offers products and services that inspire children to read at an early age. With the acquisition, AcadeMedia is establishing a new business area to provide the education market with a variety of products and services.

AcadeMedia signs new loan agreement.

AcadeMedia has signed a new loan agreement refinancing existing loans totalling the equivalent of SEK 1,650 million until mid-2025, with the option of extending until 2027. This will reduce annual amortisation by SEK 34 million and deliver positive impact on cash flow.

Platform acquisition in the Netherlands

AcadeMedia has acquired two preschools just outside Rotterdam in the Netherlands. This is a small but important platform acquisition. AcadeMedia sees good

potential through market consolidation in the Netherlands, where, with our experience and focus on quality, we can create an attractive group of preschools.

Revenue and earnings

GROUP, SEK m.	FULL YEAR				
	21/22	20/21	19/20	18/19	17/18
Net sales	14,339	13,340	12,271	11,715	10,810
Adjusted EBITDA*	1,398	1,295	1,066	931	872
Adjusted EBITDA margin, %	9.7%	9.7%	8.7%	7.9%	8.1%
Operating profit, EBIT	1,224	1,174	973	635	622
EBIT margin, %	8.5%	8.8%	7.9%	5.4%	5.8%
Adjusted operating profit/loss, EBIT*	1,001	939	728	634	670
Adjusted EBIT margin, %	7.0%	7.0%	5.9%	5.4%	6.2%
Net financial items	-441	-402	-417	-69	-68
Pre-tax profit	784	772	556	566	555
Profit for the year	605	599	431	431	430
Earnings per share, basic (SEK)	5.73	5.64	4.09	4.09	4.30
Earnings per share, diluted (SEK)	5.72	5.62	4.09	4.09	4.29
Free cash flow	922	1,117	805	356	688
Number of children and students**	92,549	87,823	82,433	79,493	73,366
Number of full-time employees	13,829	13,360	12,686	12,405	11,863

* See definitions of key performance indicators on pages 109–110. ** Excl. Adult Education.

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

Volume growth and net sales

Net sales increased by 7.5 percent to SEK 14,339 million (13,340). Organic growth, including minor bolt-on acquisitions, was 5.2 percent. Growth through the acquisition of Swedish Education Group AB (Segab) and Sandviks AS, totalled 1.6 percentage points, while exchange rate fluctuations affected net sales by 0.8 percent. The average number of children and students, excluding the Adult Education Segment, increased by 5.4 percent to 92,549 (87,823).

Adjusted operating profit/loss (EBIT) and operating profit/loss (EBIT)

Adjusted profit for the full year increased to SEK 1,001 million (939). The adjusted EBIT margin was recorded at 7.0 percent (7.0). Operating profit (EBIT) totalled SEK 1,224 million (1,174), representing an EBIT margin of 8.5 percent (8.8). The increased profit was attributable to increased numbers of children and students, but was also to some extent the effect of lower costs in Swedish school operations in the second and third quarters due to the pandemic.

In Germany, post-pandemic activities reverted to normal capacity utilisation, although the last quarter of the year was adversely affected by the effect of new establishments. Preschool operations in Norway showed lower profitability, affected by lower pension compensation, together with higher costs for temporary staff and electricity, partly as a result of the pandemic.

In the Adult Education Segment, participant volumes – above all in the municipal sector – returned to normal levels following a period of very high demand during the pandemic. As a result, profit and margin declined.

Costs were higher at Group level than last year due to a higher level of activity.

Items affecting comparability

Items affecting comparability amounted to SEK -64 million (-7).

(SEK M.)	21/22	20/21
Fire, insurance compensation (Comp)	24	–
Fire (Comp.)	-42	–
VAT costs (Ad.Ed.)	-11	–
Provision, lossmaking units	-21	–
Restructuring costs (Upper Sec.)	-15	-15
Integration costs, Segab	–	-12
Transaction costs	–	-2
Retroactive revenue from previous years (Comp)	–	3
Retroactive revenue from previous years (Upper Sec.)	–	19
TOTAL	-64	-7

Net financial items

Net financial items amounted to SEK -441 million (-402), including SEK -401 million (-365) in interest expense from real estate related lease liabilities.

Profit and comprehensive income for the year

Profit after tax increased to SEK 605 million (599). The tax charge for the full year totalled SEK 179 million (173), representing an effective tax rate of 22.8 percent (22.6).

Total comprehensive income for the year amounted to SEK 636 million (656), the main impact being from translation differences of SEK 35 million (14).

Adjusted for real estate related lease costs, profit for the period was on a par with profit for the preceding year, at SEK 692 million (694), with comprehensive income falling to SEK 723 million (751).

Earnings per share were SEK 5.73 (5.64) basic and SEK 5.72 (5.62) diluted.

Financial position and cash flow

Cash flow

Following implementation of IFRS 16 in 2019/2020, lease payments are recognised under the heading of financing activities. In the cash flow statement presented below, lease payments related to the rental of real estate are recognised, as previously, under operating activities.

Cash flow from operating activities for the financial year amounted to SEK 1,225 million (1,357). The reduced cash flow resulted from a lower level of growth in working capital than in the preceding year at SEK 33 million (191). The decline in growth in working capital compared to the previous year is explained in the main by the increase in deferred income that took place in 2020/2021.

Investments in existing operations¹ over the full year were higher than last year, at SEK -303 million (-241), resulting in a free

cash flow³ of SEK 922 million (1,117) before expansion. Expansion investments² totalled SEK -234 million (-196). The amount included the payments for the acquisition in the Netherlands and of Sandviks AS (SEK -123 million). In the previous year, expansion investments included the impact of the acquisition of Swedish Education Group, SEK -171 million, and a receipt of SEK +62 million, the proceeds of the sale of a property in Oslo. In total, cash flow from investing activities amounted to SEK -536 million (-437). Cash flow from financing activities totalled SEK -530 million (-487). The amount includes dividend paid, SEK -183 million (-158). All in all, cash flow for the full year amounted to SEK 158 million (433).

Financial position

With the implementation of IFRS 16, leased premises are recognised as right-of-use assets and lease liabilities, respectively, on the balance sheet. As per 30 June 2022, total assets have increased by in all SEK 7,914 million (7,049) due to this change in accounting policy. The financial position adjusted for the effects of IFRS 16

receives comment in the following.

The Group's net interest-bearing debt, including real estate related lease liabilities amounted to SEK 9,460 million (8,650), of which real estate related lease liabilities totalled SEK 8,474 million (7,428). Financial expenses for the financial year increased to SEK 441 million (405), as a result of the higher lease liability. Interest expenses related to leases of real estate totalled SEK 401 million (365).

On 30 June 2022, the Group's interest-bearing net debt, excluding real estate related lease liabilities amounted to SEK 987 million (1,222). The reduction in net debt over the past 12 months is the result of positive cash flow following a strong growth in earnings.

The real estate loans, which consist of both long-term loans from the Norwegian State Housing Bank (Norw.: Husbanken) and short-term construction loans, increased over the past 12 months by SEK 54 million to SEK 750 million (696). Adjusted for the currency effect of a stronger Norwegian krone, real estate loans increased by SEK 27 million. Buildings increased in value by SEK 13 million to SEK 1,057 million (1,044) over the same period.

The net liability in relation to adjusted EBITDA (trailing 12 months) was 0.7 (0.9), meeting the Group's financial target that the net debt relative to adjusted EBITDA shall be lower than 3.0. Real estate adjusted net debt divided by adjusted EBITDA (12 months) was 0.2 (0.4).

Since the end of the reporting period, AcadeMedia has entered into a new loan agreement. For more information, see note G27.

Developments by segment

	STUDENT ENROLLMENT (AVERAGE)		NET SALES, SEK m.		ADJ. OPERATING PROFIT/LOSS (EBIT), SEK m.		ADJ. EBIT MARGIN		OPERATING PROFIT/LOSS (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	22,413	21,447	4,180	3,800	163	176	3.9%	4.6%	142	176	3.4%	4.6%
Compulsory School	27,896	26,696	3,543	3,260	271	198	7.6%	6.1%	253	201	7.1%	6.2%
Upper Secondary School	42,240	39,680	4,807	4,424	450	398	9.4%	9.0%	435	402	9.0%	9.1%
Adult Education	-1	-1	1,804	1,850	214	255	11.9%	13.8%	203	255	11.3%	13.8%
Group adj., Parent Company	-	-	4	6	-97	-89	-	-	-97	-103	-	-
Effects of IFRS 16	-	-	-	-	-	-	-	-	288	243	-	-
Total	92,549	87,823	14,339	13,340	1,001	939	7.0%	7.0%	1,224	1,174	8.5%	8.8%

¹Volumes in adult education are not calculated on the basis of the number of participants, since the length of the programmes varies from individual occasions to several school years.

Preschool Segment

AcadeMedia's Preschool Segment operates preschools in Sweden, Norway, Germany and the Netherlands, as well as education services through Sandviks AS. In Sweden preschools are operated in a large number of municipalities, with a total of 110 units. In Norway, Espira is the third largest preschool provider, with 107 units. In Germany and the Netherlands, preschools are operated in 73 and 2 units, respectively. At the end of the financial year, the segment was operating 292 units.

The average number of children increased by 4.5 percent to 22,413 (21,447). Sales increased by 10.0 percent to SEK 4,180 million (3,800). Adjusted for positive currency effects of SEK 96 million and the acquisition of Sandviks AS at a cost of SEK 15 million, sales rose by 6.9 percent.

Adjusted operating profit (EBIT) declined to SEK 163 million (176) at a margin of 3.9 percent (4.6). The decrease in profit and margin was entirely attributable to Norway, which showed lower profitability during the year due to higher payroll costs, SEK 20 million, higher electricity costs and increased costs for temporary staff during the pandemic, around SEK 23 million, and lower pension compensation, SEK 17 million. As of 1 January 2022, pension compensation was reduced from 13 percent to 11 percent of payroll costs. The change in the pension arrangement is expected to result in a reduction of approximately SEK 35 million in revenue for the full year.

The impact was mitigated by a resumption of normal operations in Germany and lower personnel expenses in Sweden. This was due partly to good personnel planning but also reflected high absenteeism during the pandemic.

Items affecting comparability totalled SEK -21 million (-), pertaining to a loan loss reserve for preschool operations in Norway.

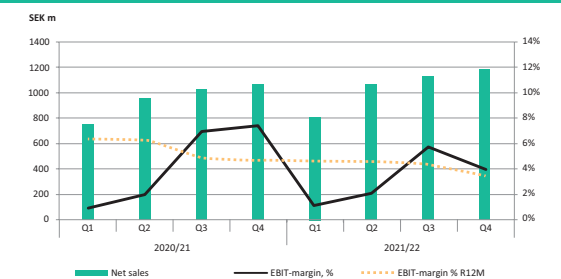
Operating profit (EBIT) for the year was SEK 142 million (176), with an operating margin of 3.4 percent (4.6).

In the fourth quarter, two preschools were acquired in the Netherlands and a preschool was opened in Germany. A total of 19 units net were added to the segment during the financial year. The Group acquired Sandviks AS in the fourth quarter. In the next financial year, AcadeMedia plans to open 15 new units in Germany and one in Sweden.

PRESCHOOL	2021/22	2020/21	CHANGE
Number of children/students*	22,413	21,447	4.5%
Number of employees*	6,850	6,708	2.1%
Number of units*	286	269	6.3%
Capacity utilisation			
Sweden	92.2%	90.9%	1.3 p.p
Norway	90.0%	90.2%	-0.2 p.p
Germany	90.2%	90.1%	0.0 p.p

* Annual average
For further financial information, see Note G2 on page 72, where segment reporting is provided.

PRESCHOOL SEGMENT, NET SALES AND EBIT MARGIN



CASH FLOW

(SEK m.)	Full year	
	21/22	20/21
Cash flow from operating activities before changes in working capital	1,192	1,166
Cash flow from changes in working capital	33	191
Cash flow from operating activities	1,225	1,357
Investments regarding existing activities ¹	-303	-241
Expansion investments ²	-234	-196
Cash flow from investing activities	-536	-437
Cash flow from financing activities	-530	-487
CASH FLOW FOR THE YEAR	158	433
Free cash flow before expansion investments ³	922	1,117

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

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

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

Compulsory School Segment

AcadeMedia's Compulsory School Segment operates compulsory schools and integrated preschools in a large number of municipalities in Sweden under the brands Innovitaskolorna, Montessori Mondial, Noblaskolorna, Pops Academy, Snitz and Vittra. The schools operate entirely on the basis of the school voucher system. At the end of the financial year, the segment was operating 116 units.

The average number of children and students increased by 4.5 percent to 27,896 (26,696). Net sales rose 8.7 percent to SEK 3,543 million (3,260), through the impact of an increase in student numbers, but also via the annual adjustment of school voucher funding and increased State subsidies.

Adjusted operating profit was higher than last year, at SEK 271 million (198), positively impacted by a higher number of students and lower personnel costs due to increased absenteeism in the second and third quarters, along with a limited supply of temporary staff. Higher leave taken during the year reduced personnel costs by approximately SEK 10 million compared to the previous year.

Items affecting comparability, SEK -18 million (3), include costs and an insurance claim payment received in relation to the fire at a school. An additional insurance payment is expected, which will largely cover the costs incurred. Operating profit (EBIT) totalled SEK 253 million (201). The operating margin was 7.1 percent (6.2).

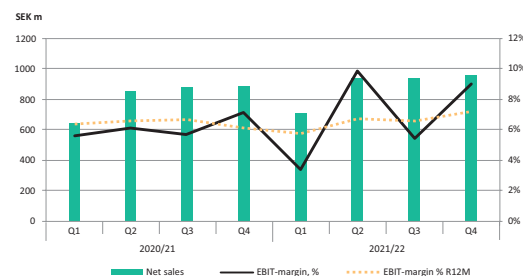
No changes took place in the portfolio of units during the quarter. A compulsory school will be merged with an existing nearby school at the start of the autumn term. All students are being offered a place at the nearby school. A new compulsory school under the Vittra brand will open in Örebro in August 2022. The changes will take effect in the first quarter of 2022/23.

The Compulsory School Segment has gathered units with similar educational and governance models under common profiles. In October 2021, the Innovitaskolorna brand was launched. As a result, AcadeMedia's compulsory schools are now mostly operated under the Innovitaskolorna, Pops Academy, Noblaskolorna, Montessori Mondial and Vittra brands.

COMPULSORY SCHOOL (SWEDEN)	2021/22	2020/21	CHANGE
Number of children/students*	27,896	26,696	4.5%
Number of employees*	4,974	4,787	3.9%
Number of units*	116	114	1.8%
Capacity utilisation	93.7%	92.9%	0.8 p.p

* Annual average
For further financial information, see Note G2 on page 72, where segment reporting is provided.

COMPULSORY SCHOOL SEGMENT, NET SALES AND EBIT MARGIN



Upper Secondary Schools Segment

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 different brands covering both university preparatory and vocational programmes. The schools operate entirely on the basis of the school voucher system. At the end of the financial year, the segment was operating 151 units.

The number of students increased by 6.5 percent to 42,240 (39,680) and net sales increased by 8.7 percent to SEK 4,807 million (4,424).

The growth recorded was attributable to more students in existing units, along with acquisitions, new establishments and higher revenue per student.

The adjusted operating profit was SEK 450 million (398), representing a margin of 9.4 percent (9.0). Profit and margin were impacted mainly by sales growth but also by lower personnel costs as a result of increased absenteeism in the second and third quarters, along with limited availability of temporary staff. Higher leave taken during the year reduced personnel costs by approximately SEK 15 million compared to the previous year.

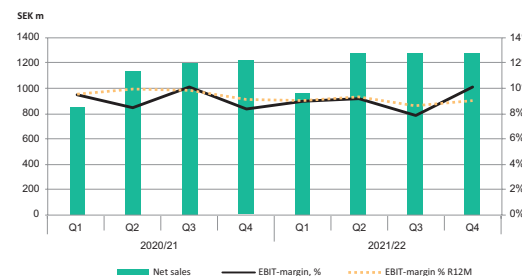
Items affecting comparability amounted to SEK -15 million (4). Operating profit (EBIT) totalled SEK 435 million (402), with an operating margin of 9.0 percent (9.1).

Three new upper secondary schools will open in Gothenburg and Malmö prior to the start of autumn term 2022. In addition, two new campuses will open in Stockholm this autumn, with eight existing schools relocating to the site. In total, more than 2,500 new programme places will be created and filled over the years ahead. The investments we are now making in campuses will – as with a start-up – negatively impact the segment's margin over a two-year period.

UPPER SECONDARY SCHOOL (SWEDEN)	2021/22	2020/21	CHANGE
Number of children/students	42,240	39,680	6.5%
Number of employees*	4,983	4,492	10.9%
Number of units*	151	148	2.0%
Capacity utilisation	87.1%	87.7%	-0.6 p.p

* Annual average
For further financial information, see Note G2 on page 72, where segment reporting is provided.

UPPER SECONDARY SCHOOL SEGMENT, NET SALES AND EBIT MARGIN



Adult Education Segment

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education, operating in approximately 150 locations across the country. The segment serves three main customer categories: municipal adult education (58 percent of sales), higher vocational education (26) and labour market services (13).

Net sales decreased by 2.5 percent to SEK 1,804 million (1,850). Adjusted profit was SEK 214 million (255), representing a margin of 11.9 percent (13.8). Operating profit decreased to SEK 203 million (255), charged with a VAT expense of SEK 11 million from the second quarter. This arose from the Swedish Tax Agency's adjusted application of VAT to employment services. From 1 January 2022, VAT compensation is taken into account in the compensation model. The operating margin was 11.3 percent (13.8).

The labour market situation has improved and the rate of registration with the Swedish Public Employment Service has fallen to the levels seen before the pandemic. Nevertheless, unemployment remains high in Sweden, with severe skills shortages in many sectors. Going forward, the focus continues to include reduction of

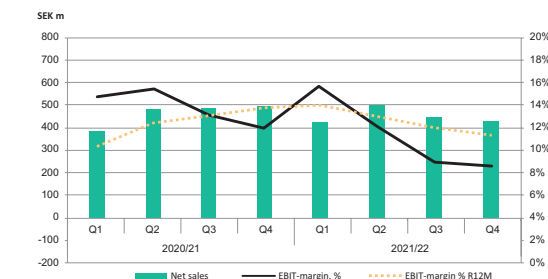
exposure to labour market services and a continued concentration on training in occupations facing shortages in higher vocational education and vocational education for adults in Komvux.

Since the end of the reporting period, AcadeMedia has acquired the game-based education company Futuregames, strengthening the Company's investment in game-based education.

BUSINESS'S PERCENTAGE OF THE SEGMENT'S SALES	2021/22	2020/21	CHANGE
Swedish for Immigrants	11%	12%	-1 p.p.
Komvux	47%	47%	0 p.p.
Company training programmes	3%	2%	1 p.p.
YH (Higher Vocational Education)	26%	26%	1 p.p.
Labour market training programme	13%	14%	-1 p.p.
Other	0%	0%	0 p.p.

For further financial information, see page 72, Note G2 Segment reporting.

ADULT EDUCATION SEGMENT, NET SALES AND EBIT MARGIN



Seasonal variations

AcadeMedia's four segments are subject to different seasonal variations.

The three school segments show a recurring seasonal variation, in which weaker sales and earnings are typically reported in the first half of the financial year, July to December. This is mainly due to school holidays, annual leave and the annual salary review. The second half of the year, January to June, is stronger, as sales typically rise because of annual school voucher funding reviews and higher numbers of children and students.

The Adult Education Segment shows a more irregular seasonal variation. However, with a stable portfolio of contracts, the fourth and first quarters are typically weaker, while the second and third are stronger quarters due to the distribution of the number of programme days over the year. However, the seasonal variation in the Adult Education Segment may show sharp deviations from this pattern as a result of major contractual changes or changes in social initiatives.

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

School holidays and annual leave

Part of the first quarter of the Group's financial year coincides with the school summer holidays. During this period, with no activities taking place, the Group's revenue is lower than in the other quarters. Personnel expenses are also lower, as personnel are taking annual leave.

In the Adult Education Segment, the number of working days or education days in the period may have some impact. These are governed by annual leave periods and major public holidays such as Christmas, New Year and Easter.

Salary adjustments

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

School voucher funding review

School voucher funding is adjusted at the end of the calendar year in Sweden, Norway and Germany. Consequently, revenues

increase during the third and fourth quarters, without any actual change in the cost structure. Normally, the fourth quarter is the strongest in terms of revenues. Partly for the above reason, and partly because direct costs are lower. For example, the requirement for school meal provision goes down and the holiday period starts, while revenues do not decline at the same rate.

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

Growth in student numbers

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

Accentuated seasonal pattern in Norway

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

Sustainability Report

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

At AcadeMedia, sustainability is a priority issue. Sustainability will also be integrated into our next roadmap, which will lay out the strategic direction for the Group.

We conduct our sustainability work in three focus areas: learning, employees and environment. Sustainability work is integrated into our operations and is to a high degree pursued at our units.

AcadeMedia is a decentralised organisation and sustainability work is controlled via a number of policies, for which the Code of Conduct is the overriding document. All policies are published on Aca-

deMedia's open access employee website. Executive management is ultimately responsible for AcadeMedia's sustainability work.

AcadeMedia's Sustainability Report is included as pages 14–42 of this integrated Annual and Sustainability Report.

Education

AcadeMedia's main contribution to a sustainable society lies in our core business, education, which is also the subject of the UN's 4th Global Goal. However, our contribution goes beyond providing a quality education to everyone who attends one of our schools or a high-quality programme that prepares them for the future. We also contribute by educating and sharing knowledge on all manner of sustainability issues, from human rights to the environment and climate.

To measure the quality of our teaching and our schools, we closely monitor a number of quality and performance indicators. A selection of these indicators is presented on page 40 of this integrated Annual and Sustainability Report. A more comprehensive account is included in our annual quality report. The single most important objective is that all students should achieve the goals of their educational programme.

Employees

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

To measure the well-being of our employees, we monitor a number of key performance indicators, including employee turnover, absence due to illness, gender equality and employee satisfaction. A selection of these indicators and a description of how AcadeMedia works on employee issues are presented on pages 29–33 of this integrated Annual and Sustainability Report.

Environment

Five days a week, nearly 200,000 individuals are, collectively, present on our premises, overseen by our 20,000 employees. Educational materials, cleaning products, food and computers

are purchased each year on a major scale. The same applies to the volume of energy consumed in operating our premises, which measure in all around 985,000 sq. m.

By active choices in what we buy, by making sure and teaching that it is used in a long-term sustainable way – and by properly recycling what can no longer be used – we can make a difference. Our purchasing policy, healthy physical environments that make it easy to do the right thing and training are the main tools we use to reduce our environmental footprint.

We are at the start of analysing our current situation, and according to our students in the stakeholder analysis, environment and climate issues are those that rank highest. We must ensure that what we teach is reflected in the environments in which we provide our education. A selection of indicators that we have started to monitor and a description of how AcadeMedia works on environmental and climate issues are presented on pages 34–37 of this integrated Annual and Sustainability Report.

Guidelines for remuneration to senior executives

The guidelines for CEO and other senior executive remuneration, the main points of which are set out below, were adopted at the Annual General Meeting held on 26 November 2021 and have been applied to remuneration agreed, and amendments made to remuneration already agreed, since then. The guidelines thus do not apply to forms of remuneration adopted by the Shareholders' Meeting.

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

In brief, AcadeMedia's business concept is to develop and operate leading, clearly profiled educational institutions along the entire education ladder. AcadeMedia's strategies to achieve that are based on the following elements:

1. Clear focus on education and well-defined brands
2. Knowledgeable and committed employees and managers
3. Common quality assurance system (the AcadeMedia Model)
4. Continuous improvement and innovative solutions
5. Long-term sustainable growth
6. Sustainability strategy

One prerequisite for successful implementation of AcadeMedia's business strategies, and to safeguard the Company's long-term interests including its sustainability, is our ability to recruit and

retain qualified employees. For this, we need to be able to offer competitive remuneration. The aim of these remuneration guidelines is to provide AcadeMedia with an environment that attracts, motivates and retains qualified employees.

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

Forms of remuneration, etc.

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

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

Compliance with the criteria for the payment of variable cash remuneration must be measurable over a period of one year.

Pension benefits and other insurance for the CEO shall be based on defined-contribution plans. The variable cash remuneration shall not be pensionable but may be converted into a pension by agreement. Pension premiums for defined-contribution pensions shall not exceed thirty (30) percent of the fixed annual cash salary.

Pension benefits for other senior executives, over and above the mandatory pension benefits under the collective agreement, shall be based on defined-contribution plans. Mandatory pension benefits here consist of the ITP plan's disability pension, premium waiver and, where applicable, equalisation payment and any defined-benefit pension on salary components up to 7.5 income base amounts. In the absence of a collective agreement, or if one is not applicable to the executive, the benefit corresponding to the mandatory disability pension under the ITP plan shall apply in addition to the defined-contribution pension benefit. Variable cash remuneration shall be pensionable to the extent that this is required by mandatory collective agreement provisions applicable to the executive. Pension premiums for defined-contribution pension benefits shall not exceed twenty-five (25) percent of the fixed annual cash salary. The fixed annual cash salary shall also include statutory holiday pay.

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

In the case of employment conditions governed by rules other than those of Swedish law, appropriate adjustments have to be made to pension and other benefits in order to comply with such mandatory rules or established local practice. In such a case, the overall purposes of these guidelines must to the maximum extent possible be fulfilled.

Termination of employment

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

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

Criteria for the award of variable cash remuneration, etc.

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

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

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

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

The Board of Directors shall have the option, legally or contractually, and subject to any restrictions arising therefrom, to recover, in whole or in part, variable remuneration paid on grounds found to be incorrect.

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

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

Deviation from the guidelines

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

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

Review of the guidelines prior to the 2022 AGM

In preparation for the 2022 AGM, the Remuneration Committee has reviewed the guidelines and concluded that there is no need for the guidelines to be amended.

Related party transactions in the Group

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

Further details of the Group's transactions with related parties are provided in Note G31.

Authorisation

The 2021 Shareholders' Meeting authorised the Board of Directors to resolve to issue new shares corresponding to a dilution of no more than five percent. This authorisation was not exercised during the year.

Parent Company

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

Operations are conducted in individual subsidiaries that, directly or indirectly, are 100 percent owned by the Parent Company. At year-end, AcadeMedia had 173 (153) wholly owned subsidiaries, as listed in Note P8. All education services are provided by subsidiaries owned by AcadeMedia AB, referred to below as the AcadeMedia Group.

Revenue during the year totalled SEK 7 million (8). Operating profit (EBIT) for the year was SEK -17 million (-14). Profit after tax was SEK 7 million (11).

The Parent Company's assets consist essentially of participations in Group companies and receivables from Group companies. Operations are funded by equity, bank loans, and intra-Group loans. Equity in the Parent Company as of 30 June 2022 was SEK 2,418 million (2,593). The Parent Company's interest-bearing external loans as of 30 June 2022 totalled SEK 658 million (803).

Share capital and shareholders

AcadeMedia AB (publ) is a public limited company that has been listed on Nasdaq Stockholm since 2016. As of 30 June 2022, the share capital was SEK 105,792,878 and the number of shares totalled 105,792,878, represented by 105,586,973 ordinary shares and 205,905 Class C shares, where the C shares are owned by AcadeMedia AB. The quota value is SEK 1.00 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 22.83 percent of the capital as of 30 June 2022.

The number of shares and votes in AcadeMedia AB increased during March 2022 as a result of the conversion of convertible bonds under the convertible bond programme, introduced at the Annual General Meeting held on 22 November 2018, for employees of the AcadeMedia Group. The total number of shares increased by 4,033 ordinary shares, as did the number of votes.

During the third quarter of 2021/22, the two incentive programmes approved at the 2021 Annual General Meeting held on 30 November came into effect. Warrant Programme 2021/2025 and Share Matching Plan 2021/2025. Further information regarding the incentive programmes is provided in Note G5.

Dividend policy and proposal

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

Board of Directors' proposal to the AGM

The Board proposes that the Consolidated income statement and balance sheet be presented to the Annual General Meeting on 30 November 2022 for adoption.

The Board proposes to the Annual General Meeting that a dividend of SEK 1.75 (1.75) per share be paid for the 2021/22 financial year.

AVAILABLE FOR APPROPRIATION BY THE AGM

PARENT COMPANY	SEK
Retained earnings	2,305,311,057
Profit for the year	6,638,366
Amount to be carried forward	2,311,949,423
The Board proposes that the retained earnings be appropriated as follows:	
Dividend to shareholders (SEK 1.75 per share)	184,778,085
To be carried forward	2,127,171,338
TOTAL	2,311,949,423

Board of Directors' statement regarding the proposed dividend

The Board hereby issues the following statement regarding the dividend proposal, in accordance with Chapter 18, Section 4 of the Swedish Companies Act. The Company's profit available for appropriation as per 30 June 2022 amounts to SEK 2,305,311,057 and profit for the year to SEK 6,638,366. A profit of SEK 2,311,949,423 is available for appropriation by the AGM before the resolution regarding dividend for the 2021/22 financial year. Provided that the 2022 AGM resolves in accordance with the Board's proposal on appropriation of profits, SEK 184,778,085 will be paid as dividend and SEK 2,127,171,338 will be carried forward. Full coverage is available for the Company's restricted equity following the proposed appropriation of profit.

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

which the type of operations, size and risks of the Company and the Group place on the size of the Company's and the Group's equity, consolidation requirements, liquidity and position in general.

Outlook and financial targets

Market outlook

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

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

AcadeMedia's strategy, especially important in times of lower child populations, is to ensure that our preschools are the first choice and that new preschools are established in growth areas.

Demand for compulsory places in the main areas where AcadeMedia is established is expected to show a positive trend. The number of children aged 5–15 years in Sweden is expected to be stable, at -0.4 percent, over the next five years, according to Statistics, Sweden (SCB).

Student numbers in upper secondary schools are rising, and over the next five years the number of students is expected to increase by 9.6 percent, according to SCB. To deal with the growing number of students, AcadeMedia has since autumn 2017 opened 24 new upper secondary schools and established upper secondary school campuses with several separate schools on the same site. In addition to three new upper secondary schools, AcadeMedia opened two new upper secondary campuses in Stockholm in autumn 2022. Existing schools relocated to the new campuses, thereby benefiting from scope for expansion.

The market for adult education in Sweden declined during the past financial year, mainly as a result of a strong recovery in the labour market. At the same time, skills shortages persist in many sectors, so the need for training and reskilling remains high. AcadeMedia is the market leader in adult education in Sweden with a broad portfolio of contracts. In the long term, AcadeMedia holds a strong position in an attractive adult education market.

A more detailed description of the market is provided on pages 10–13.

Ongoing policy studies

Publicly funded independent schools in Sweden and Norway have been, and continue to be, subject to major scrutiny by public authorities and the media, for example. The governing parties may commission studies as a basis for future legislation. A common feature of various political proposals is that the processes they go through are in many cases long-winded, and such proposals have to be scrutinised by various consultation bodies, in which AcadeMedia often participates. In the face of wide-ranging criticism, it may be difficult to mobilise a majority in the parliament of the country concerned, and then the government may decide to proceed with individual elements of the proposals. These also have to be expressed as legally viable proposals that also have to pass a vote in the parliament of the country concerned. The following is not a comprehensive account of existing studies, and their status may have changed since this Annual Report was published. To read more about the risks associated with changes in laws and regulations and political risks, see the Risk Overview on page 54.

In Sweden, introduction of the principle of transparency in independent schools is the subject of debate. The issue has been examined several times in recent years and is currently the subject of a government inquiry, Information Provision in the Education Sector (U 2021:04). The work of the inquiry is expected to be

completed in March 2023. If Riksdagen, Sweden's Parliament, votes to approve the principle of transparency, it will have major impact on AcadeMedia in Sweden, in part via a heavier administrative burden and higher administrative costs.

In spring 2022, Riksdagen voted down several proposals concerning education in Sweden. Proposals included making it compulsory to offer choice of school to all, removing waiting time as a criterion of choice for independent schools, introduction of a quota system and entitling municipalities to make deductions from the school voucher funding they receive to offset extra costs that they incur. After the end of the reporting period, the incoming government presented an agreement on schools. It contained many proposals which, if implemented, are expected to create a clear regulatory framework with good conditions for serious independent school providers to continue to be an important part of the school development process. Based on known information, the proposals are not expected to affect AcadeMedia's financial position.

Key issues for AcadeMedia are long-term funding for schools and the structure of the school voucher system. In a report from the Swedish National Audit Office presented in the summer of 2022, the agency proposes, for example, the introduction of a government-determined flat-rate model for compensation to individual providers. In the light of the Swedish National Audit Office's recommendation and the ongoing debate about the school voucher system, it is likely that the issue of state funding of schools will be the subject of further study in the legislative period ahead.

In Norway, the political debate on private preschools continues. In the meantime, the regulations governing staffing levels have been amended and from January 2022, pension compensation has been reduced. On 1 July 2022, changes were made to the Norwegian Kindergarten Act, according to which every preschool will be organised as an independent legal entity. Espira is implementing the necessary changes in autumn 2022 to meet the new legal requirements applying to single legal entities. As part of the process of reviewing the existing regulatory framework for preschools in Norway, the Norwegian government has also begun work on a new funding model. The government wants to give municipalities greater responsibility for funding and overseeing private preschools. This work will be completed by autumn 2023 at the earliest.

On 7 June 2018, Sweden's Riksdagen rejected the proposed cap on profits for Swedish welfare service companies as advocated in the "Reepalu Inquiry". However, in summer 2022, the government decided to appoint a new inquiry in the area: "A school without profit interest" (U 2022:08). The inquiry will investigate and propose ways in which a ban on profit distribution by individual providers may be introduced. The inquiry is due to present its findings in February 2024.

Financial targets

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

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

- Profitability: AcadeMedia's profitability target for operating profit (EBIT) excluding non-recurring items shall amount to 7–8 percent of net sales over time.
- Growth: AcadeMedia intends to grow organically by utilising spare capacity in existing units, and by opening new units. AcadeMedia also intends to continue to grow by taking over education units, as well as through continued consolidation of the market through acquisitions. AcadeMedia's target for sales growth is five to seven percent annually, excluding major acquisitions.
- Indebtedness: AcadeMedia's target for indebtedness for interest-bearing debt to be no more than three times operating profit before depreciation and amortisation (EBITDA), excluding items affecting comparability. During brief periods, however, deviation from this target may occur, such as in the case of major acquisitions.

In the view of the Board of Directors, the financial position is stable and other objectives have been fulfilled. The Board of Directors therefore proposes an ordinary dividend of SEK 1.75 per share (1.75) for the 2021/22 financial year. This corresponds to SEK 185 million (185), 27 percent (27) of the profit for the period excluding IFRS 16.

Significant events after the end of the financial year

- After the end of the financial year, it has been announced that Chairman Anders Bülow has declined re-election and that Håkan Sörman, a member of AcadeMedia's Board of Directors since 2017, will be elected as the new Chairman and that Mikael Helmersson will be elected as a new member of the Board at AcadeMedia's Annual General Meeting to be held on 30 November 2022.
- The number of children and students in the first quarter of 2022/23 was higher than ever. Preliminary student numbers for the autumn 2022 show aggregate average growth of around 5 percent in AcadeMedia's three school segments, to a total of approximately 96,000 children and students. Almost 16,000 of them are attending their first year in upper secondary school.
- In September 2022, the number of shares and votes in AcadeMedia AB 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 504 ordinary shares and as many votes.
- After the end of the financial year, AcadeMedia has initiated negotiations to acquire Fürstenwalder Aus- und Weiterbildungszentrum gGmbH with compulsory school and adult education business in Brandenburg Germany. The business had a turnover in 2021 of approximately EUR 22 million.
- After the end of the financial year, the incoming government presented an agreement on schools. The proposals covered systemic and organisational issues as well as those more directly related to school education. It is important to stress that these proposals in the agreement must be investigated according to the existing procedures. They must both be sent out for consultation and to the Legislative Council before they are presented for a vote in the Riksdag. This process can take several years. The main headings of the agreement for schools are Knowledge Outcomes and Content, Safety and Peace of Work, and Free Schools and Freedom of Choice. If the proposals are implemented, the expectation is that a clear regulatory framework will be put in place with a focus on knowledge, while

serious independent school providers will continue to be well placed to be an important part of the work to develop schools. One of the proposals concerns limitation of dividend during the first years for new openings and new acquisitions. The proposal thus does not cover the existing operations of AcadeMedia or other independent actors. Historically, AcadeMedia has contributed to the creation of new educational places through the opening of new schools. These units generally run at a loss in the first years, which is why the proposal is not expected to affect AcadeMedia's plans to continue contributing to the creation of new educational places. Based on known information, the proposals are not expected to affect AcadeMedia's financial position.

Annual General Meeting

The Annual General Meeting will be held on 30 November 2022 in Stockholm.

Corporate Governance Report

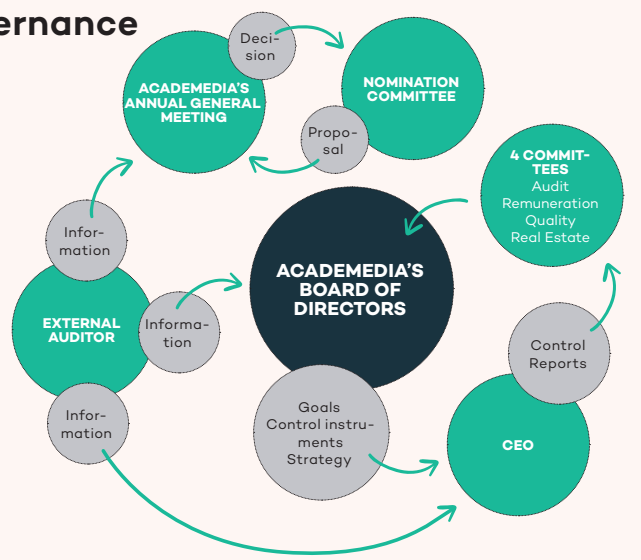
Corporate governance AcadeMedia

EXTERNAL CONTROL INSTRUMENTS

- Swedish Companies Act
- Swedish Annual Accounts Act
- Other applicable laws
- Nasdaq Stockholm's Rules for Issuers of Shares
- Swedish Code of Corporate Governance

INTERNAL CONTROL INSTRUMENTS

- AcadeMedia's Articles of Association
- Rules of procedure, instructions for the Board/CEO
- Values and culture
- Codes of Conduct
- Policies and guidelines



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

The purpose of corporate governance at AcadeMedia is to ensure that the Board of Directors and management act such that the Group's operations focus on development to create long-term value

for shareholders and other stakeholders, such as students, employees and customers. This includes ensuring:

- a fit-for-purpose organisation,
- quality management, risk management and internal control, and
- transparent internal and external reporting.

Corporate governance at AcadeMedia is exercised via principles established in external and internal systems of regulation. The external system of regulation consists of relevant statutes and regulations, including the Swedish Companies Act, the Swedish Annual Accounts Act and IFRS, Nasdaq Stockholm's Rules for Issuers of Shares and the Swedish Code of Corporate Governance ("the Code"). The internal system of regulation consists of the Company's

Articles of Association and the control instruments that AcadeMedia has established in the form of rules of procedure for the Board of Directors, as well as internal instructions, policies and guidelines to Board committees, the Chief Executive Officer and the operational organisation.

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

This Corporate Governance Report was prepared in accordance with the Swedish Annual Accounts Act and the Code.

Deviations from the Code

AcadeMedia observes some qualitative criteria when determining the quality goals in the share-matching plan (AMP 2021/2025) for senior executives. This represents a deviation from section 9.4 of the Code, which states that forms of variable remuneration must be linked to measurable criteria. Achievement of quality goals is measured in detail via quantitative measurements at school unit level up to Group level and is described in detail in AcadeMedia's annual quality report and on the Company's website. AcadeMedia's Board of Directors has determined that it is also appropriate to evaluate whether management has used good judgement in its quality improvement work. This is important in terms of ensuring that operations develop in a way that is beneficial for the students and is sustainable in the long term for the Company. It enables the Board of Directors to deny allocation of matching shares if it is found that management has failed to exercise good judgement and, for example, has prioritised profit over quality.

Shares and shareholders

AcadeMedia's ordinary shares were listed on the Nasdaq Stockholm exchange in 2016 and are trad-

ed on the Nasdaq Stockholm Mid Cap market. The number of shares in issue is 105,586,973 ordinary shares, each carrying an entitlement of one vote per share, and 205,905 C series treasury shares, each carrying an entitlement of one tenth of a vote per share, but no right to representation at the Shareholders' Meetings (in all, 105,792,878 shares in the Company). The biggest shareholder in AcadeMedia since its IPO has been Mellby Gård. On 30 June 2022, the company owned 22.83 percent of the capital and 22.87 percent of the votes. Other major shareholders are shown on the list of shareholders on page 105.

The 2021 Annual General Meeting authorised the Board of Directors to resolve to issue new shares corresponding to a dilution of no more than five percent. This authorisation was not exercised during the year.

Shareholders' Meeting

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

The Annual General Meeting (AGM) shall be held within six months from the end of the financial year. AcadeMedia's AGM 2022 will be held on 30 November 2022. Notice convening a Shareholders' Meeting shall be published via press release and by posting the notice on the Company's website. The day after the notice has been published it shall be printed in the Swedish National Gazette (Sw.: Post och Inrikes Tidningar). At the same time, the notice shall be published in the financial newspaper Dagens Industri.

Right to participate in Shareholders' Meeting

Shareholders wishing to participate in a Shareholders' Meeting must be included in the shareholders' register maintained by Euroclear Sweden, and must notify the Company of their intention to participate no later than on the date indicated in the notice convening the meeting. Shareholders may attend the Shareholders' Meetings in person or by proxy and may be accompanied by a maximum of two advisors. Shareholders may register for the Shareholders' Meeting in several different ways, as detailed in the notice of the meeting.

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

Shareholder initiatives

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

Nomination Committee

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

The Nomination Committee applies section 4.1 of the Code as a diversity policy, whereby the Nomination Committee shall ensure that the Board, in view of AcadeMedia's business, stage of development and circumstances in general, has an appropriate composition, characterised by diversity and breadth in terms of the skills, experience and background of the members elected by the Annual General Meeting. Furthermore, the Nomination Committee shall work towards the goal of achieving a balanced gender representation on the Board.

According to the instructions to the Nomination Committee, AcadeMedia's Nomination Committee shall consist of one representative of each of the three biggest shareholders, based on their holding in the Company at the end of the financial year's third quarter and as can be determined from Euroclear's shareholder register and other reliable information provided to the Company at that point in time. Chairman of the Board shall serve as a co-opted member. The composition of the Nomination Committee for the 2022 Annual General Meeting was announced on 2 May 2022 and is as follows:

- Rune Andersson (Chairman), Mellby Gård, 22 percent of votes at the end of the third quarter.
- Mats J. Andersson, Nordea Fonder, 6.6 percent of votes at the end of the third quarter.
- Joachim Spetz, Swedbank Robur Fonder, 5.4 percent of votes at the end of the third quarter.
- Anders Bülow, Chairman of the Board (co-opted).

Board of Directors

Composition of the Board of Directors

According to AcadeMedia's Articles of Association, the Board of Directors, as elected by the Shareholders' Meeting, shall consist of no less than three and no more than ten members. The Company's Board of Directors currently consists of seven members, including the Chairman, elected by the Shareholders' Meeting for the period until the AGM in 2022. Employee organisations are entitled

by law to appoint employee representatives to the Board with the same rights and duties as other Board members. The Swedish Teachers' Union and the National Union of Teachers in Sweden have each appointed one member and one deputy to serve on the Board. The list on this page shows AcadeMedia's Board members, when they were first elected to the Board and whether the elected members are independent of the Company, management and/or the principal owner. The composition of AcadeMedia's Board of Directors meets the Code's requirements as to the independence of Board members. None of the members of Executive management have significant shareholdings or partnerships in companies with which the Company has material business relationships.

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

Division of work

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

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

BOARD COMPOSITION, INDEPENDENCE AND ATTENDANCE IN 2021/22

Member	Elected	Position	Independent of		Attendance				
			The Company and executive management	The Company's major shareholders	Board meetings	Audit Committee	Remuneration Committee	Quality committee	Real Estate Committee ¹
Anders Bülow	2016	Chairman of the Board	Yes	No	12 (12)	5 (5)	–	–	5 (5)
Johan Andersson	2017	Board member	Yes	No	12 (12)	5 (5)	4 (4) *	–	–
Ann-Marie Begler	2020	Board member	Yes	Yes	12 (12)	–	–	5 (5)	–
Jan Bernhardsson ²	2021	Board member	Yes	Yes	9 (12)	–	2 (4)	–	5 (5) *
Anki Bystedt ³	2017	Former Board member	Yes	Yes	3 (12)	–	2 (4)	–	–
Pia Rudengren	2017	Board member	Yes	Yes	11 (12)	5 (5) *	–	–	–
Silvija Seres	2015	Board member	Yes	Yes	12 (12)	–	4 (4)	5 (5)	–
Håkan Sörman	2017	Board member	Yes	Yes	12 (12)	–	–	5 (5) *	–
Anna Lundmark Boman	2021	Employee representative	–	–	12 (12)	–	–	4 (5)	–
Anders Lövgren	2016	Employee representative	–	–	11 (12)	–	–	4 (5)	5 (5)
Pernilla Larsson	2016	Deputy employee representative	–	–	9 (12)	–	–	–	–
Christian Liljeros	2021	Deputy employee representative	–	–	8 (12)	–	–	–	–

1. On 24 January 2022, the Board of Directors resolved to establish a Real Estate Committee.

2. Jan Bernhardsson was elected as a new member of the Board at the 2021 AGM and at the same time became a member of the Remuneration Committee.

3. At the 2021 AGM, Anki Bystedt stepped down as a member of the Board.

*Committee Chair.

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

Board of Directors' work during the 2021/22 financial year

During the financial year, the Board held 12 meetings at which the minutes were recorded. Board member attendance is presented in the above table. The Secretary at the Board meetings was Chief Legal Officer Jonas Nordström. Before the meetings, Board members received written information on the issues to be discussed at the meeting.

During the 2021/22 financial year, the work of the Board was greatly affected by the Covid-19 pandemic, and the impact of the pandemic on AcadeMedia's operations was a constant issue.

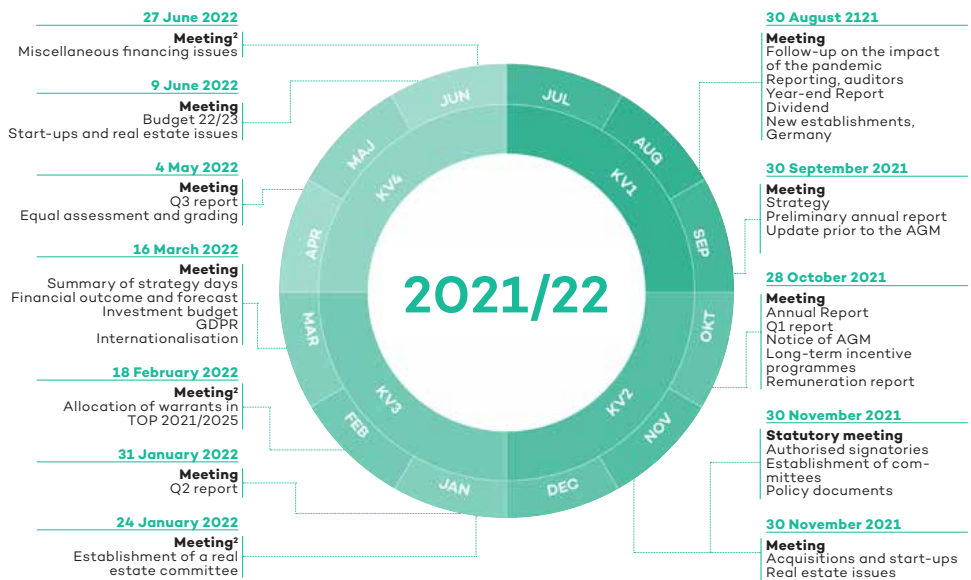
During the year, as in previous years, the Board continuously monitored the performance and finances of the Group and the segments, and reviewed and analysed the Company's financial reporting. The Board maintained its focus on quality work, both as regards monitoring quality indicators and via discussions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

The Board's strategy discussions largely focused on analysing the conditions for establishing AcadeMedia as a provider in the school and adult education segments in new geographical markets in Europe. The conditions for this are considered favourable, and several potential candidates for acquisition in these segments have been identified. In the Board's view, it would be beneficial to AcadeMedia to expand its school and adult education segments in selected European markets, in addition to the ongoing development of the Group's preschool operations.

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

Audit Committee

AcadeMedia's Board of Directors has established an Audit Committee comprising three members, who are independent of the Company and its management: Pia Rudengren (Chair), Anders Bülow and Johan Andersson. The Company's CFO takes part in the Audit Committee's meetings, which are also regularly attended by the Company's auditors. The Audit Committee shall *inter alia*, without compromising the other responsibilities and tasks of the Board of Directors, monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control, compliance and risk



¹In addition to the issues specifically mentioned above, other areas are discussed on an ongoing basis, such as operational performance, information from the CEO, financial updates from the CFO, investigations and responses to consultation referrals, updates from the segments, strategy, market, acquisitions and start-ups, real estate issues, etc.

²The meeting was held per capsulam.

management, keep informed of the auditing of the annual report and the consolidated accounts and of the conclusions of the Swedish Inspectorate of Auditors (Revisorsinspektionen) regarding quality controls of the Company's auditor, examine and monitor the auditor's impartiality and independence, and pay particular attention as to whether the auditor is providing the Company with other services besides audit services. The Committee is also tasked with evaluating the audit work and providing this information to the Nominating Committee. A further task is to assist the Nominating Committee in the preparation of proposals regarding election of auditors and auditors' fees.

The Audit Committee has a scheduled annual cycle of five planned meetings each year. Five meetings were also held during the 2021/22 financial year.

During the year, the Audit Committee addressed a number of issues that were specific to that financial year. These included unit monitoring, financial issues and internal control.

Remuneration Committee

The Board of Directors of AcadeMedia has a Remuneration Committee comprising three members: Johan Andersson (Chairman), Jan Bernhardtsson and Silvija Seres. The Remuneration Committee prepares proposals concerning remuneration principles and remuneration, as well as other terms of employment for the CEO and senior executives. The Remuneration Committee is also tasked with monitoring and evaluating variable remuneration programmes for management, application of the guidelines for remuneration to senior executives,

as adopted by the AGM, and the structures and levels of remuneration applied in the Group.

The Remuneration Committee held four meetings during the financial year. In addition to the day-to-day issues dealt with by the Remuneration Committee, particular focus during the year was on the introduction of new long-term incentive schemes for the Company's employees, the supply of talent in the AcadeMedia Group and the Company's employee satisfaction survey.

Quality Committee

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

The Quality Committee held five meetings during the financial year. Particular focus was on the production of a quarterly report for monitoring quality in all Swedish activities, as well as work on equal assessment and grading. With regard to the latter, a specific analysis of the causes of deviations in grading in AcadeMedia was also performed in association with research company Ramboll. At each meeting, the Committee not only addressed its established areas of focus, but also delved into areas of specific concern. Such areas included digitisation in everyday practical processes, monitoring of knowledge in early ages, the Swedish grading system and work on low-performing units within the various businesses.

Real Estate Committee

During the year, AcadeMedia's Board of Directors of AcadeMedia established a real estate committee comprising three members: Jan Bernhardtsson (Chairman), Anders Bülow and Anders Lövgren. The Committee's task is to manage and decide on ongoing

real estate related issues, with the aim of reducing the burden of the Board.

The Real Estate Committee held four meetings during the financial year. The matters addressed and decided upon by the Committee mainly consist of real estate lease renewal and signing of new real estate leases for AcadeMedia's existing operations.

Evaluation of the Board's work

The Board's work is evaluated annually via a structured process in which all Board members and deputy members answer questions about how they deem the Board is performing in a number of areas. The areas assessed include whether the Board's skills and composition are fit-for-purpose, and the focus and direction of its work. The Chairman of the Board is responsible for the assessment, and ensures that the findings are presented and discussed, both at Board level and in the Nomination Committee. The assessment serves as a basis for the Board's continued work and development, as well as for the Nominating Committee's work. The evaluation of the Board's work in 2021/22 was distributed prior to the Board meeting on 9 June 2022 and was subsequently presented to the Nomination Committee. All board members elected by the AGM participated in the survey.

Remuneration to Board members and shareholdings

The 2021 AGM resolved that remuneration for the period until the next AGM shall be paid at SEK 620,000 per year to the Chairman of the Board and SEK 280,000 per year to each of the other Board members who are not employed by the Group. In addition, the Chair of the Audit Committee will receive a fee of SEK 170,000 and each of the other members of the Audit Committee who are not employees of the Group will receive SEK 85,000. SEK 70,000 will be paid to the Chairman of the Remuneration Committee, SEK 35,000 to each of the other members of the Remuneration Committee who are not employees of the Group. SEK 110,000 will be paid to the Chair of the Quality Committee and SEK 55,000 to each of the other members of

the Quality Committee who are not employees of the Group.

For information on the Board members and their shareholdings, see page 61. As regards remuneration paid to the Board members during the 2021/22 financial year, see Note G5.

Chief Executive Officer and Senior Management

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

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

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company, and consequently must ensure that the Board receives adequate information to enable its members to evaluate the Company's financial position on an ongoing basis. In addition, the CEO must continuously keep the Board of Directors informed of developments in the Company's operations, the sales trends, the Company's performance and financial position, liquidity and credit status, major business events and all other events, circumstances and conditions that may be assumed to be of material importance to the Company's shareholders.

The CEO is supported by a Executive management team consisting of the Heads of Preschool, Compul-

sory School, Upper Secondary School and Adult Education, as well as the CFO, Head of Human Resources, Head of Communication and Public Affairs, Director of Business Development and Director of Administration.

For more information regarding the CEO and other senior management, along with their shareholdings, see page 63.

For a description of the remuneration and terms of employment for the CEO and senior management for the 2021/22 financial year, and of the Company's outstanding incentive programmes, see Note G5 and AcadeMedia's Remuneration Report on the Company's website.

Internal control and risk management

Internal control framework

Under the Swedish Companies Act, the Board of Directors is required to ensure that the Company's organisation is structured such that the Company's accounting records, management of assets and financial position are controlled in a proper manner. The Code provides clarification on this point and stipulates that the Board is responsible for internal control.

AcadeMedia's procedures for internal control are based on two perspectives: internal control and risk management related to operations and internal control and risk management related to financial reporting. Internal governance and control shall ensure reliable financial reporting and that operations at any one time meet the requirements and expectations applying to a company that operates a publicly funded business. AcadeMedia's internal control structure for financial reporting is based on the COSO model. It consists of five main components, which together provide a basis for effective internal control: Control environment, Risk assessment, Control activities, Information and communication and Follow-up.

In parallel with the procedures for financial accounting and financial reporting, AcadeMedia's internal control and risk management are largely based on systematic and wide-ranging quality management.

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

Control environment

The control environment forms the basis of the internal control system for financial reporting. An important element of the control environment is for authority and responsibilities to be clearly defined and for governing documents in the form of internal policies and guidelines for areas of key importance to be in place. The Board of Directors annually adopts a number of governing documents intended to provide the basis of effective internal control and to establish and maintain a high standard of ethics in the Group. These documents include the Board's rules of procedure, instructions

to the CEO, Code of Conduct, delegation of authorities, attestation instructions, financial policy and information policy, and are available on the Company's intranet. AcadeMedia's financial management manual forms a central part of this documentation. AcadeMedia's CEO has delegated responsibility for implementation and enforcement of formalized guidelines for financial reporting and internal control to the CFO.

The CFO reports to the Audit Committee, which has a specific responsibility for monitoring the effectiveness of the Company's internal control and governance of financial reporting.

Risk assessment

AcadeMedia continuously assesses the risks in its business. Such risks consist of both operational and financial risks, as well as risks relating to financial reporting and compliance. The most significant risks are documented in a risk register, which is evaluated by AcadeMedia's Executive management and each risk has a designated risk owner. The risk analysis also includes an assessment of the capacity for risk management. Risk assessment with regard to financial reporting is based on the materiality of items (quantitative), the degree of complexity and the risk of fraud. These are then linked to financial processes to ensure that controls are in place to manage the risks concerned. For more information on risks and risk management, see pages 54–60 and Note G27.

Control activities

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

Information and communication

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

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

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

Follow-up

AcadeMedia's work on internal control and risk management is performed primarily through executive management's and line management's continual monitoring of operations in relation to set goals, by formulating KPIs and by focusing on early warning signs. The Company's key procedures for financial reporting, including key controls and their fitness for purpose, are continually assessed by the CFO and the CFO's organisation. Compliance with the accounting manual, policies and legislation is reviewed. Any deviation either leads to corrective action or improvement of processes and procedures. The Audit Committee summarises and reports to the Board on the status of action plans identified.

Internal audit

The Board of Directors conducts an annual review of the need for an internal audit function. Based on the Audit Committee's assessment, the Board has resolved not to establish a separate internal audit function. In the Board's view, the quality management system, combined with well-established financial processes for follow-up and assessment of controls in operation within the Group Controller function, provides sufficient reliability in financial reporting without the need for an independent internal audit unit.

Auditing

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

According to the Company's Articles of Association, the Company shall have no less than one and no more than two auditors, with no more than two deputy auditors.

The Company's auditors are PricewaterhouseCoopers AB, with Patrik Adolfson as principal auditor and Eva Medbrant as cosignatory. Patrik Adolfson is an authorised public accountant and partner at PwC. He has many years of experience of auditing companies listed on a regulated market and companies in the service sector. Patrik Adolfson has served as auditor for clients such as Anticimex, Bonava, Catella, Dometic and Pandox. Eva Medbrant also has many years of experience of auditing companies listed on a regulated market.

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

The Company's auditors are presented in more detail in the section "Board of Directors, Executive Management and Auditors" on pages 61–63.

For information on the remuneration paid to the auditors for the 2021/22 financial year, see Note G4.

Risk and risk management

Exposure to risks is a natural part of all types of business. Against that background, AcadeMedia operates a risk management plan. The focus is on identifying risks, preventing risks and preparing action plans that will make it possible to limit any damage arising from such risks.

Many risks can be eliminated through internal procedures, while various policies, action plans and education can be used to minimize others that to a greater extent are beyond the control of the Company. A description of the risk assessment process, monitoring and other related activities is provided in the Corporate Governance Report on pages 50–53.

Categorisation of risks

AcadeMedia categorizes risks as

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

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

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

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

RISK	
Operational risks	
1. Fluctuations in demand and student enrolment	
2. Employees and skills	(L) (P)
3. Permits	
4. Availability of premises and rental costs	(L)
5. Leasing commitments	
6. Personnel expenses	(P)
7. Reputation and brand	
8. Quality risks including risks related to non-compliance with contracts	(L)
9. Shutdowns and disruptions	(L) (P)
External risks	
10. School voucher funding, remuneration levels and the general economy	
11. Changes in laws and regulations	
12. Political risks	
13. Crises	(L) (P)
Financial risk	
14. Credit risk	
15. Interest rate risk	
16. Liquidity and refinancing	
17. Financial reporting	
18. Currency risk	
Sustainability risks	
19. Absence due to illness	(P)
20. Employee turnover	(P)
21. Gender equality	(P)
22. Quality of education	(L)
23. Expectations that we take responsibility	(L) (E/C)
24. Corruption	(P)
25. Transparency	(P)

(P) = People (L) = Learning (E/C) = Environment/Climate



Risk overview – Operational risks

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

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

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>5. Leasing commitments</p> <p>AcadeMedia operates with long leases. The length of the lease is determined by the type of operation, the stability of the underlying business and the degree of adaptation required, as well as to a certain extent the location of the premises and any alternative use.</p> <p>Adult education activities have the shortest lease terms, since the business is unpredictable and the lease term is in many cases linked to the length of the contract procured. In school activities, lease terms are generally longer, since the business is stable and is intended to be conducted over a long period. In the cases of preschool and compulsory school, premises are to a high degree tailored to the activity and longer lease terms may then be required. In the cities, longer leases may be contracted, since the demand for school activities and alternative use is high and so the risk is lower.</p>	<p>Long leases offer stability, but at the same time represent a risk if volumes decline, in that the costs are fixed. Rental costs are the second highest cost item, representing between 10 and 20 percent of a school's cost base, depending on the level of the rent. This means that efficient use of premises and high capacity utilisation are important in terms of enabling the businesses to maintain a healthy margin. If a lease needs to be terminated prematurely, this may mean that rent for the remainder of the contract length has to be paid out. AcadeMedia operates many schools and there are cases where volume losses at individual schools lead to closure and costs arising from lease obligations. The total lease undertakings for the Group are shown in Note G18 on page 82 and in Note G29 on page 87.</p>	<p>Ongoing quality work aims to enhance the attractiveness of schools, in order to achieve high rates of capacity utilisation and to reduce the risk of early lease termination.</p>
<p>6. Personnel expenses</p> <p>AcadeMedia's operations are labour-intensive and in 2021/22 personnel expenses accounted for 66 percent (67) of the cost base. Salary increases are applied, partly negotiated at central level without, or with limited, involvement of AcadeMedia.</p> <p>In Sweden, higher qualification requirements for teachers, combined with a general teacher shortage and political pressure, have forced teachers' salaries upward.</p>	<p>Under Swedish and Norwegian law, equal conditions must apply to independent and municipal providers, and increased costs in general in the industry should not affect AcadeMedia in the long term. However, the application of equal conditions and transparency on the part of the municipalities is, at times, insufficient. With, at times, a lack of consistency in application of equal conditions and insufficient transparency, there is no guarantee that any salary increases will immediately, or at all, be offset by a corresponding increase in school voucher funding.</p>	<p>Personnel costs make up a major portion of the cost base and salary growth is governed by collective agreements, which means that AcadeMedia has a limited ability to influence.</p>
<p>7. Reputation and brand</p> <p>School and education affect people's lives, and so there is strong engagement and interest from students and parents, public authorities, the media and other stakeholders. Dissatisfaction with schools or breaches of rules can mean that individual schools come under the scrutiny of the authorities and the media, leading to a loss of reputation of the individual school or the principal organiser.</p>	<p>Breaches of rules or perceived misconduct can quickly spread and lead to a decline in AcadeMedia's reputation in society. This may reduce the attractiveness of our schools and thus have negative impact on student numbers. Negative publicity for other independent school providers can also have an impact, by negatively affecting the reputation of the sector.</p>	<p>Work on quality is an important way of protecting the Group's operations, as is high relevance, accuracy and transparency in our communication.</p>
<p>8. Quality risks including risks related to non-compliance with contracts</p> <p>The education services that the Group provides are audited and inspected by the Schools Inspectorate in Sweden, municipalities in the respective country and other procurers with whom the Company enters into a contract.</p>	<p>Inadequate external control may lead to penalties, fines or other sanctions and negative publicity, and may reduce the attractiveness of the Group's education services. In the worst case, this could lead to the withdrawal of permits. AcadeMedia has many education units, and individual units may occasionally suffer from quality and/or reputational problems. This may lead to falling student numbers and a need for extra resources, which will adversely affect the profitability of the unit. Problems at an individual unit have limited impact on the Group's sales and earnings.</p>	<p>AcadeMedia continually monitors operations to ensure that they live up to legal and contractual requirements. This also includes acting quickly to remedy any shortcomings. AcadeMedia has a special network of key individuals to deal with any issues within AcadeMedia.</p>
<p>9. Shutdowns and disruptions</p> <p>AcadeMedia's operations are conducted primarily on site on our premises. Disruptions preventing operations from being conducted on site may arise, for example in the event of water damage, fire or a pandemic.</p>	<p>Provided that the operation satisfies legal and contractual requirements and is able, in different forms or on alternative premises, to provide teaching and deliver education to students and participants, the risks to the Group's operations, financial position and earnings are regarded as limited.</p>	<p>To limit the negative consequences of downtime and disruptions, school managers and the staff concerned receive training in areas such as fire safety, IT security and GDPR. In addition, AcadeMedia maintains insurance cover.</p>

Risk overview – External risks

Risks attributable to external factors beyond AcadeMedia's control

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>10. School voucher funding, remuneration levels and the general economy</p> <p>AcadeMedia's revenue comes from public funds which are determined by priorities in society and the general economic situation. This, along with other changes in budgets and education grants in each municipality, could lead to lower reimbursement per education programme, which would impact the entire market, including AcadeMedia.</p> <p>A limited portion of revenue from preschools in Sweden, Norway and so far to a somewhat greater extent in Germany, as well as before- and after-school care in compulsory schools in Sweden, is covered by revenue from parents, which could also be adversely affected by a general economic downturn.</p> <p>State subsidies constitute a rising proportion of revenue, since the Swedish central government engages in various initiatives in the school sector. In 2021/22, AcadeMedia received State subsidies totalling SEK 458 million (371), see Note G7. The regulations and allocation principles for these subsidies are in some cases ill-defined.</p>	<p>The childcare allowance and school voucher funding in Sweden follow a principle of equivalence, meaning that independent activities benefit from the same financial conditions as municipal operations. As a consequence, changes in revenue follow changes in the general economy.</p> <p>State subsidies can be withdrawn if the conditions for the subsidy are not met. State subsidies can also be terminated if a future government sets other priorities in the government budget.</p>	<p>When the municipalities announce their school voucher funding decisions, AcadeMedia reviews the decisions of the municipalities of greatest relevance to AcadeMedia. Decisions that are deficient or appear to violate the principle of equivalence are appealed.</p> <p>AcadeMedia operates established processes and procedures to ensure that the conditions for government subsidies applied for are met.</p>
<p>11. Changes in laws and regulations</p> <p>AcadeMedia operates in a highly regulated market and the political, economic and regulatory environment is changing. Political factors and/or policy decisions could have a negative impact on the Group's profitability.</p>	<p>Any legislation in Sweden, Norway or Germany restricting opportunities of independent education providers for establishing operations, covering costs and/or generating profits could have a material adverse effect on the Group's ability to conduct its business, thereby negatively impacting the Group's financial position and earnings.</p>	<p>AcadeMedia closely monitors political developments in order to manage and prepare its operations for changes in requirements or conditions, and also works with the Swedish Association of Independent Schools.</p>
<p>12. Political risks</p> <p>Publicly funded independent schools in Sweden and Norway have been, and continue to be subject to extensive scrutiny by, for example, public authorities and the media. Publicly funded activities may also be the subject of political debates. The issue has clear ideological roots and themes such as freedom of choice and profit are worthy topics for debate. The governing parties may commission studies as a basis for future legislation. Before the findings from a commission of inquiry become law, the commission's report must first be sent out for consultation, after which it can be rewritten based on the feedback received from the bodies consulted. The government then decides whether or not to present a bill (legislative proposal), based on the report, to Parliament (Riksdagen). Parliament then decides.</p> <p>A common feature of various political proposals is that the processes they go through are in many cases long-winded, and such proposals have to be scrutinised by various consultation bodies, in which AcadeMedia often participates. In the face of wide-ranging criticism, it may be difficult to mobilise a majority in Riksdagen, and in such cases the government may then decide to proceed with individual elements of the proposal. These also have to be expressed as legally viable proposals that also have to pass a vote in the parliament, or equivalent, of the country concerned.</p>	<p>AcadeMedia may be affected both by political decisions and by the political debate.</p> <p>Decisions ensue from a long process, which often creates scope for proposals to be made that solve the problem they are trying to address, without creating new problems for all or parts of the sector. Should future legislation restrict the ability of independent providers to operate, this could have a materially adverse effect on the Group's ability to conduct its business, and so adversely affect the Group's financial position and earnings.</p> <p>The political debate may affect the Group's ability to recruit both staff and students.</p>	<p>AcadeMedia closely monitors political developments and actively participates in the debate. This is important because the debate often has overtones that we want to add nuance to, not least for the sake of our employees.</p> <p>We write responses to government commissions of inquiry, normally endeavouring to include our own proposals for solutions.</p>
<p>13. Crises</p> <p>An event, or a series of events, that may develop into a threat to the existence of the Company or individuals and that the normal organisation in which the crisis occurs is not built to cope with. These include attacks on schools, hostage-taking, cyber attacks, environmental disasters and information leaks.</p>	<p>By definition, crises pose a risk to parts or all of the organisation. However, the major risk in these situations is, with a few exceptions, rarely the event itself, but how it is handled. There is rarely negative impact from a crisis that is managed such that those affected, those around them and, in our case, the media and the public, perceive that the event was handled to the best of our ability and that that ability was sufficient. The opposite could have a material adverse effect on the ability of the units or the Group to perform their activities.</p> <p>The main exception to the above is attacks of various kinds on schools. In such cases, there is a high risk to human life, and of people suffering life-long disability due to injuries.</p>	<p>AcadeMedia has a central crisis management organisation to coordinate the response to a crisis.</p> <p>To limit the negative consequences of a crisis, AcadeMedia holds regular training sessions in crisis management, fire prevention and IT security.</p> <p>In addition, all employees, and many staff members, in our compulsory and upper secondary school segments are trained in how to minimise the consequences of an ongoing lethal violence attack.</p>

Risk overview – Financial risks

Financial risks related to AcadeMedia's financial position and financing

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>14. Credit risk</p> <p>Credit risk is the risk that AcadeMedia's customers will be unable to meet their payment obligations. The majority of AcadeMedia's customers are central government, municipalities and public authorities, where the risk of insolvency is minor. As a result, AcadeMedia's credit risk is considered low.</p>	<p>As the major share of AcadeMedia's revenues and receivables relate to the public sector, the credit risk is considered to be very low.</p>	<p>AcadeMedia operates continuous credit monitoring.</p>
<p>15. Interest rate risk</p> <p>AcadeMedia's interest rate risk arises in the Group's long-term borrowing, including its real estate loans from Husbanken (the Norwegian State Housing Bank).</p>	<p>At the end of the financial year, 100 percent of the borrowing was at a variable (six-month) interest rate.</p> <p>The effect of an increase of one percentage point in interest rates on the Group's interest expense is SEK 20 million (20).</p>	<p>Interest rate risks are managed centrally. AcadeMedia's financial policy stipulates that the fixed interest period should as a principle rule be short, 1–6 months. Loans with a maturity of more than one year may be taken with up to 50 percent of the amount at a fixed rate.</p>
<p>16. Liquidity and refinancing</p> <p>Liquidity risk is the risk that AcadeMedia cannot fulfil its payment obligations relating to financial liabilities. Refinancing risk is the risk that refinancing for loans cannot be arranged, or cannot be arranged on acceptable terms.</p>	<p>Municipalities currently pay school voucher funding monthly in advance or in the current month. There is a risk that the municipalities will change this payment model, which would adversely affect AcadeMedia's working capital, and therefore its liquidity.</p> <p>Access to loans on competitive terms depends on AcadeMedia's financial strength and stability and the outlook for these factors. If AcadeMedia is not perceived as an attractive customer by banks, the cost of loans may increase significantly</p>	<p>Liquidity and refinancing risks are managed centrally.</p> <p>Liquidity risk is managed by ensuring that the Company always has an available liquidity reserve, through ongoing forecasting of cash flows and by keeping a watch for any changes in payment models at municipalities. To facilitate liquidity planning and liquidity control, the Group operates cash pools.</p> <p>Refinancing risk is managed via credit facilities within the scope of existing loan agreements, by financing the real estate portfolio in Norway long term via Husbanken and by ensuring that the Group uses several banks.</p>
<p>17. Financial reporting</p> <p>Risk of errors in financial reporting.</p>		<p>AcadeMedia continuously analyses and assesses risks that could lead to errors in financial reporting. See also the section Internal control and risk management in the Corporate Governance Report for a description of AcadeMedia's internal control activities for financial reporting.</p>
<p>18. Currency risk</p> <p>AcadeMedia conducts operations in Norway, Germany, and the Netherlands and is therefore exposed to currency risk arising from both transaction and translation exposure, above all in NOK but also in EUR.</p>	<p>Transaction exposure is limited, in that both revenue and costs are in all material respects denominated in the local currency. The translation exposure arises when the Group's net assets in foreign currencies are translated to SEK, and when earnings are translated to SEK.</p>	<p>Currency exposure in net assets is managed by financing such assets wholly or partly via loans in the local currency. Net assets in foreign currency on 30 June 2022 totalled NOK 654 million and EUR 18 million. Adjusted for right-of-use assets, these amounted to NOK 703 million and EUR 20 million, respectively</p>

Risk overview – Sustainability risks

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

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

RISK AND CONTEXT	POTENTIAL IMPACT	MANAGEMENT/ACTION
<p>19. Absence due to illness (P)</p> <p>For AcadeMedia to be able to perform its activities, our employees must be in good health and have a sense of well-being. If this is not the case, not only does the individual suffer, but by extension the organisation is also exposed to increased risk.</p>	<p>High levels of sickness absence, or long-term absences where the individual cannot be replaced, increase the risk to the ability of the organisation to maintain high quality. The risk then is that it becomes more difficult to recruit.</p>	<p>Occupational health services that are easy to access and available to all.</p> <p>Managers who are trained to recognise people at risk.</p> <p>A well-established approach to risk analysis and action plans.</p>
<p>20. Employee turnover (P)</p> <p>Employee turnover is an important factor in maintaining business continuity. There is also a shortage of personnel with the right skills in all the markets where AcadeMedia operates.</p>	<p>High employee turnover may negatively impact the quality of activities and the well-being of our employees. It may also have negative impact on our opportunities for expansion. High employee turnover may be linked to underlying problems in the individual unit, which could lead to recruitment problems.</p>	<p>Annual employee satisfaction survey</p> <p>Professional and leadership development via the AcadeMedia Academy</p> <p>Whistleblower function</p>
<p>21. Gender equality (P)</p> <p>AcadeMedia is a women-dominated group where the risk lies in too few men being employed. 72.1 percent are women.</p>	<p>The lack of equal opportunity working groups at all levels may have a negative impact on the quality of operations.</p>	<p>Before the pandemic, AcadeMedia began a wide-ranging values project based on the words courage, passion and trust. Diversity is to be promoted and differences harnessed as a resource.</p> <p>Annual salary survey to ensure equal pay</p>
<p>22. Quality of education (L)</p> <p>High-quality education is one of AcadeMedia's absolutely most important goals. Quality is measured in a number of ways, such as how well we meet formal requirements, how well students succeed in relation to our policy documents and how satisfied students/participants are with their education.</p>	<p>Should the quality drop so that this is reflected in the performance of the students/participants, this could potentially have a major impact on the activities concerned.</p>	<p>Proactive work via the AcadeMedia model. A well-established process for correcting quality deficiencies in a unit, or across an entire brand.</p> <p>A majority of AcadeMedia's businesses in the compulsory school and upper secondary school sectors have attended the "Assessment and Evaluation" training course, developed in conjunction with Karlstad University.</p>
<p>23. Expectations that we take responsibility (L) (E/C)</p> <p>This is the risk that AcadeMedia is not perceived as contributing sufficiently to the global goals. Expectations for companies to take responsibility at all levels of sustainability are increasing: environment, society and corporate governance. The importance of transparency in how we impact the world and contribute to transformation is also growing.</p>	<p>Any lack of communication and lack of ambition may mean that we are not perceived as sufficiently committed. This may have a negative effect on AcadeMedia's attractiveness to employees, students and investors.</p> <p>A lack of capacity to play a part in a sustainable transition may also lead to higher interest costs.</p>	<p>AcadeMedia maintains ongoing dialogue with major suppliers on how AcadeMedia can reduce its environmental impact through smarter purchasing. Dialogue is also maintained from a learning perspective, i.e. how we can communicate and teach responsible use of resources. From food waste and recycling, to taking care of your computer.</p>
<p>24. Corruption (P)</p> <p>The risk that employees or suppliers systematically exploit the Company for their own gain, for example through bribery or personal kickbacks. Particularly vulnerable individuals are principals, teachers, purchasing staff and property staff.</p>	<p>Rumours, or confirmed cases, of corruption could potentially cause serious damage to the unit/ staff/operation concerned. That could also damage the Group as a whole, if it was seen as the tip of an iceberg.</p>	<p>AcadeMedia has a code of conduct and a whistleblower system. Major purchases must be made under framework agreements and the attestation scheme not only stipulates amount limits, but also requires all invoices to be subject to dual authorisation.</p>
<p>25. Transparency (S)</p> <p>Transparency risk is the risk that we do not live up to external expectations of transparency and are perceived as secretive and unwilling to share information. We are a publicly funded enterprise with a special responsibility to manage prudently the resources we have.</p>	<p>If it is perceived that we are concealing information or using resources in a questionable way, AcadeMedia's brand and name may be damaged.</p> <p>If any discussion arising from such an event takes an unwanted turn, the risk of serious damage to the business is considerable. There is also a risk that the Company's share will be affected.</p>	<p>Transparency is enshrined in the Group's own governance documents and policies</p> <p>Our public intranet, the employee website.</p> <p>The whistleblower system.</p>



Arkipelagen Förskola (preschool), Gustavsberg, Nacka, Greater Stockholm.

Sensitivity analysis

A number of important factors that affect the Group's results are presented in the sensitivity analysis alongside. The estimated effect of the changes is based on the Group's results for the 2021/22 financial year, excluding the effects of IFRS 16, and, for each individual factor, assumes that all other factors are unchanged. The sensitivity analysis illustrates the effects on the Group's performance as if the changes had occurred during the 2021/22 financial year, but is not a forecast of future effects on results. The table below shows the effect of each factor on EBIT. The sensitivity regarding equity is the effect on EBIT less taxes.

Sensitivity analysis

FACTOR	CHANGE	EFFECT
Student enrolment in the three school segments	+/- 1%	+/- SEK 125 million on turnover and +/- SEK 45-85 million on operating profit (EBIT)*.
Average personnel expense per employee	+/- 1%	-/+ SEK 85 million on operating profit/loss (EBIT)
Average student voucher funding (all countries)	+/- 1%	+/- SEK 125 million on sales and operating profit (EBIT)
Change in interest rate, Group loans**	+ 1 percentage point	SEK -20 million on profit after financial items
Exchange-rate fluctuations NOK/SEK	+/- 10%	+/- SEK 205 million on sales and +/- SEK 5 million on operating profit (EBIT).
Exchange-rate fluctuations EUR/SEK	+/- 10%	+/- SEK 80 million on sales and +/- SEK 1 million on operating profit (EBIT).

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

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

Board of Directors, senior executives and auditors



Anders Bülow



Silvija Seres



Johan Andersson



Pia Rudengren



Ann-Marie Begler



Håkan Sörman



Jan Bernhardsson



Anders Lövgren



Pernilla Larsson



Anna Lundmark Boman



Christian Liljeros

Board of Directors

ANDERS BÜLOW

About: Born 1953. Board member since 2016 and Chairman of the Board since 2017. Member of the Audit Committee.

Education: M.Sc. in Business, Stockholm University.

Other current appointments: Board member of Mellby Gärd AB.

Previous appointments: Chairman of the Board of KappAhl AB (publ), Duni AB (publ), Feralco Holding AB and Cale Holding AB. Board member of Roxtec AB, Älvsbyhus Intressenter AB, Älvsbyhus AB and StudentConsulting Group AB.

Shareholding in the Company: 15,833 shares held through company.

Independent in relation to major shareholders: No.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

SILVIJA SERES

About: Born 1970. Board member since 2015. Member of the Remuneration Committee and the Quality Committee.

Education: Ph.D. in Mathematics, Oxford University, M.Sc. in Computer Science, Oslo University and MBA, INSEAD.

Other current appointments: Partner at Technorocks AS and Lørn AS. Board member of the Det Norske Veritas Foundation and Ruter AS. Chairman of the Board of Norsk Rikstoto.

Previous appointments: Board member of Norsk Ringkringkasting AS (NRK), Oslo Børs ASA, Nordea Bank AB, Norsk Tipping AS, Statkraft AS, Aschehoug AS, Data Respons ASA, Dagbladet Medialab AS and Norman ASA.. Member of the nomination committee at Telenor ASA.

Shareholding in the Company: None.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

JOHAN ANDERSSON

About: Born 1978. Board member since 2017. Chairman of the Remuneration Committee and member of the Audit Committee.

Education: M.Sc. in Engineering, Chalmers University of Technology. MBA, INSEAD.

Other current appointments: CEO of Mellby Gärd AB. Board member of Feralco, Roxtec AB, Älvsbyhus Intressenter AB, Optik Smart Eyes AB, StudentConsulting Holding AB and the Confederation of Swedish Enterprise.

Previous appointments: CEO of Smarteyes International AB. Board member of Duni AB (publ) and Chalmers University of Technology. Member of the Super Advisory Board at Flowbird.

Shareholding in the Company: 24,152,981 shares via Mellby Gärd AB.

Independent in relation to major shareholders: No.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

PIA RUDENGREN

About: Born 1965. Board member since 2017. Chair of the Audit Committee.

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

Other current appointments: Board member of Boliden AB (publ), Hypex Bio Explosives Technology AB and Picsmart AB. Chair of the Board of Social Initiative Norden AB.

Previous appointments: CFO at Investor AB (publ). Deputy CEO of W Capital Management AB. Board member of KappAhl AB (publ), Duni AB (publ), Swedbank AB (publ), Metso Oyj and Tikkurila Oyj.

Shareholding in the Company: 2,000 shares.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

ANN-MARIE BEGLER

About: Born 1954. Board member since 2020.

Education: Degree in Sociology from the Department of Social Work, Stockholm University.

Other current appointments: Board member of the Swedish National Council of Adult Education and the LegiLexi Foundation. Member of the Health Care Leadership Academy and the Unemployment Insurance Fund of the IF Metall Union.

Previous appointments: Chairman of the Board of Ersta Sköndal Bräcke University College. Director-General of the Swedish National Council for Crime Prevention (Brå), the Swedish Social Insurance Agency and the Swedish Schools Inspectorate. Deputy National Police Commissioner. Chairman of the Organising Committee for the establishment of the Schools Inspectorate.

Shareholding in the Company: 2,550 shares, including 1,300 shares via related party.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

HÅKAN SÖRMAN

About: Born 1952. Board member since 2017. Chairman of the Quality Committee.

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

Other current appointments: Chairman of the Board of Karolinska University Hospital, Senior Consultant Compass Rekrytering AB, Chair in the Committee on the Municipal Tax Equalisation System.

Previous appointments: County Governor of Jönköping County, CEO of the Swedish Association of Local Authorities and Regions, Mayor of Södertälje Municipality, Municipal Administrator, Täby. Head of government inquiry into municipal cost equalisation. Board member of SOS Alarm Sverige AB, KPA Pension AB, SKL Kapitalförvaltning AB and Dagens Samhälle AB.

Shareholding in the Company: 1,114 shares, of which 444 shares via related party.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

JAN BERNHARDSSON

About: Born 1962. Board member since 2021. Chairman of the real estate committee and member of the Remuneration Committee.

Education: Studied economics and law at the University of Gothenburg and the University of Borås. In-service training at IMD Business School, Duke University and SSE Executive Education.

Other current assignments: Chairman of the Board of AB Svensk Filmindustri and Chiffer Media AB. Board member of Bonnier Books Holding AB.

Former assignments: Executive Vice President (EVP) of AMC Europe's European operations. Chief Operating Officer (COO) of the ODEON Cinemas Group. President and CEO of Nordic Cinema Group and SF Bio AB. CFO of AB Svensk Filmindustri. Chairman of the Board of SF Anytime AB, Discshop AB and HomeEnter AB.

Shareholding in the Company: 3,000 shares.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: Yes.

Independent in relation to Executive management: Yes.

ANDERS LÖVGREN

About: Born 1967. Employee representative, Swedish Teachers' Union, since 2016.

Education: Higher Education Diploma in Vocational Education, Stockholm University.

Other current appointments: None.

Previous appointments: None.

Shareholding in the Company: 111 shares.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: No.

Independent in relation to Executive management: No.

PERNILLA LARSSON

About: Born 1976. Deputy employee representative, Swedish Teachers' Union, since 2016.

Education: Bachelor of Education, Kristianstad University, as well as studies at Lund University.

Other current appointments: None.

Previous appointments: None.

Shareholding in the Company: None.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: No.

Independent in relation to Executive management: No.

ANNA BOMAN

About: Born 1973. Employee representative since 2021, Deputy employee representative since 2020, National Union of Teachers in Sweden. Employee representative on the Quality Committee.

Education: Bachelor of Physical Education, Umeå University; Bachelor of Education, Växjö University.

Other current appointments: None.

Previous appointments: None.

Shareholding in the Company: None.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: No.

Independent in relation to Executive management: No.

CHRISTIAN LILJEROS

About: Born 1981. Deputy employee representative since 2021, National Union of Teachers in Sweden.

Education: Bachelor of Education, Stockholm University.

Other current appointments: None.

Previous appointments: None.

Shareholding in the Company: None.

Independent in relation to major shareholders: Yes.

Independent in relation to AcadeMedia: No.

Independent in relation to Executive management: No.

AUDITORS

The Company's auditors are PricewaterhouseCoopers AB with Patrik Adolfsen as Principal Auditor and Eva Medbrant as Cosignatory. PricewaterhouseCoopers AB was elected at the 2021 Annual General Meeting for the period up and until the end of the 2022 Annual General Meeting. Patrik Adolfsen (born 1973) is an authorised public accountant and member of FAR (the professional association for authorised public accountants in Sweden). Patrik Adolfsen has no shareholdings in the Company. Eva Medbrant (born 1966) is an authorised public accountant and member of FAR. Eva Medbrant has no shareholdings in the Company.

Senior executives

MARCUS STRÖMBERG

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

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

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

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

Shareholding in the Company: 156,969 shares, 287,375 synthetic options and 40,000 warrants.

KATARINA WILSON

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

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

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

Shareholding in the Company: 3,044 shares.

PAULA HAMMERKOG

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

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

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

Shareholding in the Company: 16,034 shares and 40,000 warrants.

LISE-LOTTE OLDMARK

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

Education: A number of different management training programmes held by the City of Stockholm, tutor training and trained organisation consultant, Humanova.

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

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

Shareholding in the Company: 33,321 shares and 45,000 warrants.

KRISTOFER HAMMAR

About: Born 1978. Director of Business

Development at AcadeMedia since 2017. Worked at AcadeMedia since 2009.

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

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

Shareholding in the Company: 26,500 shares and 37,500 warrants.

CHRISTER HAMMAR

About: Born 1969. Head of Adult Education Segment since 2015.

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

Previous appointments: CEO of Manpower A/S and Proffice Care AB, as well as deputy CEO and regional manager of Humana Assistans.

Shareholding in the Company: 26,101 shares, including 888 via related party, and 40,000 warrants.

JIMMY KJÄLLSTRÖM

About: Born 1979. Director of Administration and Acting Head of the Upper Secondary School Segment since 2022. Worked at AcadeMedia since 2000.

Education: Degree in Advanced Vocational Training, IHM Management Training.

Other current assignments: None.

Previous appointments: Deputy Segment Manager for Compulsory School and Upper Secondary School Segments.

Shareholding in the Company: 23,212 shares and 600,000 convertibles.

LOTTA KRUS

About: Born 1971. Head of Compulsory School Segment since 2022. Worked at AcadeMedia since 2001.

Education: Primary school teacher training at Gothenburg University.

Other current assignments: None.

Former assignments: Head of Education at AcadeMedia's creative upper secondary school division. Senior roles at Plusgymnasiet and LBS. Teacher, City of Gothenburg, Kungsbacka Municipality, Vittra

Shareholding in the Company: 4,421 shares and 30,000 warrants.

COMMENTS

Veronica Rörsgård, Head of Pysslingen Preschools, was a member of Executive Management until 1 July 2022.

Marit Lambrechts, Head of Preschool Norway, was a member of Executive Marit until 1 July 2022.



Marcus Strömberg



Katarina Wilson



Paula Hammerskog



Lise-Lotte Oldmark



Kristofer Hammar



Christer Hammar



Jimmy Kjällström



Lotta Krus

Accounts



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Consolidated **income** statement and Statement of other comprehensive income

CONSOLIDATED INCOME STATEMENT

(SEK M.)	NOTE	2021/22	2020/21
Net sales	G2, G3, G7	14,339	13,340
Cost of services sold		-1,274	-1,120
Other external expenses	G4, G18	-1,370	-1,352
Personnel expenses	G5, G6, G7	-8,648	-8,106
Amortisation	G8	-1,755	-1,580
Result from investments in associated companies	G19	-3	0
Items affecting comparability	G9	-64	-7
OPERATING PROFIT/LOSS	G2	1,224	1,174
Financial income	G10	1	3
Financial expenses	G11	-441	-405
PROFIT/LOSS BEFORE TAX		784	772
Taxes	G12	-179	-173
PROFIT FOR THE YEAR		605	599
Parent Company shareholders – share of profit for the year		605	599
Basic earnings per ordinary share (SEK)	G13	5.73	5.64
Diluted earnings per ordinary share (SEK)	G13	5.72	5.62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK M.)	NOTE	2021/22	2020/21
PROFIT FOR THE YEAR		605	599
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit/loss			
Actuarial gains and losses	G6	-6	55
Deferred tax relating to actuarial gains and losses	G12	1	-12
		-4	43
Items that will be reclassified to profit/loss			
Translation differences		35	14
OTHER COMPREHENSIVE INCOME FOR THE YEAR		31	57
COMPREHENSIVE INCOME FOR THE YEAR		636	656
Parent Company shareholders – share of comprehensive income for the year		636	656

Consolidated statement of financial position

ASSETS			
(SEK M.)	NOTE	30 JUNE 2022	30 JUNE 2021
NON-CURRENT ASSETS			
Non-current intangible assets			
Goodwill	G14, G15, G16	6,387	6,205
Brands	G15	191	198
Other intangible non-current assets	G15	20	6
		6,597	6,409
Property, plant and equipment			
Buildings	G17, G29	1,057	1,044
Equipment	G17	354	312
Expenditure on improvements to leasehold property	G17	570	479
		1,981	1,835
Right-of-use assets	G18	8,367	7,489
Non-current financial assets			
Shares in associated companies	G19	35	5
Non-current receivables		23	20
Pension receivables	G6	3	–
Deferred tax assets	G12	19	16
		79	41
TOTAL NON-CURRENT ASSETS	G2	17,024	15,773
CURRENT ASSETS			
Inventories	G20	21	–
Accounts receivable	G21	206	218
Current tax assets		72	73
Other receivables		59	48
Prepaid expenses and accrued income	G22	345	323
Cash and cash equivalents	G23	1,137	966
TOTAL CURRENT ASSETS		1,840	1,628
TOTAL ASSETS	G32	18,864	17,401

EQUITY AND LIABILITIES			
(SEK M.)	NOTE	30 JUNE 2022	30 JUNE 2021
EQUITY	G24		
Share capital		106	106
Other capital contributions		2,632	2,629
Translation reserves		-1	-36
Retained earnings including profit/loss for the year		3,021	2,606
TOTAL EQUITY		5,758	5,305
NON-CURRENT LIABILITIES			
Non-current liabilities to credit institutions	G27, G28, G30	722	1,824
Non-current lease liabilities	G27, G28, G30	7,464	6,495
Provision for pensions	G6	–	1
Other provisions	G25	92	59
Deferred tax liability	G12	94	101
Other non-current liabilities	G27, G28, G30	26	25
TOTAL NON-CURRENT LIABILITIES		8,397	8,506
CURRENT LIABILITIES			
Current liabilities to credit institutions	G27, G28, G30	1,207	195
Current lease liabilities	G27, G28, G30	1,180	1,077
Other interest-bearing liabilities	G27, G28, G30	0	0
Accounts payable	G27, G28	411	383
Current tax liability		19	9
Other liabilities		174	198
Accrued expenses and deferred income	G25, G26	1,719	1,729
TOTAL CURRENT LIABILITIES		4,709	3,591
TOTAL EQUITY AND LIABILITIES	G24, G31, G32	18,864	17,401

Consolidated statement of changes in equity

(SEK M.)	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
	Share capital (Note G24)	Other capital contributed (Note G24)	Translation reserve (Note G24)	Retained earnings (Note G24)	Total equity (Note G24)
OPENING BALANCE ACCORDING TO BALANCE SHEET ADOPTED, AS PER 1 JULY 2020	106	2,612	-50	2,139	4,807
Effect of amended accounting policies	-	-	-	-17	-17
ADJUSTED OPENING BALANCE, AS PER 1 JULY 2020	106	2,612	-50	2,122	4,790
Profit for the year	-	-	-	599	599
Other comprehensive income	-	-	14	43	57
Comprehensive income for the year	-	-	14	642	656
Transactions with owners					
New share issue	0	17	-	-	17
Dividend paid	-	-	-	-158	-158
Share-matching plan*	-	0	-	-	0
TOTAL TRANSACTIONS WITH OWNERS	0	17	-	-158	-141
CLOSING BALANCE, 30 JUNE 2021	106	2,629	-36	2,606	5,305
Profit for the year	-	-	-	605	605
Other comprehensive income	-	-	35	-4	31
Comprehensive income for the year	-	-	35	600	636
Transactions with owners					
New share issue	-	2	-	-	2
Convertibles	0	0	-	-	0
Dividend paid	-	-	-	-185	-185
Share-matching plan*	-	0	-	-	0
TOTAL TRANSACTIONS WITH OWNERS	0	2	-	-185	-182
CLOSING BALANCE, 30 JUNE 2022	106	2,632	-1	3,021	5,758

AcadeMedia has no non-controlling interests.

Equity is attributable in its entirety to the shareholders of the Parent Company.* The Group's share matching plan and warrant programme are described in Note G5.

Consolidated cash flow statement

(SEK M.)	NOTE	2021/22	2020/21
Operating activities			
Operating profit/loss		1,224	1,174
Adjustment for non-cash items			
Depreciation/amortisation of non-current assets	G8	1,755	1,580
Changes in provisions		37	24
Capital gain on disposal of non-current assets		0	0
Tax paid		-179	-146
Cash flow from operating activities before changes in working capital		2,838	2,632
Cash flow from changes in working capital			
Change in inventories		-1	-
Change in operating receivables		27	-14
Change in operating liabilities		-32	254
CASH FLOW FROM OPERATING ACTIVITIES		2,831	2,872
Investing activities			
Acquisition of subsidiaries	G14	-181	-235
Investments in properties	G17	-20	-23
Investments in leasehold property	G17	-148	-107
Investments in equipment	G17	-152	-128
Investment in intangible non-current assets	G15	-2	-3
Sale of property, plant and equipment	G17	-	62
Investments in associated companies	G19	-33	-3
Investments in non-current financial assets		0	-3
Sale of non-current financial assets		-	3
CASH FLOW FROM INVESTING ACTIVITIES		-536	-437
Financing activities			
Interest received		1	0
Interest paid*		-437	-399
Dividend paid		-185	-158
New share issue	G24	2	17
Borrowing	G28	2	93
Amortisation of debt	G28	-173	-275
Amortisation of lease liability	G28	-1,346	-1,281
CASH FLOW FROM FINANCING ACTIVITIES		-2,136	-2,003
Cash flow for the year		158	433
Cash and cash equivalents at beginning of year		966	528
Exchange-rate differences in cash and cash equivalents		12	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	G23	1,137	966

*Interest payments relating to lease liability total SEK 365 million.

Notes to the Consolidated accounts

G1: General information, accounting and valuation policies

General information

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

The annual report and consolidated accounts for the financial year ending 30 June 2022, were approved for publication by the Board of Directors and the Chief Executive Officer on 24 October 2022 and will be presented for adoption at the Annual General Meeting on 30 November 2022.

Basis of preparation

Compliance with standards and laws

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

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

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

Principles of valuation applied in preparation of the financial statements

Assets and liabilities are measured at historical cost, other than as regards certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities measured at fair value consist of any conditional purchase consideration, together with plan assets within defined-benefit pension plans.

Functional currency and reporting currency

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

Classification of assets and liabilities

Non-current assets consist essentially of assets that are expected to be recovered or paid for more than twelve months after the balance sheet date. Current assets consist of amounts that are expected to be recovered or paid within twelve months of the balance sheet date. Non-current liabilities are amounts that the Group has an unconditional right to pay more than twelve months after the balance sheet date. If the Company does not have such a right, the liability amount is recognised as a current liability.

Changes in accounting policies and basis of calculation

In response to the IFRS Interpretations Committee's (IFRS IC) published agenda decision on "cloud computing arrangement costs", that is, the costs for configuring or customising software in a cloud-based solution, AcadeMedia has conducted a re-

view of the effects in the financial statements. Following the review, AcadeMedia has determined that certain intangible assets previously recognised no longer qualify for recognition as intangible assets. The restatement has been made retrospectively in accordance with the rules on change of accounting policy stated in IAS 8. The effects of restatement are shown in Note G34 Effects of change in accounting policy.

New standards and interpretations not yet adopted

New or amended IFRS that will not enter into force until the upcoming financial year or later have not been adopted early in the preparation of these financial statements. Such new standards and interpretations are not expected to have any material impact on the consolidated financial statements.

Principles of consolidation

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

Subsidiaries

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

Associated companies

Associated companies are entities over which the Group has a significant, but not controlling, influ-

ence over the entity's operating and financial management, usually through shareholdings representing between 20 and 50 percent of the voting rights. From the date at which the significant influence is obtained, investments in associated companies are accounted for in the consolidated accounts using the equity method of accounting.

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

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

Translation of foreign currencies

Foreign currency transactions

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

Financial statements of foreign operations

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

tion differences pertaining to the net investment are recognised through profit or loss.

Intangible non-current assets

Goodwill

Goodwill arising through business combinations is recognised under the heading of intangible non-current assets. Goodwill is allocated to the cash-generating units that are expected to benefit from the business combination where the goodwill item arose.

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

Brands

Brands acquired through acquisitions of subsidiaries are recognised as an intangible asset with a limited useful life. Brands are carried at cost less accumulated amortisation and accumulated impairment losses.

	NUMBER OF YEARS
Brands	20 years

Development expenditure and other intangible assets

Development expenditure is recognised as an asset on the balance sheet when it is likely that the future economic benefits associated with the asset will flow to the entity, the cost of the asset can be measured reliably and AcadeMedia has control over the asset. Development expenditure that does not meet these criteria are expensed in the period in which they are incurred.

Other intangible assets consist of separately acquired intangible assets. Development expenditure

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and other intangible assets are carried at cost less amortisation and any impairment losses. Amortisation is applied on a straight-line basis over the estimated useful life of the asset. The useful life period is reviewed on every closing date and is adjusted as needed. The following useful life periods are applied:

	NUMBER OF YEARS
Other intangible assets	3–5 years

Property, plant and equipment

Property, plant and equipment are recognised at cost less depreciation and any impairment losses. Cost includes expenses that are directly attributable to acquisition of the asset.

Further items of expenditure are added to the asset's carrying amount or are recognised as a separate asset only when it is likely that future economic benefits associated with the asset will accrue to the Group and the asset's cost can be reliably measured. If the additional expenditure refers to replacement of a component, the carrying amount for the component replaced is removed from the balance sheet and is expensed. All other forms of repair and maintenance are recognised as an expense in the income statement during the periods in which they arise.

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

Property, plant and equipment are depreciated systematically over the estimated useful life of the asset. Investments made in leased properties are normally depreciated over the term of the lease. The useful life period is reviewed on every closing date and is adjusted as needed. When the amortisable amount of the assets is established, their residual value is, where applicable, taken into

account. The straight-line depreciation method is used for all types of asset and is based on the useful life periods shown below.

	NUMBER OF YEARS
Buildings	25–30 years
Equipment	3–10 years
Expenditure on improvements to leasehold property	2–25 years

Impairment

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

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

Financial instruments

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

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

Financial assets

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

- *Financial assets measured at amortised cost:* Assets in this category are measured at amortised cost by application of the effective interest approach. Most of the Group's current assets are measured at amortised cost, including accounts receivable, cash/cash equivalents and other receivables, which are financial assets that are not derivatives and that have payment flows that are fixed or can be determined in advance. They are created when the Group provides money to a counterparty, or supplies goods or services to a customer, without intending to convert the claim. AcadeMedia uses the forward-looking expected credit loss model to measure expected credit losses. In accordance with the rules of IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. In this method, the provision for expected credit losses is calculated on the basis of the risk of losses over the entire term of the receivable and is recognised when the receivable is initially recognised. For more information, see Note G21.

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

Financial liabilities

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

- *Financial liabilities measured at amortised cost:* Liabilities in this category are measured at amortised cost, net of transaction costs, using the effective interest approach. This category includes items such as accounts payable, loan liabilities and other liabilities that do not fall within the category of financial liabilities measured at fair value via the income statement.
- *Financial liabilities measured at fair value via the income statement:* Liabilities in this category are measured at fair value. At AcadeMedia, this category includes contingent purchase considerations. Measurement is performed on an ongoing basis at fair value with changes in value being recognised in the income statement. Re-measurement of a contingent purchase consideration is recognised in operating profit/loss under Other external expenses.

Offsetting

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

Convertible bonds

Convertible bonds that give the holder an option to convert the debt into shares are recognised as a hybrid financial instrument made up of a debt

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

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

Provisions

Provisions differ from other liabilities in that there is uncertainty in the timing or amount of the expenditure required to settle the obligation. Provisions are recognised when the Group has a legal or constructive obligation resulting from past events and when it is likely that a payment will be required to discharge the obligation and the amount can be reliably measured. Provisions are measured at the present value of the amount expected to be required to discharge the obligation. Provisions relating to restructuring of the organisation are recognised at closure of units and staff redundancies, and are recognised when a restructuring plan is in place and the entity has either started to implement the plan or has announced it publicly after calculation of the costs. A provision for onerous contracts is recognised when the expected benefits that the Group expects to receive from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities

Disclosure of any contingent liability is made where there is a possible obligation arising from past events, the existence of which is confirmed by one or more uncertain future events beyond the Group's control, or where there is an obligation that is not recognised as a liability or a provision because it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

Remuneration to employees

Short-term remuneration to employees

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

Pensions

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

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

A defined-benefit pension plan is a pension plan with no defined contribution. The defined-benefit plans consist largely of plans that provide a benefit based on final salary and length of service. Calculations are made for defined-benefit plans based on the Projected Unit Credit Method, for the purpose of establishing the present value of obligations relating to benefits for current and former employees. These calculations are made annually and are based on current assumptions established annually at the end of the accounting period. Assumptions are made regarding inflation, changes in social security charges, staff turnover, discount rates and estimated life expectancy. The present value of defined-benefit obligations is established by discounting estimated future cash flows using the

interest rate for top-rated investment grade corporate bonds issued in the same currency as the one in which the compensation will be paid, with maturities comparable to that of the current pension obligation.

Pension expenses relating to service during the current period are recognised as personnel expenses in the income statement. Costs relating to service in previous periods are also recognised directly in the income statement as personnel expenses. Net interest is calculated by application of the discount rate to the defined-benefit pension liability and to the fair value of plan assets, and this expense is included in personnel expenses in the income statement. In the event of any change or adjustment to a defined-benefit pension plan, the effect of the adjustment is recognised as a "curtailment gain" in profit/loss for the year.

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

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

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

Severance pay

Any cost of compensation in connection with termination of employment is recognised at either (i) when the Company is no longer able to withdraw the offer to the employees, or (ii) when the Company recognises costs of restructuring, whichever is the earlier.

Share-based remuneration

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

Leases

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

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

The lease liability is measured initially at the present value of remaining lease fees over the estimated lease term. The lease term comprises the non-terminable period plus further periods in which it is reasonably certain that options to extend will be exercised. As exercise of renewal options require a new investment decision, renewal

options are only included in calculation of the lease liability when a decision has been made to continue operations or when significant investments have been made in the property, such that there are financial incentives to continue using the premises, making it reasonably certain that the contract will be renewed.

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

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

Lease fees are discounted at the Group's marginal borrowing rate. In order to obtain a marginal lending rate that is more asset-specific in the case of leases for the rental of premises, the marginal lending rate is adjusted by a risk premium based on the geographical location of the respective property. The discount rate for AcadeMedia's leased cars and IT equipment is based on the rate in the respective lease.

In the case of leases with a term of 12 months or less, and leases where the value of the underlying asset is less than SEK 50,000, no right-of-use asset or lease liability is recognised. The lease fees for such leases are recognised as an expense on a straight-line basis over the term of the lease.

Revenue

The Group's revenue derives above all from education services of various types, as described below.

Education-related revenue

AcadeMedia's revenue consists of education-related revenue from school voucher funding, socio-economic compensation and participant fees. Tuition fees are recognised as revenue and allocated in line with the degree of completion over the period during which the instruction is provided, including time for planning and grading of student learning. Revenue in preschool operations is recognised on the basis of the same fundamental principles.

Revenue in the adult education operation is based on the same fundamental principles, but also takes into account empirical estimates of the number of participants not completing the programme started, as well as estimates of compensation received based on the number of participants completing the programme, when the revenue is conditional on completion of the service.

Revenue for services sold is recognised on delivery to the student

Other income refers to income not directly related to education, such as rental income and resale of computers. Revenue from these services is recognised at fair value based on the proportion of the total agreed service that has been delivered during the financial year when the customer receives and uses the services at the same point in time. Revenue from sale of goods on delivery to the customer. Revenue is recognised excluding VAT and net after any discounts.

State subsidies

State subsidies are recognised as a receivable when there is reasonable certainty that they will be received and that AcadeMedia will meet the conditions attached to the subsidy. Grants received to cover costs are recognised as an expense reduction for the relevant expense item in the same period as the costs they are intended to offset. Other subsidies are recognised as revenue. State subsidies received to finance an investment are deducted from the cost of the investment.

Financial income

Interest income is recognised using the effective interest method.

Dividends

Dividend received is recognised as revenue when the right to receive dividend is confirmed.

Cost of services and products sold

The cost of services sold relates mainly to expenses for school meals (ingredients and catering), educational materials, agency teachers and various consumables. Also included is the cost of books sold.

Inventories

Inventories consist of books related to publishing activities and are stated at the cost or net realisable value, whichever is the lower, on the balance sheet date. Cost consists of the direct costs of goods and is determined by applying the FIFO (first-in-first-out) method.

Items affecting comparability

Items affecting comparability consist of non-recurring income and expenses and are recognised on a separate line. Items affecting comparability consist, for example, of any capital gain from sale of real estate, major property damage not covered by commercial insurance, consulting costs related to major acquisitions, adjustment of pension plans having major impact on earnings, severance payments to senior executives, major integration costs resulting from acquisitions and reorganisation, as well as costs following from strategic decisions and major restructuring leading to closure of units. Retroactive revenue from earlier years is also classified as affecting comparability. The purpose of this reporting method is to obtain a clearer picture of developments in the underlying business.

Taxes

Income tax

Tax expense for the period consists of current tax and deferred tax. Tax is recognised in the income statement, except where the tax relates to an item that is recognised in Other comprehensive income or directly in equity. In such cases, the tax is also recognised in Other comprehensive income or in equity.

Current tax is tax to be paid or received in the current year as well as adjustments to previous years' current tax. The tax rates and laws applied in calculating the amount are those enacted, or in practice enacted, as of the balance sheet date.

Deferred tax

Deferred tax is calculated using the balance sheet method for temporary differences between the taxable amounts and carrying amounts for assets and liabilities. Deferred tax assets are recognised

for deductible temporary differences and loss carry-forwards to the extent that it is likely that they will be utilised.

The value of deferred tax assets is determined on every balance sheet date and adjusted to the extent it is no longer likely that a sufficient taxable profit will be generated to enable all or part of the deferred tax asset to be utilised. Deferred tax assets and tax liabilities are calculated on the basis of the tax rates in effect for the period in which the asset is realised or the liability paid, based on tax rates and legislation that have been enacted, or in practice enacted, by the balance sheet date.

Cash flow statement

The Cash flow statement is prepared in accordance with the indirect method.

Interest payments are recognised in financing activities.

Cash and cash equivalents consist of available cash and bank balances.

Business segments

Reportable segments are identified on the basis of how the business is governed and followed up in the internal reporting to the highest executive decision-maker, which in AcadeMedia's case is the Chief Executive Officer. In this report, the Group's performance is monitored on the basis of the four operating segments of Preschool, Compulsory School, Upper Secondary School and Adult Education.

The segments apply the same accounting policies as the Group, other than in the case of recognition of the renting of premises. The segments recognise rental costs as an external expense and thus adaptation to IFRS 16 is performed as a consolidation adjustment.

Key estimates and judgements

In order to prepare financial statements in accordance with IFRS, Group management makes judgements, estimates and assumptions that are considered reasonable in the conditions that prevail. These assumptions and estimates are mostly founded on past experience, but also other factors, such as anticipated future events. With other judge-

ments, assumptions and estimates, actual results may be different and actual outcomes may deviate from the estimates made. Judgements, assumptions and estimates are reviewed on a regular basis and changes are reported in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

A description follows of the most important areas where judgements and assumptions have been made and that are regarded as likely to have to greatest impact on the Group's financial statements, and where any changes in assumptions and estimates made may result in material adjustments to the financial statements of the following financial year.

Impairment testing of goodwill

AcadeMedia performs testing annually, or where impairment is indicated, to identify any impairment of goodwill, in accordance with the accounting policies described above in this Note. For these calculations, certain assumptions and estimates must be made regarding future revenue, costs, margin, capital employed and return on capital requirements. The business is also affected by the regulations in force in the country concerned as applying to the business, and the levels of remuneration that are paid. In the countries where AcadeMedia operates, the development and structure of the school system and the framework for independent school operations is the subject of continuous debate.

Political decisions leading to changes in regulatory frameworks, including systems for reimbursement, may have a significant impact on AcadeMedia's operations, as well as on its financial performance. In Sweden, several political proposals have been put forward concerning the Swedish private school system in the run-up to 2022 election. These included proposals for changes in the funding system (reduction in school vouchers) and how free choice of compulsory school should be organised. The proposals were rejected in a vote in the summer of 2022. During the spring and summer, parties on

the conservative side also opened to the possibility of examining changes to the system. Following the result of the Parliamentary election in September 2022 and taking into account the proposals presented in the new government's agreement on schools, the likelihood of political proposals being put forward aimed at worsening the conditions for independent schools in Sweden, and being implemented, is considered to be lower than in the previous year. In this year's impairment test, current regulations and known changes have been taken into account and based on the information now known, the outcome of this year's impairment test is not expected to be affected by whether the proposed changes have been taken into account.

In Norway, regulations including those related to staffing and teacher standards, have been strengthened in recent years. In addition, an element of the reimbursement model in Norway has been adjusted downwards, with effect from 1 January 2022.

Testing indicates that no impairment loss has occurred. Judgements other than those made by the Company may lead to a different result and financial position, and an impairment loss may arise. See note G16 for more information on this year's impairment test and sensitivity analysis.

Rights-of-use

An impairment of a right-of-use asset is recognised when the Group has established that a contract's expected economic benefits are lower than the carrying amount for the right-of-use asset. When profit generation in a unit is not sufficient to cover the rent payments, an impairment write-down is applied to the right-of-use asset.

Provision for restructuring/closure of school units

Provision for restructuring is recognised when a decision on restructuring or closure of a unit is taken by management and communicated to the parties concerned, and when a reliable estimate of the cost of closure can be made. The judgements made regarding future net costs take into account, for example, student numbers, leasing costs and staffing. The assessment is most sensitive to the assumption as to student numbers.

Provisions for contract termination reserves and onerous contracts

A proportion of AcadeMedia's Adult Education business consists of fixed-term contracts with a requirement to maintain capacity even if volumes decrease. AcadeMedia's experience is that in the final phase of such contracts, the volumes are lower while costs do not decrease at the same rate. In order to accrue income and expenses, a reserve for contract renegotiation is built up on an ongoing basis, at the pace that obligations are performed during the contract term. This provision is intended cover termination costs at the end of the contract, and is calculated on the basis of an assessment of future net costs based on number of participants, rental costs and staffing. The assessment that has the greatest impact on the cost of completion is the number of participants. Where the assumptions are not fulfilled, lesser or additional completion cost provisions may be required.

Management also makes judgements regarding the existence of onerous contracts based on the performance of the units, but also taking forecasts of future developments into account. If an onerous contract is judged to exist, a provision based on the estimated loss is recognised immediately. If the loss relates to a lease, it is recognised as an impairment loss on the right-of-use asset. During the financial year, onerous contracts were identified in the Norwegian business and an impairment loss of SEK 21 million on the right-of-use asset was recognised. See also Note G18.

Provision for pension liability (defined-benefit pensions)

AcadeMedia operates a defined-benefit pension plan. The present value of pension obligation is determined by assumptions that are established on an actuarial basis. Significant assumptions include the discount rate, wage increases and pension up-rating. If these assumptions change, this will affect the carrying amount of the pension obligations. Further information on items such as sensitivity analysis for changes in significant assumptions is provided in Note G6.

Amortisation period regarding investments in leasehold real estate

Investments in rented properties are normally amortised over the term of the lease, which ranges from 2 to 25 years.

In a number of properties in exceptional locations, or where significant investments have been made, the useful life of the investment in the leased property has been judged to be longer than the lease term including extension clauses, since the judgement is that the property will continue to be leased subsequently on the basis of an underlying judgement that it is economically rational. In addition, a right of occupancy accrues to such leased premises. The carrying amount for these investments at the end of the lease term, including extension clauses, is SEK 83 million. If a lease is not extended, the remaining carrying amount will need to be tested for impairment.

Assessment at revenue recognition

AcadeMedia recognises school voucher funding as accrued over the period in which the teaching takes place, including time for planning and grading of student learning. Where remuneration is contingent on future performance, judgements are made as to the right to receive the remuneration.

For a more detailed description of these judgements, see the section on revenue recognition in Accounting Policies.

Assumptions for calculation of lease liability

In calculating the lease liability, management has made a number of estimates, assumptions and assessments that, if made differently, would have affected the size of the lease liability and thus of the right-of-use assets.

In calculating the lease liability, the lease commitments have been discounted using a discount rate that categorises the leases by geographical location. A different discount interest rate would affect the amount of the liability and the right-of-use asset, as well as interest expenses and depreciation/amortisation.

The leases normally incorporate options for extension. As the exercise of options for extension requires new investment decisions, options for extension are only included when a decision to continue operations is taken and when it is reasonably certain that the lease will be extended. See Notes G18 and G32 for more information on lease accounting.

G2: Segment reporting

(SEK m.)	Preschool		Compulsory School		Upper Secondary School		Adult Education		Other***		Eliminations		Group	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Revenue, total	4,493	4,044	3,808	3,466	5,496	5,042	1,924	1,987	32	40	1,414	-1,239	14,339	13,340
Revenue, internal	313	244	265	206	689	618	120	138	28	34	1,414	-1,239	–	–
Revenue, external	4,180	3,800	3,543	3,260	4,807	4,424	1,804	1,850	4	6	–	–	14,339	13,340
Adjusted EBITDA	241	264	335	268	630	578	224	271	-93	-86	–	–	1,337	1,297
Amortisation	-99	-88	-82	-70	-196	-180	-18	-16	-4	-2	–	–	-398	-357
Result from associates	–	–	–	–	–	–	-3	0	–	–	–	–	-3	0
Adjusted operating profit/loss (EBIT)	163	176	271	198	450	398	214	255	-97	-89	–	–	1,001	939
Items affecting comparability	-21	–	-18	3	-15	4	-11	–	0	-14	–	–	-64	-7
Effects of IFRS 16	–	–	–	–	–	–	–	–	288	243	–	–	288	243
Operating profit/loss (EBIT)	142	176	253	201	435	402	203	255	191	140	–	–	1,224	1,174
Net financial items	–	–	–	–	–	–	–	–	–	–	–	–	-441	-402
Tax on profit for the year	–	–	–	–	–	–	–	–	–	–	–	–	-179	-173
PROFIT FOR THE YEAR	–	–	–	–	–	–	–	–	–	–	–	–	605	599
Total number of students*	22,413	21,447	27,896	26,696	42,240	39,680	**	**	–	–	–	–	92,549	87,823
Number of children, preschools*	22,413	21,447	3,321	3,207	–	–	–	–	–	–	–	–	25,734	24,654
Number of students, compulsory schools*	–	–	24,574	23,489	–	–	–	–	–	–	–	–	24,574	23,489
Number of students, upper secondary schools*	–	–	–	–	42,240	39,680	–	–	–	–	–	–	42,240	39,680
Average number of employees, full-time equivalents*	5,156	4,993	3,417	3,289	3,681	3,483	1,366	1,406	196	190	–	–	13,815	13,360
Number of units*	286	269	116	114	151	148	–	–	–	–	–	–	553	531

* Average per year.

** The volume of Adult Education is not based on the number of participants, as the length of the programmes varies from individual occasions to school years.

*** Other refers to Group-wide items, including adaptation to IFRS 16.

INCOME PER SEGMENT

2021/22 (SEK m.)	2021/22						Total	2020/21 (SEK m.)	2020/21						Total
	Preschool	Compulsory School	Upper Secondary School	Adult Education	Other	Elimination			Preschool	Compulsory School	Upper Secondary School	Adult Education	Other	Elimination	
Education-related revenue	4,155	3,466	4,935	1,820	-3	-489	13,885	Education-related revenue	3,742	3,187	4,529	1,866	-3	-353	12,967
State subsidies	12	137	91	3	0	–	243	State subsidies	14	101	47	1	0	–	164
Other income	326	206	469	101	34	-925	211	Other income	288	178	466	120	43	-885	209
Total	4,493	3,808	5,496	1,924	32	1,414	14,339	Total	4,044	3,466	5,042	1,987	40	-1,239	13,340

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The Group's operations are organised into four segments: Pre-school, Compulsory School, Upper Secondary School and Adult Education.

Preschools are operated in Sweden, Norway, Germany and the Netherlands. In Sweden, preschool operations are conducted in a large number of municipalities with a total of 110 (110) units under the brand Pyslingen Förskolor. In Norway, preschools are operated under the Espira brand. Espira is Norway's third largest preschool provider with 106 (105) units and a clear proficiency-led concept. In Germany, 70 (54) preschool units are operated under the Joki, Stepke, KTS and Espira brands. In the Netherlands, preschools are operated at 2 units. Operations in Sweden are based entirely on the school voucher system. In Norway, the business is based on a publicly funded school voucher system similar to the Swedish system, while in Germany the business has a higher percentage of parental fees.

The Compulsory School segment operates compulsory schools in a large number of municipalities in Sweden, including under the brands Montessori Mondial, Noblaskolan, Pops academy and Vittra. The schools operate entirely on the basis of the school voucher system.

AcadeMedia's Upper Secondary School segment provides upper secondary education throughout Sweden under 15 different brands, offering both academic and vocational programmes. The segment's brands include Drottning Blanka, LBS, NTI, Praktiska, ProCivitas and Rytmus. The schools operate entirely on the basis of the school voucher system.

AcadeMedia's Adult Education segment is Sweden's biggest provider of adult education services. Operations are divided into three business areas: municipal adult education, higher vocational education and labour market services. The units are operated under several different brands, including Eductus, Hermods

and NTI-skolan. The reimbursement model varies among the business areas and is based on public funding, mainly from municipalities, the National Agency for Higher Vocational Education and the Swedish Public Employment Agency.

The segments apply the same accounting policies as the Group, other than in the case of recognition of the renting of premises. The segments continue to recognise rental costs as an external expense and adaptation to IFRS 16 is shown under the heading of Other.

The segments are responsible for the ongoing financial results up to and including operating profit. Responsibility for operating assets and financing, including cash and cash equivalents, rests at the Group level. This means that cash and cash equivalents and interest-bearing assets and liabilities are not allocated out to the segments. Consequently, it is not possible to allocate net financial items and tax per segment either.

Geographic information

REVENUE FROM EXTERNAL CUSTOMERS (BASED ON DOMICILE)

	2021/22	2020/21
Sweden	11,467	10,807
Norway	2,068	1,920
Germany	797	614
Netherlands	8	–
TOTAL	14,339	13,340

The Group generated revenue from one customer totalling SEK 1,763 million (1,641), representing around 12 percent (12) of the Group's total revenue for 2021/22. The breakdown by segment for this customer is as follows: Preschool SEK 618 million (600), Compulsory School SEK 433 million (389), Upper Secondary School SEK 580 million (503) and Adult Education SEK 131 million (149).

NON-CURRENT ASSETS BY COUNTRY

	Right-of-use assets		Other non-current assets		Total	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Sweden	6,620	5,978	6,158	6,037	12,778	12,015
Norway	893	1,012	2,026	1,852	2,919	2,864
Germany	844	499	356	354	1,199	854
Netherlands	10	–	39	–	49	–
Total	8,367	7,489	8,578	8,244	16,945	15,733

Non-current assets, above, do not include financial instruments, deferred tax assets and pension assets.

G3: Revenue from contracts with customers

AcadeMedia's revenue consists of:

- Education-related income consists of school voucher funding, or equivalent, in preschools, compulsory schools, upper secondary schools and participant fees in adult education.
- State subsidies include State subsidies for the primary school initiative, smaller classes, skills development and before- and

after-school care initiatives. For more information on State subsidies, see Note G7.

- Other income refers to income not directly related to education, such as rental income and the resale of computers.

BREAKDOWN OF REVENUE PER CUSTOMER CATEGORY | TIMING OF REVENUE RECOGNITION

SEK m.	2021/22			2020/21		
	Over time	At a point in time	TOTAL	Over time	At a point in time	TOTAL
Education-related income	13,885	–	13,885	12,967	–	12,967
State subsidies	243	–	243	164	–	164
Other income	211	–	211	209	–	209
Total	14,339	–	14,339	13,340	–	13,340

INCOME-RELATED CONTRACT ASSETS AND CONTRACT LIABILITIES

SEK m.	30 June 2022	30 June 2021
Contract receivables		
Accounts receivable (Note G21)	206	218
Accrued income (Note G22)	200	212
Total contract receivables	406	430
Contract liabilities		
Deferred income (Note G26)	326	386
Total contract liabilities	326	386

The major share of contract liabilities on 30 June 2022 are expected to be recognised as revenue in 2022/23.

Recognised revenue in 2021/22 for performance undertakings fulfilled in previous years is insignificant in view of the nature of the services, and consist primarily of "conditional payments". Retroactive revenue relating to earlier periods totalled SEK 13 million (22), of which SEK 0 million (22) is recognised under the heading Items affecting comparability.

The major share of this amount originates from municipalities and central government in Sweden and the equivalent in other countries. The major share of this revenue is paid under fixed payment plans that may be either before or after the service has

been performed. In cases where fixed payment plans do not exist, the payment conditions vary in the main between 0 (zero) and 60 days. Advance payments from customers are made monthly, quarterly or by semester in advance, but advance payments are also made up to a year in advance.

Remaining performance obligations

The Group's income is usually related to fixed-term training courses, which generally take place over a month to a school year. Exceptionally, programmes in the Adult Education segment may take place over up to two years. However, in the Preschool, Compulsory School and Upper Secondary School segments, it is normal for students to continue their education for several school years. Remuneration from municipalities or other parties is based on numbers of enrolled children and students or course participants that are approved by the client. This means that remaining performance obligations are normally very limited, and so no information is provided on this item. The pandemic and restrictions, including distance teaching in upper secondary schools, have made the assessment of whether the commitment has been met, and thus revenue recognition, more complicated.

Note G2 provides information on the number of students (annual average) that corresponds to AcadeMedia's contract portfolio and may generate future revenue.

G4: Fees to auditors

SEK m.	2021/22	2020/21
PricewaterhouseCoopers		
Audit assignment	9	8
– of which PwC AB	6	6
Other statutory assignments	0	0
– of which PwC AB	0	–
Tax advisory services	0	0
– of which PwC AB	0	–
Other services	1	2
– of which PwC AB	0	2
Other auditing firms		
Audit assignment	–	0
Other services	0	–
Total fees	11	11

Auditing fees consists of the fees paid for statutory auditing of the annual accounts and the accounting records, and of the administration by the Board of Directors, and for advisory services provided in connection with observations arising from the audit.

G5: Personnel expenses

SALARIES AND REMUNERATION		
SEK m.	2021/22	2020/21
Board of Directors and CEO	13	13
Other employees	6,491	6,104
	6,504	6,117
Expenses for social security contributions and pension obligations		
Board of Directors and CEO	6	6
Of which pension expenses, including payroll tax	2	2
Other employees	2,324	2,189
Of which pension expenses, including payroll tax	539	513
	2,330	2,195
TOTAL	8,834	8,312

The Group received hiring subsidies, in the form of salary subsidies and State subsidies for the teacher salary premium and head teacher salary premium, totalling SEK 214 million (207). This was offset against the Group's personnel costs, as the subsidies are provided as a way of compensating for higher costs. The cost of hired personnel is recognised in the income statement under Other external expenses in the amount of SEK 131 million (108), and under Cost of services sold in the amount of SEK 256 million (245).

GENDER BREAKDOWN, BOARD OF DIRECTORS

	2021/22	2020/21
Board of Directors		
Women	49%	56%
Men	51%	44%
Senior executives		
Women	56%	58%
Men	44%	42%

AVERAGE NUMBER OF EMPLOYEES (full-time equivalents)

	Men		Women		Total	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Sweden	3,392	3,336	6,860	6,634	10,252	9,970
Norway	275	286	2,165	2,183	2,440	2,469
Germany	194	156	932	765	1,126	921
Netherlands	1	–	10	–	11	–
Total	3,862	3,778	9,968	9,582	13 829	13,360

BOARD OF DIRECTORS' FEES

(Amounts in SEK t.)	2021/22		2020/21	
	Board of Directors' fees	Committee fee	Board of Directors' fees	Committee fee
<i>Chairman of the Board</i>				
Anders Bülow	618	83	600	79
<i>Board members</i>				
Johan Andersson	273	150	263	144
Ann-Marie Begler	273	54	153	31
Jan Bernhardsson (from 1/12/2021)	163	20	–	–
Anki Bystedt (until 30/11/2021)	110	14	263	33
Pia Rudengren	273	165	263	158
Silvija Seres	273	88	263	86
Håkan Sörman	273	108	263	105
<i>Employee representatives</i>				
Anders Lövgren	–	–	–	–
Anna Lundmark Boman ²	–	–	–	–
Pernilla Larsson (deputy)	–	–	–	–
Christian Liljeros (deputy) ²	–	–	–	–
Sofia Lundström (resigned) ²	–	–	–	–
Total	2,255	683	2,068	636

¹ Anki Bystedt resigned at the 2021 AGM and at the same time Jan Bernhardsson was appointed as a new member of the Board.

² Sofia Lundström resigned as employee representative in June 2021. Anna Lundmark Boman was elected as new employee representative and Christian Liljeros was appointed as new employee representative. No benefits or pension disbursements were paid out to the Board of Directors in 2021/22 or 2020/21.

REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES

Amounts in SEK t. 2021/22	Variable remuneration					Total
	Fixed salary	Variable remuneration	Benefits	Share-matching benefits	Pensions	
Marcus Strömberg, CEO	6,206	2,792	88	–	1,901	10,987
Other senior executives	16,049	2,859	164	–	4,196	23,269
TOTAL	22,255	5,651	252	–	6,098	34,256
Number of other senior executives ¹	8	7	3	–	8	

Amounts in SEK t. 2020/21	Variable remuneration					Total
	Fixed salary	Variable remuneration	Benefits	Share-matching benefits	Pensions	
Marcus Strömberg, CEO	6,110	3,000	155	637	1,864	11,766
Other senior executives	15,665	5,694	193	1,451	2,900	25,903
Sum total	21,775	8,694	348	2,088	4,764	37,669
Number of other senior executives	9	8	2	7	9	

¹ Jens Eriksson stepped down from Executive management on 30 May 2022, at which point Lotta Krus and Jimmy Kjellström joined the committee. The number of senior executives is calculated on the basis of the number of months of the financial year they were part of Executive management.

Composition of Executive management

During the year, Executive management comprised the following officers of the Company: CEO, Heads of Preschool Sweden, Preschool Norway, Compulsory School, Upper Secondary School and Adult Education, plus CFO, Head of HR, Head of Communication and Public Affairs and Head of Business Development.

Terms and conditions of employment of the CEO

The CEO of AcadeMedia receives a basic salary and benefits (car allowance), pension benefits and variable remuneration. The CEO has a premium-based pension plan, where the annual pension premium is 30 percent of the fixed basic salary. The CEO's variable remuneration may amount to a maximum of six months' salary. Remuneration is for approval annually by the Remuneration Committee in accordance with the guidelines set by the Annual General Meeting. The targets for variable remuneration are both operational and financial, and include factors such as quality and financial performance.

If notice of termination is given by AcadeMedia, the CEO is entitled to a twelve-month period of notice. The salary during the period of notice will be reduced by the amount of any remuneration from another employer as of month seven. If notice of termination is given by AcadeMedia, the CEO is entitled to twelve months' severance pay, in addition to the period of notice. If notice is given by the CEO, the notice period is six

months. The employment contract includes an anti-competitive clause of six months if the CEO intends to take up a new position with a company engaged in a competing business. During this time, the CEO is entitled to remuneration corresponding to the difference between the his/her salary in new employment and the salary he/she had in his/her employment with the Company.

Terms and conditions of employment for other senior executives

Other senior executives receive fixed and variable salary, plus pension benefits. The criteria for variable remuneration are the same as for the CEO. For other senior executives, notice periods of between four and twelve months apply, depending on whether notice is given by the executive or the Company. The notice period is generally longer in cases where a senior executive intends to take new employment in a company engaged in a competing business. When notice is given by the employer, certain senior executives are entitled to severance pay amounting to between six and twelve months' salary, in addition to regular salary during the notice period. Further information on guidelines applied during the year is provided on page 47.

Incentive programmes

During the year, AcadeMedia operated three long-term incentive programmes: a share-matching plan, a warrant programme and a convertible loan programme. The rationale for the incentive programmes is to motivate and retain competent employees, to align the participants' goals with those of the Company and to increase the motivation to meet the targets set.

In AcadeMedia, variable remuneration is conditional on the achievement of quality targets. AcadeMedia's Board of Directors has determined that, in a company such as AcadeMedia, it is also appropriate to evaluate whether management has used good judgement in its quality improvement work. This is important to ensure that the business develops in a way that is beneficial for the students and in the long term, for the Company. The Board of Directors and its Remuneration Committee evaluate the incentive programmes annually to ensure that they achieve their intended purposes.

Share-matching plan

During the year, AcadeMedia introduced a new share-matching plan (AMP 2021/2025), aimed at managers and other key employees in the Group, with the exception of the CEO and Executive management. Provided that the employee has made a personal investment in shares of AcadeMedia (savings shares), retains the shares during the term of the plan (February 2022 – February 2025) and is employed by AcadeMedia for the entire term, the employee is entitled to be allocated a corresponding number of matching shares. The criteria for allocation of matching shares are that the total return on the Company's shares over the term of the program exceeds ten percent and that AcadeMedia has maintained good quality in its education services over the term of the plan.

The total number of savings shares on 30 June 2022 was 13,850. The cost of the plan over the year was SEK 0.0 million.

NUMBER OF SHARES IN THE SHARE SAVINGS PLAN

	2021/22	2020/21*
Outstanding on 1 July	–	45,703
Issued	13,850	–
Forfeited	–	-5,148
Redeemed	–	-40,555
OUTSTANDING ON 30 JUNE	13,850	–

* The comparative figure relates to the AMP 2017 share matching plan, which expired during the previous financial year.

Warrant programme

During the year, AcadeMedia also introduced a new warrant programme directed at group management and other senior executives in the Group. Participants acquired warrants at SEK 4.41 per warrant, which is considered to be the market value based on an independent valuation using the Black and Scholes warrant model. The subscription price of SEK 60.10 is equal to 110 per cent of the volume-weighted average price at the time of issue. The warrants may be exercised during two periods: for two weeks from the day after publication of the interim report for the second quarter of the 2024/2025 financial year and for two weeks from the day after publication of the interim report for the third quarter of the 2024/2025 financial year.

A total of 482 673 warrants have been issued and each warrant entitles the holder to subscribe for one new share, representing a maximum dilution of 482,673 shares. As a result of proceeds from the programme, other capital contributions increased by SEK 2.1 million

On 30 June 2022, 40,000 warrants were held by the CEO and 240,000 by other members of Executive management.

Convertible loan programme

At the 2018 Annual General Meeting, a new long-term incentive programme was introduced, in the form of a convertible loan programme aimed at employees of the AcadeMedia Group, with the exception of the CEO and Executive management. The convertible loan programme is not conditional on continued employment for the entire term.

The convertible loan was subscribed for in an amount totalling approximately SEK 20 million. The convertible loan carries variable interest based on STIBOR.

Convertibles subscribed for may be converted into ordinary shares at a conversion price of SEK 59.50 during four periods, the first was in the beginning of 2022. The convertible loan falls due for payment on 17 September 2023 to the extent conversion has not taken place before then. During the year, 4,033 convertibles were converted into shares.

On conversion, AcadeMedia's share capital may increase by in all no more than SEK 334,706, through the issuance of no more than 334,706 ordinary shares, representing a dilution of approximately 0.3 per cent of the shares and votes in the Company.

The interest expense for the convertibles was SEK 1.1 million (1.1).

G6: Pensions

The Group operates defined-contribution and defined-benefit plans in Sweden and Norway, while Germany and the Netherlands only have defined-contribution pension plans. Defined-benefit pension plans in Sweden are in line with the ITP 2 agreement. They are secured via pension insurance with Alecta, which is a pension scheme that shared by several employers. This pension plan is accounted for as a defined-contribution pension plan, as Alecta cannot provide sufficient information for the plan to be accounted for as a defined-benefit pension plan. Thus, only defined-benefit pension plans in Norway are recognised on the balance sheet.

NET PENSION EXPENSES

	2021/22	2020/21
Cost of service during the period	-11	-13
Employee contributions	2	2
Net interest	-1	-2
Pension expense, defined-benefit pensions, in profit/loss for the year	-10	-13
Pension expense, defined-contribution pensions, in profit/loss for the year	-445	-418
Pension expenses in profit/loss for the year	-455	-431
<i>Re-measurement of defined-benefit pensions recognised in other comprehensive income</i>		
Actuarial gains (+)/losses (-) due to changes in financial assumptions	44	44
Actuarial gains (+)/losses (-) due to experience-based adjustments	7	-1
Return over and above interest income	-20	11
Effect of asset ceiling ¹	-38	-
Re-measurement of defined-benefit pensions recognised in other comprehensive income	-6	55
Pension expense in comprehensive income for the period	-461	-377

¹ In the fourth quarter, actuarial losses of SEK -38 million related to the effects of asset ceilings are recognised. The value of plan assets in AcadeMedia's pension plans exceeded the pension obligation at year-end. As the Company cannot credit itself with the surplus in the form of reimbursement, or by reducing future premiums to the plan, the surplus may not be recognised as an asset on the balance sheet. The surplus is a contingent asset.

The premiums for the year for pension insurance plans contracted with Alecta amounted to SEK 116 million (119). The Group's percentage of the premiums paid to Alecta totalled around SEK 0.5 percent (0.5). Premiums for the defined-benefit retirement and family pension plans are calculated on an individual basis and determined by factors such as salary, previously earned pension and expected remaining period of service.

The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance obligations, calculated according to Alecta's actuarial methods and assumptions, which do not align with IAS 19. The collective funding ratio should normally be allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is less than 125 percent or exceeds 155 percent, steps are to be taken to return the funding ratio to within the normal range. In the case of a low funding ratio, an option is to raise the agreed rates for new policies and to increase existing benefits. In the case of a high funding ratio, an option may be to reduce premiums. Such measures are for decision by the Alecta Board. On 30 June 2022, Alecta's surplus in the form of its collective funding ratio was 185 percent (165).

The following describes the defined-benefit pension plan in Norway. Norwegian companies are obliged to comply with the Norwegian law on mandatory occupational pensions. The companies' pension plans meet the requirements of this law. The plans provide defined future benefits in the form of retirement, family and disability pension. These benefits are mainly determined by the number of years of service, salary at retirement and social insurance levels. Defined-benefit pension plans in Norway are secured in accordance with the plan's rules via pension insurance with Storebrand Livforsikring AS. The size of the pension premiums is determined by the insurance provider, based on criteria differing from those in IAS 19. Under the pension agreement, employees contribute two percent of their gross salary in premium payments.

The Norwegian plan shows a surplus that is not recognised, as future economic benefits are neither available to AcadeMedia in the form of reduction of future contributions to the plan nor through reimbursement.

DEFINED-BENEFIT PENSION LIABILITY, NET

	30 June 2022	30 June 2021
Present value of defined-benefit pension obligations	227	256
Fair value of plan assets	-267	-255
Net pension liability (+) /assets (-)	-40	1
Effect of asset ceiling	+38	-
Net pension liability (+) /assets (-) on the balance sheet	-3	1

CHANGE IN PRESENT VALUE OF PENSION LIABILITY

	2021/22	2020/21
Pension liability, opening balance	256	277
Acquisitions	1	-
Cost of service during the period	11	13
Interest expense	6	4
Re-measurement of pensions		
– demographic assumptions	-	-
– financial assumptions	-44	-44
– experience-based adjustments	-7	1
Pension disbursements	-2	-2
Payroll tax paid	-3	-3
Exchange rate difference	9	10
Pension liability, closing balance	227	256

CHANGE IN FAIR VALUE OF PLAN ASSETS

	2021/22	2020/21
Plan assets, opening balance	255	217
Acquisitions	1	-
Interest income	4	2
Return over and above interest income	-20	11
Employer contributions	19	18
Employee contributions	0	0
Pension disbursements from plan assets	-2	-2
Other	-	-
Exchange rate difference	10	8
Plan assets, closing balance	267	255

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The plan assets consist of pension insurance through Storebrand Livförsäkring AS, invested according to the Storebrand Standard.

Risk is controlled via dynamic risk management, meaning that the equity portion is weighted up or down, depending on developments in the financial markets. Risk capacity is determined by several factors, such as the buffer and level of interest rates.

INVESTMENT OF PLAN ASSETS

	30 June 2022	30 June 2021
Shares	7%	9%
Interest-bearing investments	73%	76%
Real estate	16%	12%
Alternative investments	4%	3%
Sum total	100%	100%

Of the above, Equities and Interest-bearing investments are invested in an active market.

SIGNIFICANT ACTUARIAL ASSUMPTIONS

	30 June 2022	30 June 2021
Discount rate	3.00%	2.10%
Salary increase	2.75%	2.25%
Uprating of pension	0.00%	0.00%
Increase in social security amount	2.50%	2.00%
Life expectancy, mortality table	G2013BE	G2013BE

The present value of pension obligations is determined by a number of factors established on the basis of a number of assumptions.

The Norwegian pension plan covers 496 (524) persons, of whom 211 (244) are active and 285 (280) are pensioners, as per 30 June 2022.

The defined-benefit pension obligation totals SEK 227 million (256), of which SEK 101 million (110) pertains to the active employees and the remaining SEK 125 (147) million to the retirees. The weighted average duration of defined-benefit pension liabilities is around 5 years (six).

The anticipated total contributions to the Norwegian defined-benefit plan is around SEK 21 million (20) for the upcoming financial year. Added to this is Norwegian payroll tax of around

SEK 3 million (3). Anticipated contributions to the Swedish defined-benefit plan with Alecta amount to around SEK 122 million (143). Added to this is Swedish payroll tax of around SEK 30 million (35).

The defined-benefit pension plan expose the Group to various risks, including risks associated with changes in life expectancy, salary levels etc. Each change in the assumptions applied will have an impact on the carrying amounts of the pension obligations. However, responsibility for the pension obligation for former employees – “paid-up policies” – is transferred to the insurer, and the pension obligation for these paid-up policies is not recognised as net debt.

SENSITIVITY ANALYSIS FOR PENSION LIABILITY

	Change in liability, SEK m.			
	Change in assumption		Change in liability, SEK m.	
Discount rate	-0.50%	0.50%	+25	-22
Salary increase, incl. increase in social security charge	-1.00%	1.00%	-5	+5
Pension uprating	-0.50%	+0.50%	ET	+23
Estimated life expectancy	-1 year	+1 year	-7	+7

The sensitivity analysis was applied to the most significant actuarial assumptions, which are discount rate, salary increases, pension uprating and estimated life expectancy. The sensitivity analysis involved changing one actuarial assumption and leaving the other assumptions unchanged. The method shows the liability's sensitivity to an individual assumption. It is a simplified method, as the actuarial assumptions are normally correlated.

G7: State subsidies

	2021/22	2020/21
Salary subsidy, teacher salary premium	99	100
Salary subsidy, head teachers/career service	65	59
Other salary subsidies	50	48
State subsidies for equitable school	93	79
State subsidy, covid (sv. skolmiljarden)	48	0
Erasmus	22	1
Other State subsidies	80	84
TOTAL	458	371

AcadeMedia receives State subsidies to implement government-led initiatives. These include programmes to increase the attractiveness of the teaching profession, for smaller classes and to promote greater equality. State subsidies are classified as salary subsidies and other State subsidies, and they involve a corresponding expense.

State subsidies obtained to cover increased payroll expenses such as teacher salary premium, head teacher premium and other salary subsidies, are recognised net under personnel expenses. In all, State salary subsidies totalled SEK 214 million (207).

Other State subsidies are recognised in revenue and amounted to SEK 243 (164) million, of which the State subsidy for equitable school is the single largest subsidy, totalling SEK 93 (79) million. The second largest subsidy received, which amounted to SEK 48 (-) million, was paid under the “School Billion 2021” scheme. The Schools Billion is a State subsidy paid out with the aim of ensuring that children and students receive the education they are entitled to despite the Covid-19 pandemic. In the spring of 2022, SEK 25 million was received under the School Billion 2022 scheme. This will be used in the school year ahead for the additional activities by principals and education management to reduce the negative effects of the pandemic. Other State subsidies, totalling SEK 80 million (84) are intended to fund teacher assistants, smaller classes and apprenticeship grants.

In Germany, investment grants are received in connection with the establishment of new preschools. During 2021/22, AcadeMedia received decisions on investment grants totalling SEK 42 million (74), of which SEK 28 million (22) was paid during the financial year.

G8: Amortisation

	2021/22			
	According to plan	Acquisition-related	Rights-of-use	TOTAL
Brands	–	12	–	12
Other intangible assets	3	1	–	4
Equipment	118	–	142	260
Expenditure on improvements to leasehold real estate	78	–	–	78
Buildings	39	5	1,358	1,401
TOTAL	238	18	1,499	1,755

	2020/21			
	According to plan	Acquisition-related	Rights-of-use	TOTAL
Brands	–	12	–	12
Other intangible assets	2	–	–	2
Equipment	105	–	131	236
Expenditure on improvements to leasehold real estate	66	–	–	66
Buildings	37	4	1,224	1,265
TOTAL	210	16	1,355	1,581

G9: Items affecting comparability

Items affecting comparability include income and expenses of such a nature as to affect comparability. These are reported on a separate line in the accounts to improve comparability between periods and to clarify the trend in the underlying business.

ITEMS AFFECTING COMPARABILITY

	2021/22	2020/21
Transaction costs	0	-2
Retroactive revenue from previous years	0	22
Restructuring costs (Upper Secondary school)	-15	-15
Fire	-42	-
Fire, insurance compensation	24	-
Integration costs, Segab	-	-12
VAT costs (Adult Education)	-11	-
Provision for lossmaking units	-21	-
TOTAL	-64	-7

On 7 July 2021, Vittra Kungshagen compulsory school in Nyköping was completely destroyed in an arson attack. Reconstruction of the school is in progress. Additional costs arising from the fire have burdened the result in the amount of SEK 42 million, in the form of a charge of SEK 4.4 million for impairment/retirement and extra costs of SEK 37.7 million. Insurance claim payments totalling SEK 24 million have been received to date. It is expected that further insurance payments will be received, largely covering the costs incurred.

In the second quarter, the Adult Education segment was charged with a VAT expense of SEK 11 million after the Swedish Tax Agency adjusted its interpretation and implementation as regards VAT on staffing services, such as consultants hired for teaching in adult education. As of 1 January 2022, the reimbursement model takes these higher costs into account.

During the financial year, onerous contracts were identified in the Norwegian business and an impairment loss of SEK 21 million on the right-of-use asset was recognised. See also Note G18.

The Group's operating profit/loss would be as follows if items affecting comparability had not been reported on their own line in the accounts.

OPERATING PROFIT/LOSS

	2021/22	2020/21
Net sales	14,363	13,362
Cost of services sold	-1,286	-1,120
Other external expenses	-1,417	-1,365
Personnel expenses	-8,660	-8,122
Amortisation	-1,776	-1,587
OPERATING PROFIT/LOSS	1,224	1,169

G10: Financial income

	2021/22	2020/21
Interest income	1	0
Foreign exchange gains	0	3
Other	0	0
FINANCIAL INCOME	1	3

G11: Financial expenses

	2021/22	2020/21
Interest expense	-25	-28
Borrowing costs*	-4	-2
Interest expense, lease liability	-407	-370
Exchange rate losses	-2	-
Bank charges and similar	-3	-4
FINANCIAL EXPENSES	-441	-405

* Setup charges for new loans are expensed over the term of the loan. During the financial year, profit was charged with accrued borrowing costs of SEK 4 million (2).

Interest expense arising from lease liabilities consists of interest expense of SEK 6 million (5) in connection with finance leases and interest expense incurred via implementation of IFRS 16, i.e. SEK 401 million (365) relating to leases on premises.

G12: Taxes

Income taxes consists mainly of the following components:

	2021/22	2020/21
Current tax		
Current tax on profit for the year	-188	-183
Adjustment of tax pertaining to previous year	-3	2
Total current tax	-191	-181
Deferred tax		
Deferred tax on temporary differences	11	8
Deferred tax arising from changes in tax rates	1	0
Total deferred tax	13	8
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	-179	-173
Other comprehensive income		
Deferred tax relating to actuarial gains and losses	1	-12
TOTAL TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME	1	-12

RECONCILIATION OF EFFECTIVE TAX IN THE INCOME STATEMENT

	2021/22	2020/21
Pre-tax profit	784	767
Tax at current tax rate	-161	-164
Tax effect of:		
Other tax rates in foreign subsidiaries	2	2
Non-deductible expenses	-22	-11
Non-taxable income	0	0
Utilisation of previous year's unrecognised loss carry-forwards	4	0
Adjustment, previous years	-3	2
Revaluation of deferred tax – change in tax rate*	1	0
Other	-1	-1
EFFECTIVE TAX RECOGNISED	-179	-173

* The tax rate in Sweden was reduced to 20.6% for financial years beginning on or after 1 January 2021, from the previous rate of 21.4%.

The effective tax rate is in line with that of the previous year, despite a lowering of the nominal tax rate in Sweden. This is the result of adjustments to tax from previous years as well as the improvement in earnings from higher tax activities.

Tax loss carry-forwards for which a deferred tax asset is not recognised, amounting to SEK 26 million (24) and representing

a tax value of SEK 5 million (5), have not been measured. This is because the tax loss carry-forwards are subject to restrictions on offsetting of Group contributions and it is thus uncertain whether they will be available for use.

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CHANGE IN DEFERRED TAX

	Non-current intangible assets		Property, plant and equipment		Right-of-use assets		Provision for pensions		Allocations and provisions		Untaxed reserves		Tax loss carry-forwards		Offsetting of receivable/payable		TOTAL	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
At start of year	-42	-44	15	3	60	33	0	13	68	48	-196	-152	8	-	-	-	-86	-99
Recognised in the income statement	2	3	8	6	25	27	0	-1	10	20	-30	-44	-4	-3	-	-	12	8
Recognised in other comprehensive income	-	-	-	-	-	-	-1	-12	-	-	-	-	-	-	-	-	-1	-12
Acquisitions	-2	0	0	7	0	0	0	0	0	0	0	0	-	12	-	-	-2	19
Reclassification	-1	-	-	-	1	-	0	0	0	0	0	0	-	-	-	-	0	0
Translation difference	-	-	0	-1	1	-1	0	0	1	1	-	-	0	0	-	-	2	-1
At year-end	-42	-42	24	15	87	60	-1	0	79	68	-196	-196	4	8	-	-	-75	-86
<i>Of which</i>																		
<i>Deferred tax assets</i>	0	0	45	38	87	60	-1	0	79	68	-	-	4	8	-195	-159	19	16
<i>Deferred tax liability</i>	-42	-42	-21	-22	-	-1	-	-	-	-	-226	-196	-	-	195	159	-94	-101

G13: Earnings per share

	2021/22	2020/21
Profit attributable to owners of the Parent Company	605	594
Effect of convertibles	1	1
Profit attributable to owners of the Parent Company after dilution	606	594
Average number of ordinary shares, basic (thousands)	105,584	105,342
Effect of warrants (thousands)	0	12
Effect of convertibles (thousands)	337	339
Average number of ordinary shares, diluted (thousands)	105,922	105,692
Earnings per share, basic (SEK)	5.73	5.64
Earnings per share, diluted (SEK)	5.72	5.62

The average number of shares before dilution amounted to 105,584,247 (105,342,092) and has been affected by the conversion of convertible bonds under the convertible loan programme in spring 2022. The total number of ordinary shares increased by 4,033 upon conversion.

As of 30 June 2022, a warrant programme is also in operation. The programme comprises a total of 482,673 warrants, which have been excluded from the calculation of diluted earnings per share, as they did not give rise to any dilutive effect in 2021/22.

G14: Business combinations

The acquisitions below represent a combined value of less than 5 percent of the Group and are therefore not specified separately in the tables. In all acquisitions, 100 percent of the shares and voting rights were acquired.

In all acquisitions, the purchase consideration takes the form of a cash payment.

The following are disclosures regarding adjusted acquired net assets and goodwill. No portion of goodwill is tax deductible.

Acquisitions 2021/22			
Acquiring company	Acquired company/business	Date of acquisition	Segment
Vittraskolorna AB	Friskolan Lyftet AB	31 Aug. 21	Compulsory School
Pysslingen Förskolor och Skolor AB	Kråkbrinkens Förskola AB	1 Nov. 21	Preschool
Espira Barnehager AS	Espira Holbekk Idrettsbarnehage AS	1 Nov. 21	Preschool
Espira Barnehager AS	Holbekk Barnehagetun	1 Nov. 21	Preschool
Espira Barnehager AS	Naturbarnehagene	1 Nov. 21	Preschool
Espira Barnehager AS	Espira Sandtoppen Naturbarnehage AS	1 Nov. 21	Preschool
Espira Barnehager AS	Espira Eikenøtta Naturbarnehage AS	1 Nov. 21	Preschool
AcadeMedia GmbH	Plek voor kinderen B.V.	1 Apr. 22	Preschool
AcadeMedia Educational Servies AS	Sandviks AS	1 May 22	Preschool

Acquisitions 2020/21			
Acquiring company	Acquired company/business	Date of acquisition	Segment
ACM 2001 AB	RE Skolor AB (parent company of Swedish Education Group, Segab)	17 Dec. 2020	Adult Education/Upper Secondary School/Compulsory School
ACM 2001 AB	International Montessori School Sweden AB	1 Feb. 2021	Compulsory School
Hermods AB	Allautbildare Sverige AB	30 Apr. 21	Adult Education
Espira Barnehager AS	Espira Fasanveien AS	1 May 21	Preschool

Acquisition effects**EFFECTS OF ACQUISITIONS**

	2021/22	2020/21
Purchase consideration including transaction costs	214	311
Transaction costs	6	3
Purchase consideration excluding transaction costs	208	308
Fair value of acquired net assets excluding goodwill	72*	74
Goodwill	136*	234

* The acquisition analysis for Sandviks AS has been adjusted after the end of the financial year, resulting in a decrease of SEK 12 million in Goodwill, an increase of SEK 11 million in Trademarks and an increase of SEK 4 million in Other intangible assets.

Goodwill is in the main attributable to :

- Whether the business can operate with satisfactory profitability sustainably, on the basis of its quality and attractiveness, and by virtue of being a well-developed organisation.
- Annual cost synergies that are expected to be gained from overlapping resources in sales and marketing, administration and education.
- Economies of scale and streamlining in purchasing and administration.
- Expansion of operations into new geographic markets.

FAIR VALUE ACQUIRED

	2021/22	2020/21
Intangible non-current assets	19	0
Property, plant and equipment	51	41
Right-of-use assets	28	330
Non-current financial assets	0	20
Current assets	37	32
Cash and cash equivalents	27	71
Interest-bearing liabilities	-26	-7
Lease liabilities	-28	-330
Non-interest-bearing liabilities	-29	-82
Current tax liability	0	-1
Provisions	-7	-1
Net assets acquired	72	74

The fair value of acquired receivables is included in current assets and totals SEK 37 million (32). The gross contractual amount of receivables is also SEK 37 million (32) and is expected to be paid in full. Goodwill arising from acquisitions consists of synergies with existing businesses, as well as resources such as personnel, education programmes, recruitment and personnel development. It also includes service organisation that is streamlined as a result of the acquisitions.

EFFECT OF ACQUISITIONS ON THE GROUP'S CASH AND CASH EQUIVALENTS

	2021/22	2020/21
Purchase consideration excluding transaction costs and including interest compensation	208	308
Less purchase consideration not settled in cash as of 30 June	0	-2
Cash and cash equivalents at acquisition	-27	-71
Impact on the Group's cash and cash equivalents	181	235

Definitive acquisition analyses

The acquisition analyses are provisional for one year from the acquisition date. No adjustments were made to acquisition analyses during the year or the preceding year.

CONTRIBUTION OF ACQUISITIONS TO CONSOLIDATED PROFIT

	2021/22	2020/21
Net sales	84	250
Operating profit/loss (EBIT)	11	20

IF THE UNIT HAD BEEN INCLUDED IN CONSOLIDATED PROFIT/LOSS FROM 1 JULY, ITS CONTRIBUTION WOULD HAVE BEEN:

	2021/22	2020/21
Net sales	218	503
Operating profit/loss (EBIT)	22	34

G15: Intangible non-current assets

	Goodwill		Brand		Other intangible assets		TOTAL	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Cost, opening balance	6,209	5,956	235	235	5	5	6,480	6,196
Adjustment of acquisition analyses	-8	-	-	-	7	-	-1	-
Business combinations	146	234	4	-	5	1	155	235
Purchases	-	-	-	-	2	3	2	3
Divestments and disposals	-	-	-	-	0	-4	-28	-4
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate difference	44	18	0	-	4	0	44	18
ACCUMULATED COST, CLOSING BALANCE	6,391	6,209	239	235	23	5	6,653	6,450
Amortisation and impairment, opening balance	-4	-4	-37	-25	0	0	-56	-29
Amortisation for the year	-	-	-12	-12	-4	-2	-16	-14
Divestments and disposals	-	-	-	-	0	2	15	2
Exchange rate difference	-	-	0	-	1	0	0	0
ACCUMULATED AMORTISATION AND IMPAIRMENT, CLOSING BALANCE	-4	-4	-48	-37	-3	0	-56	-41
CARRYING AMOUNT, CLOSING BALANCE	6,387	6,205	191	198	20	6	6,597	6,409

G16: Impairment testing

AcadeMedia performs a review at least annually to determine any impairment of goodwill, by calculating the recoverable amount for the cash-generating units (CGUs). See Accounting Policies, Note G1. The review is performed during the fourth quarter and as per 31 March. Goodwill is allocated to the lowest level at which it is possible to identify substantially independent cash flows (cash-generating units, CGUs). In AcadeMedia, this is per segment except for the Preschool segment, which consists of three cash-generating units, Preschool Sweden, Preschool Norway and Preschool Germany. This also corresponds to the lowest level at which comprehensive financial information is available and is monitored internally.

For the year shown for comparison, the recoverable amount is calculated as the value in use for all cash-generating units. For the 2021/22 financial year, the recoverable amount is calculated as the value in use for the operations in Sweden and Germany, and as fair value less costs of selling for the Norway CGU. This is because the value-in-use approach does not fully take into account the fair value of the properties in Norway, which is estimated to exceed book value by about SEK 400 million after tax.

The value in use for all CGUs is based on cash flow calculations based in turn on business plans adopted by management and Board. These are based on the impairment test performed, but

also on the current and known regulatory framework at the year-end, 30 June 2022. The business plans extend for a period of five years and after that period forecasts are made for a further five years to make a total forecast period of 10 years, in part to take account of the need for reinvestment associated with the right-of-use assets. The most important assumptions in the impairment testing are rate of growth, operating margin, investment requirement and discount rate (WACC). The rate of growth in the business plans is based on assumptions as to growth in student numbers and expectations regarding market trends. The cash flows calculated are thus based on an annual rate of growth of 2.0 percent (2.0). Operating margin and investment level have been determined by the Board and management on the basis of historical results and past experience.

The discount rates applied are calculated before tax and reflect the specific risk attached to each CGU. For the review of the Norwegian business, a fair value measurement less costs of selling is made, which involves separate valuations of the business and the properties. The business is measured as though all units had a market rent, to neutralise the cost benefits of operating in their own premises. Real estate is measured using direct yield requirements for similar properties.

	CGU – 30 June 2022				CGU – 30 June 2021			
	Goodwill	Growth rate	WACC before tax	WACC after tax	Goodwill	Growth rate	WACC before tax	WACC after tax
Preschool Sweden ¹	643	2%	8.5%	7.3%	640	2%	8.6%	7.0%
Preschool Norway ¹	910	2%	10.2%	8.8%	788	2%	8.4%	7.3%
Preschool Germany ¹	271	2%	8.3%	6.2%	257	2%	8.9%	6.6%
Preschool Netherlands ^{1,2}	36	-	-	-				
Compulsory School	1,451	2%	9.3%	7.7%	1,435	2%	7.9%	6.7%
Upper Secondary School	2,200	2%	11.1%	9.0%	2,200	2%	9.5%	8.2%
Adult Education	876	2%	12.2%	10.4%	884	2%	11.2%	9.6%
	6,387				6,205			

¹ Preschool Sweden, Preschool Norway, Preschool Netherlands and Preschool Germany together make up the Preschool segment.

² No impairment test was performed in 2021/22

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In Norway, regulations including those related to staffing and teacher standards, have been strengthened in recent years. In addition, a pension component of the remuneration model has been downwardly adjusted, effective 1 January 2022. This has negatively impacted the profitability of the Norwegian operations and thus cash flow. The impairment test's calculation of fair value less costs of selling exceeds the carrying amount, indicating that no impairment exists. The impairment assessment performed also indicates that no impairment is required even with reasonable changes in key assumptions. New rules, estimates and judgements, as described in Note G1, may lead to an impairment loss.

In the case of the Compulsory School CGU, the political risk at the time the impairment test was performed was deemed to have increased due to issues in the run-up to the 2022 election. This was taken into account when the discount rate was determined. In view of the outcome of the Parliamentary election in September 2022 and taking into account the proposals presented in the new government's agreement on schools, the

risk of political proposals aimed at worsening the conditions for independent schools in Sweden and their implementation is considered to be lower than in previous years. In this year's impairment test, the current regulations and known changes have been applied and based on the information now known, the outcome of this year's impairment test is not expected to be affected by whether the proposed changes have been taken into account.

The impairment assessment performed for the other CGUs (CGU Preschool Sweden, CGU Preschool Germany, CGU Upper Secondary School, CGU Adult Education) indicates that no impairment is required, either in the annual test or in the case of reasonable changes in key assumptions. For the recoverable amount to equal the carrying amount, the return on capital requirement before tax needs to be increased by 1.1 percentage points for Preschool Sweden, 0.7 percentage points for Preschool Norway, 0.9 percentage points for Preschool Germany, 1.7 percentage points for Compulsory School, 6.6 percentage points for Upper Secondary School and 11.6 percentage points for Adult Education.

G17: Property, plant and equipment

	Buildings		Equipment		Expenses for improvements to leasehold real estate		Total	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
	Cost, opening balance	1,223	1,134	708	703	768	692	2,699
Business combinations	42	11	6	9	3	21	51	41
Purchases	20	23	152	128	148	106	321	257
Divestments and disposals	–	–	-67	-142	-25	-40	-92	-181
Reclassifications	-56	15	-1	7	31	-12	-26	10
Exchange rate differences	47	40	8	3	3	0	58	43
Accumulated cost, closing balance	1,276	1,223	806	708	928	768	3,010	2,699
Depreciation, opening balance	-179	-133	-396	-422	-290	-260	-864	-815
Depreciation for the year	-44	-41	-118	-105	-78	-66	-240	-213
Divestments and disposals	–	–	67	141	19	39	87	181
Reclassifications	11	0	0	-7	-11	-3	0	-10
Exchange rate differences	-7	-5	-5	-3	-1	0	-13	-9
Accumulated depreciation, closing balance	-218	-179	-452	-396	-360	-290	1,030	-864
Carrying amount, closing balance	1,057	1,044	354	312	570	479	1,981	1,835

Buildings consist of preschool properties. During the year, no preschool properties were sold (preceding year: –). As of 30 June 2022, 41 properties (38) were owned.

G18: Right-of-use assets**LEASES**

	2021/22			2020/21		
	Real estate	Other*	Sum total	Real estate	Other*	Sum total
At start of year	7,348	141	7,489	7,207	139	7,346
New leases, extensions and index adjustments	2,157	168	2,325	1,016	133	1,149
Acquisitions	18	–	18	330	–	330
Amortisation	-1,358	-142	-1,500	-1,224	-131	-1,355
Impairment	-21	–	-21	–	–	–
Reclassification from provisions	-20	–	-20	–	–	–
Exchange rate differences	74	–	76	20	–	20
At year-end	8,199	167	8,367	7,348	141	7,489

*Other refers to leases of IT equipment and vehicles.

AcadeMedia's lease commitments relate primarily to premises, IT equipment and vehicles. AcadeMedia has around 800 leases on premises and these represent the major share of the Group's leased assets and liabilities. The terms of the leases on properties vary according to the activity. In adult education, the lease term is relatively short, whereas in school operations the lease term is longer.

Variable expenses

Variable expenses, such as real estate tax, value added tax and other variable real estate expenses, including maintenance costs, electricity, heating and water etc. are excluded from the calculation of the lease liability to the extent that such costs can be separated from the rental cost.

Cash flows

The total cash flow for leases entered into was SEK -1,752 million (-1,649) over the financial year.

Leases entered into, not yet in force

In addition to the leases recognised on the balance sheet, the Group has contracted leases that are not yet in force, representing a leasing commitment of SEK 2,084 million (3,447). The decrease is mainly attributable to three major leases in the Upper Secondary School, Campus Södermalm and Campus Vasastan in Stockholm and Donnergymnasiet in Gothenburg, which started during the year.

Discount rates applied

Lease fees are discounted at the Group's marginal borrowing rate. The rate applied to leases in Sweden was 3.7–6.9 percent

(3.7–6.9), for Norway 4.6–5.0 percent (5.0) and for Germany 5.0–4.5 percent (5.0–5.1). In the case of new leases in Sweden, the discount rate was 4.1–6.1 percent.

CARRYING AMOUNTS IN THE INCOME STATEMENT

	2021/22	2020/21
Expenses attributable to short-term leases	46	42
Expenses attributable to leases of low-value assets	26	36
Expenses attributable to variable lease fees not included in the lease liability	13	12
Total	85	90
Interest expense attributable to leases	407	370
Amortisation on leases	1,500	1,355

COMMON CONTRACT DURATIONS PER SEGMENT

Adult Education	6–48 months
Compulsory School	5–15 years
Upper Secondary School	5–15 years
Preschool Sweden	10–15 years
Preschool Norway	10–20 years
Preschool Germany	15–30 years

G19: Shares in associated companies

Associated company	Corp. reg. no.	Ownership share	Equity share	Profit share
Hypocampus AB	559072-5155	36.70%	22.6	-1.7
EdAI Technologies	559209-0871	36.15%	12.2	-1.4
			34.8	-3.1

AcadeMedia owns 37 percent (27) of the shares in HypoCampus AB (corp. reg. no 559072-5155, registered office in Gothenburg), having increased its holding by investing SEK 19 million in a new share issue.

HypoCampus provides a study platform as a software service to producers of educational/study materials. It also comprises a publishing business offering access via hypocampus.se to self-produced digital study material for medical students.

Sales for the financial year totalled SEK 11 million (3) million, with a loss of SEK -3 million (-1). Equity in the company totalled SEK 13 million. AcadeMedia's share in profit for the 2021/22 financial year was SEK -1,7 million (-0.4) and its share in equity SEK 23 million (5).

During the year, AcadeMedia invested SEK 14 million in EdAI Technologies AB (org. reg. no. 559209-0871), owning 36.2 percent at year-end. EdAI Technologies develops and sells digital educational materials and tools for learning and teaching.

EdAI Technologies' sales in the financial year totalled SEK 0.5 million and the company reported a loss of SEK -1.5 million. Equity in the company totalled SEK 7.6 million. AcadeMedia's share in profit was SEK -1.4 million and its share in equity SEK 12 million.

G20: Inventories

	30 June 2022	30 June 2021
Merchandise	21	-
Provision for obsolescence	-0	-
Total	21	-

The cost of inventories is determined on a first-in-first-out basis.

G21: Accounts receivable

	30 June 2022	30 June 2021
Accounts receivable, gross		
Not overdue	168	183
Overdue 1–15 days	18	11
Overdue 16–30 days	12	17
Overdue more than 30 days	10	8
Total	208	220
Provision for doubtful accounts receivable		
At start of year	2	4
Provisions for the year	1	1
Confirmed losses	0	0
Reversed provisions	-1	-4
At year-end	2	2
Accounts receivable at year-end	206	218
Confirmed bad debt losses	7	0

The Group's customers consist essentially of municipalities, public authorities and companies, representing a low credit risk to the Group, and the credit quality of outstanding accounts receivable is considered to be very high. There are no significant credit concentrations.

The Group's provision for doubtful accounts receivable refers to the category "Overdue more than 30 days". The provision for doubtful accounts receivable and confirmed customer losses is included in Other external expenses. Collateral is not normally held for these claims.

G22: Prepaid expenses and accrued income

	30 June 2022	30 June 2021
Prepaid expenses	145	107
Accrued income	200	212
Total	345	319

Accrued income consists mainly of unbilled programmes in adult education. The increase in prepaid expenses compared to the previous year consists mainly of accrued expenses related to IT systems (SaaS).

G23: Cash and cash equivalents

	30 June 2022	30 June 2021
Cash and bank balances	1,137	966
Total	1,137	966

Cash and cash equivalents consist of bank balances, of which SEK 36 million (34) relate to tax accounts in Norway, and are bank accounts whose balance must be at least equal to the withholding tax liability. The definition of cash and cash equivalents is the same for the balance sheet as for the cash flow statement.

G24: Equity

	Number of ordinary shares	Number of Class C shares	Number of shares	Share capital
OPENING BALANCE, 1 JULY 2020	105,300,103	248,242	105,548,345	105,548,345
Conversion of Class C shares	42,337	-42,337	-	-
New share issue on redemption of warrants	240,500	-	240,500	240,500
CLOSING BALANCE, 30 JUNE 2021	105,582,940	205,905	105,788,845	105,788,845
Conversion of convertible bonds	4,033	-	4,033	4,033
CLOSING BALANCE, 30 JUNE 2022	105,586,973	205,905	105,792,878	105,792,878

Consolidated capital

The AcadeMedia Group's financial goal is growth of five to seven percent in sales per year for the Group, excluding major acquisitions. In addition, AcadeMedia also intends to provide the highest quality education in the areas where the Group operates. The target is that adjusted operating profit should amount to seven to eight percent of sales.

Regarding indebtedness, AcadeMedia's target is to have net debt relative to operating profit, before depreciation and amortisation (adjusted EBITDA) and excluding items affecting comparability, not exceeding a factor of three. However, during brief periods there may be deviations from this goal, for example in the event of major acquisitions.

AcadeMedia has no non-controlling interests.

Share capital

The share capital on 30 June 2022 was SEK 105,792,878 (105,788,845). The share capital is represented by 105,586,973 ordinary shares (105,582,940) and 205,905 Class C shares (205,905). The Class C shares have been repurchased and are held in treasury. The number of outstanding shares is thus 105,586,973.

Holders of ordinary shares are entitled to a dividend and their shareholding entitles them to exercise one vote per share at

the shareholders' meeting. Class C shares entitle holders to one tenth of a voting right.

All shares have the same right to the remaining net assets of AcadeMedia AB (publ). All shares are fully paid up and no shares are held in reserve for transfer.

AcadeMedia has issued convertible bonds and on conversion a maximum of 334,706 (338,739) additional shares may be issued. The convertible loans mature on 17 September 2023.

Other capital contributions

Other capital contributions consists of capital contributed by the owners of AcadeMedia AB (publ). This includes premiums paid in connection with share issues, as well as capital contributions received from shareholders.

Translation reserve

The translation reserve includes all exchange rate differences arising from the translation of financial statements of foreign operations prepared in a currency different from the Group's presentation currency.

The Parent Company's and the Group's presentation currency is Swedish kronor (SEK).

G25: Other provisions

	30 June 2022	30 June 2021
Provisions for contract renegotiation/ loss-making contracts	57	64
Restructuring reserve	84	81
Other	5	0
TOTAL PROVISIONS	146	145
	30 June 2022	30 June 2021
At start of year	145	69
Provisions during the year	53	104
Provisions utilised during the year	-54	-36
Provisions reversed during the year	-3	-2
Reclassification	4	11
Exchange rate differences	0	1
At year-end	146	145
Short-term provisions	55	88
Long-term provisions	92	58

Provisions for contract renegotiation/ loss-making contracts consist in the main of the Adult Education segment's provisions for termination costs; for further information, see Critical Judgements in Note G1. Restructuring costs for closure of units. These costs arise mainly in connection with unused premises, reinstatement of premises and personnel redundancies. Provisions expected to be utilised in the next twelve months are recognised in accrued expenses, see Note G26.

G26: Accrued expenses and deferred income

	30 June 2022	30 June 2021
Accrued payroll expenses	1,187	1,156
Deferred income	326	386
Accrued interest on loans	4	2
Short-term provisions	55	88
Other accrued expenses	147	98
TOTAL	1,719	1,729

Accrued payroll expenses consist mainly of vacation pay liabilities, but also accrued salaries, salary-related taxes and other charges.

Specification of provisions, see Note G25.

G27: Financial risk and management of capital risk

AcadeMedia has a general financial policy that focuses on the unpredictability of the financial markets. The policy's aim is to minimise potential unfavourable effects on the Group's financial results.

Risk management is performed centrally by the Group's support function in accordance with policies established by the Board. The Board has adopted a financial policy covering the overall financial risk management in specific areas, such as liquidity risk, refinancing risk, currency risk, interest rate risk, credit risk, use of derivatives and placement of surplus liquidity. No derivative instruments were used in 2021/22 or 2020/21.

Its purpose is to minimise the Group's cost of capital by appropriate financing and by effective management and control of the Group's financial risks. The Group focuses actively on monitoring its liquidity and continuously updates its forecasts for anticipated changes in liquidity.

Interest rate risk

AcadeMedia's interest rate risk arises in the Group's long-term borrowing, including its real estate loans from Husbanken (the Norwegian State Housing Bank). At the end of the financial year, 100 percent of the borrowing was at a variable interest rate.

The effect of an increase of one percentage point in the variable interest rate on the Group's interest expense is SEK 20 million (20).

Credit risk/Counterparty risk

Credit risk is the risk that accounts receivable, other receivables and cash/cash equivalents will not be paid. The Group's accounts receivable are almost exclusively with central government, municipalities and government agencies with a very high credit rating, and surplus liquidity is deposited with Nordic banks with a very high credit rating (A or higher). As a result, AcadeMedia's credit risk is considered to be limited. Collateral is not normally held for these accounts receivable. For more information on accounts receivable, see Note G21.

Currency risk

AcadeMedia conducts operations in Norway, Germany and the Netherlands, and is therefore exposed to currency risk – above all in NOK but also EUR – consisting partly of transaction exposure and partly of translation exposure. Transaction exposure is limited, in that both revenue and costs are in all material respects denominated in the local currency. The translation exposure arises when the Group's net assets in foreign currencies are translated to SEK, and when earnings are translated to SEK. Currency exposure in net assets is managed by financing such assets wholly or partly via loans in the local currency. Net assets in foreign currency on 30 June 2022 totalled NOK 654 million (672) and EUR 18 million (19).

In all, 14 percent (14) of sales are generated in NOK and 6 percent (5) in EUR. In the event of change of +/-10 percent in exchange rates, sales would be impacted in the amount of +/- SEK 286 million (253) and operating profit in the amount of +/- SEK 5 million (13).

Liquidity and refinancing risk

Liquidity risk is the risk that AcadeMedia cannot fulfil its payment obligations relating to financial liabilities. Refinancing risk is the risk that refinancing for loans cannot be arranged, or cannot be arranged on acceptable terms. Liquidity and refinancing risks are managed centrally. Refinancing risk is managed via credit facilities within the scope of existing loan agreements, by financing the real estate portfolio in Norway long term via Husbanken and by ensuring that the Group uses several banks. Liquidity risk is managed by ensuring that the Company always has an available liquidity reserve and by maintaining continuous forecasting of cash flows. To facilitate liquidity planning and liquidity control, the Group operates cash pools.

Liquidity reserve

	30 June 2022	30 June 2021
Revolving credit facility	700	700
Loan facilities utilised	–	20
Loan facilities not utilised	700	680
Available bank balances	1,137	966
Liquidity reserve	1,837	1,646

The Group's financial liabilities, as shown in the table below, totalled SEK 11,008 million (9,999), of which current liabilities amounted to SEK 2,798 million (1,655) and non-current liabilities SEK 8,211 million (8,344). AcadeMedia can use the unutilised credit facility to refinance parts of the bank loans that mature within 1–12 months.

The table below shows the Group's financial liabilities, classified according to the remaining period after the balance sheet date until the contractual maturity date. The amounts shown in the table are the contractual liabilities. Liabilities and agreed loan payments denominated in EUR and NOK have been translated to SEK at the balance sheet date rates: EUR/SEK 10.6801 (10.1249) and NOK/SEK 1.03143 (0.9942).

Maturity analysis, contractual payments for financial liabilities

30 June 2022	Carrying amounts	Nominal amounts	1–12 months	2–5 years	6–10 years	>10 years
Liabilities to credit institutions	1,178	1,178	1,178	–	–	–
Real estate loans	750	750	39	155	188	499
Convertible debenture	19	20	1	20	–	–
Other loans	6	6	1	5	–	–
Lease liability	8,644	11,122	1,734	4,783	3,029	1,585
Accounts payable	411	411	411	–	–	–
TOTAL	11,008	13,487	3,365	4,963	3,217	2,084

30 June 2021	Carrying amounts	Nominal amounts	1–12 months	2–5 years	6–10 years	>10 years
Liabilities to credit institutions	1,323	1,327	184	1,168	–	–
Real estate loans	696	696	32	127	157	469
Convertible debenture	18	20	1	20	–	–
Other loans	7	7	0	7	–	–
Lease liability	7,571	9,683	1,579	4,264	2,664	1,182
Accounts payable	383	383	383	–	–	–
Sum total	9,999	12,116	2,179	5,586	2,821	1,651

Loan agreement

On 29 June 2018, AcadeMedia entered into a loan agreement with the Sweden branch of DNB Bank ASA and Nordea Bank AB, with a maturity of five years. Under the agreement, the lenders have committed to providing a total loan amount of SEK 2,500 million, including a revolving credit facility of SEK 700 million that can be used for acquisitions or for operating liquidity. As of 30 June 2022, the Group had utilised SEK 1,178 million (1,327) of the total loan facility of SEK 2,500 million.

The interest rate on the credit facilities under the loan agreement is variable and based on IBOR (the IBOR used depends on the currency in which the loan is taken, as specified in the contract), plus a margin based on the Group's net debt relative to the Group's EBITDA. However, IBOR cannot be lower than zero, which means that negative interest rates have no impact. The average interest rate on the balance sheet date was 1.53 percent (1.38).

The loan agreement contains two financial covenants, which are net debt/EBITDA and interest coverage ratio. AcadeMedia monitors these covenants on an ongoing basis and reports them regularly to the lenders.

Covenant 1, debt/equity ratio = net debt/EBITDA. The ratio may not exceed 3.75 times. Outcome 21/22 0.7 (0.9)

Covenant 2, interest coverage = EBITDA/interest paid in cash. The ratio must exceed a multiple of 4. Outcome 21/22: 37.6 (33.0)

All covenants were fulfilled on 30 June 2022. If AcadeMedia breaches any of these covenants in the future, this could result in the loans under the loan agreement maturing in full or in part for immediate payment. For further information on the Group's outstanding liabilities, see Note G28.

In addition to the financing loan, AcadeMedia has a loan from Husbanken (the Norwegian State Housing Bank) to finance its

real estate holdings in Norway. As of 30 June 2022, Husbanken loans totalled SEK 750 million (696). The interest on these loans was 0.9–2.7 percent. The original term for the Husbanken loans is 30 years, but the effective term varies from loan to loan. AcadeMedia has pledged properties as collateral for these loans, see also Note G29.

New loan agreement

On 28 June 2022, AcadeMedia signed a loan agreement with DNB to refinance existing loans totalling the equivalent of SEK 1,650 million, with a term until mid-2025 and an option to extend until 2027. The new loan agreement entered into force on 6 July 2022.

The financing facility under the new agreement totals SEK 1,650 million and is provided in several currencies. Of the total, SEK 700 million is a revolving credit facility that can be used for acquisitions or as liquidity for operations. The arrangement will apply until mid-2025, with an option for an extension, after a credit check, for a further two years until 2027.

The following financial commitment (covenant) has been established in connection with the financing facility.

Net debt/Adjusted EBITDA 3.0 (previously 3.75). Debt has reduced since the previous loan agreements were entered into and at 30 June 2022, net debt/adjusted EBITDA was 0.7.

The interest rate for the facilities under the loan agreement remains variable, based on IBOR plus a variable margin based on net indebtedness in relation to EBITDA. IBOR may be no less than zero. Interest expense is expected to remain broadly unchanged at current interest rates, taking into account the fact that SEK 230 million is to be amortised at the start of the contract.

Annual amortisation reduces to SEK 116 million (150).

Capital risk

The major share of the Group's operations is personnel-intensive and requires a low level of investment. In the AcadeMedia Group, investments are mainly required for equipment, except in Norway, where new preschools mostly require investment in their own buildings. Furthermore, the overwhelming share of income/school voucher funding is received in advance, and as a result working capital is negative. AcadeMedia's operations thus generate a positive cash flow even during growth. Additional funding is needed primarily for future acquisitions.

There is a risk that AcadeMedia, at maturity of the above-mentioned loan agreement, or if additional financing should be needed, would not be able to obtain such financing on acceptable terms, or at all. Factors such as the general availability of credit and the Group's credit rating have an impact on access to additional financing. Also, access to additional financing is dependent on the Group's lenders having a positive view of the Group's long- and short-term financial prospects. Disruptions or uncertainties in the capital and credit markets may also limit access to capital. These factors may have a significantly negative impact on AcadeMedia's business, financial position and results. In the Group's view, the covenants will be fulfilled over the loan term and so the risk of being required to repay the loans early is low. Furthermore, it is also judged that the Group would be capable of making interest payments even if the benchmark interest rate increased.

G28: Liabilities**CHANGE IN FINANCIAL LIABILITIES 2021/22**

	NON-CASH ADJUSTMENTS					30 June 2022
	1 July 2021	Cash flow	Acquisitions/ divestments of subsidiaries	Unrealised exchange rate differences	Other chang- es ¹	
Liabilities to credit institutions, excl. real estate loans	1,327	-171	–	23	–	1,178
Real estate loans	696	2	26	26	–	750
Lease liabilities	7,571	-1,346	28	78	2,311	8,644
Other interest-bearing liabilities	25	-1	–	0	1	25
Capitalised borrowing costs	-4	–	–	–	4	0
TOTAL	9,615	-1,517	54	128	2,316	10,597

CHANGE IN FINANCIAL LIABILITIES 2020/21

	NON-CASH ADJUSTMENTS					30 June 2021
	1 July 2020	Cash flow	Acquisitions/ divestments of subsidiaries	Unrealised exchange rate differences	Other changes	
Liabilities to credit institutions, excl. real estate loans	1,506	-189	–	10	–	1,327
Real estate loans	659	9	5	24	–	696
Lease liabilities	7,355	-1,281	330	23	1,145	7,571
Other interest-bearing liabilities	24	-1	2	0	1	25
Capitalised borrowing costs	-7	–	–	–	2	-4
Sum total	9,538	-1,463	336	57	1,148	9,615

¹ Other renewals of lease liabilities include new leases, renewed leases and annual indexation of existing leases.

Carrying amounts, by currency, for the Group's borrowing are as follows:

Amounts in SEK m.	30 June 2022	30 June 2021
SEK	7,429	6,829
NOK*	2,133	2,107
EUR*	1,035	685
TOTAL	10,597	9,620

*In the table, NOK and EUR have been translated to SEK.

G29: Pledged assets and contingent liabilities and commitments

	30 June 2022	30 June 2021
Pledged assets		
Real estate mortgages	750	696
Floating charges	–	18
		714
Contingent liabilities and commitments		
Leases	2,084	3,447
Guarantees	1	1
	2,085	3,448

The real estate mortgages relate to properties that are pledged as collateral for loans from Husbanken, Norway.

Contingent liabilities and commitments also include leases entered into but not yet in force. See also, Note G18 Right-of-use assets.

G30: Disclosures regarding the Group's financial instruments

Classification and categorisation of the Group's assets and liabilities

FINANCIAL ASSETS MEASURED AT

	Amortised cost		Fair value via the income statement	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Non-current receivables	20	25	–	–
Accounts receivable	206	218	–	–
Other receivables	45	34	–	–
Prepaid expenses and accrued income	200	212	–	–
Cash and cash equivalents	1,137	966	–	–
TOTAL ASSETS	1,608	1,455	–	–

FINANCIAL LIABILITIES MEASURED AT

	Amortised cost		Fair value via the income statement	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Liabilities to credit institutions	1,928	2,019	–	–
Other non-current liabilities	25	25	–	–
Lease liabilities	8,644	7,571	–	–
Accounts payable	411	383	–	–
Other current liabilities	18	56	–	2
Accrued expenses and deferred income	1,393	1,342	–	–
TOTAL EQUITY AND LIABILITIES	12,419	11,397	–	2

The carrying amount for trade and other receivables, cash and cash equivalents, trade and other payables is a reasonable approximation of their fair value because of their short maturity. In the case of loans, the carrying amount is also a reasonable approximation as the loans bear interest at a variable rate.

Fair value and carrying amount

IFRS 13 Fair Value Measurement provides a hierarchy for fair value measurement of inputs. This valuation hierarchy is divided into three levels, which are in line with the levels introduced in IFRS 7 Financial Instruments: Disclosures.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices as included in Level 1, which are directly or indirectly observable for the asset or liability. There may also be inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatility and credit spreads.

Level 3: Unobservable inputs for the asset or liability. At this level, market participant assumptions used in pricing of the asset or liability, including risk assumptions, are taken into account.

Level 3 in the measurement hierarchy is applied for measurement of additional considerations related to business combinations.

G31: Related-party transactions

Salaries and other remuneration to senior executives and the Board of Directors are paid as described in Note G5. The senior executives also participate in the Group's incentive programmes as described in Note G5. See also page 48 for a description of related party transactions.

During spring 2021, the CEO of AcadeMedia was offered the chance to acquire synthetic options relating to AcadeMedia issued by Mellby Gård, AcadeMedia's largest shareholder. AcadeMedia AB was not party to the transaction. The options were acquired at a price deemed to correspond to their market value.

Transactions with associated companies

AcadeMedia has made purchases to a value of SEK 1.6 million (2.1) from Hypocampus. On the balance sheet date, AcadeMedia recognised liabilities of SEK 0.2 million (0.6) to HypoCampus AB.

The transactions are being conducted on an arm's length basis.

G32: Effects of IFRS 16 Leasing

SPECIFICATION OF EFFECTS OF IFRS 16 ON THE INCOME STATEMENT

SEK m.	2021/22	2021/2022 IFRS 16	2021/22, excl. effects of IFRS 16	2020/21	2020/2021 IFRS 16	2020/21, excl. effects of IFRS 16
Net sales	14,339	–	14,339	13,340	–	13,340
Cost of services sold	-1,274	–	-1,274	-1,120	–	-1,120
Other external expenses	-1,370	1,646	3,016	-1,351	1,466	-2,817
Personnel expenses	-8,648	–	-8,648	-8,106	–	-8,106
Amortisation	-1,755	-1,358	-398	-1,587	-1,224	-363
Result from investments in associated companies	-3	–	-3	0	–	0
Items affecting comparability	-64	–	-64	-7	–	-7
OPERATING PROFIT/LOSS (EBIT)	1,224	288	936	1,169	243	926
Financial income	1	–	1	3	–	3
Financial expenses	-441	-401	-41	-405	-365	-40
PROFIT/LOSS BEFORE TAX	784	-112	896	767	-122	889
Taxes	-179	25	-204	-173	27	-201
PROFIT/LOSS FOR THE PERIOD	605	-88	692	594	-95	689

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SPECIFICATION OF EFFECTS OF IFRS 16 ON THE BALANCE SHEET

SEK m.	2021/22	2021/22 IFRS 16	2021/22, excl. effects of IFRS 16	2020/21	2020/21 IFRS 16	2020/21, excl. effects of IFRS 16
ASSETS						
Intangible non-current assets	6,597	–	6,597	6,426	–	6,426
Buildings	1,057	–	1,057	1,044	–	1,044
Other property, plant and equipment	924	–	924	791	–	791
Other non-current assets	79	10	70	41	15	25
Right-of-use assets	8,367	8,199	167	7,489	7,348	141
TOTAL NON-CURRENT ASSETS	17,024	8,209	8,815	15,790	7,364	8,427
Current receivables	704	-295	999	658	-314	972
Cash and cash equivalents	1,137	–	1,137	966	–	966
TOTAL CURRENT ASSETS	1,840	-295	2,135	1,624	-314	1,938
TOTAL ASSETS	18,864	7,914	10,951	17,414	7,049	10,365
EQUITY AND LIABILITIES						
Equity	5,758	-300	6,058	5,317	-212	5,529
Non-current liabilities to credit institutions	722	–	722	1,824	–	1,824
Non-current lease liabilities	7,464	7,402	62	6,495	6,447	48
Provisions and other non-current liabilities	212	-118	330	187	-45	232
TOTAL NON-CURRENT LIABILITIES	8,397	7,284	1,113	8,506	6,402	2,104
Current interest-bearing liabilities	1,207	–	1,207	195	–	195
Current lease liabilities	1,180	1,071	108	1,077	981	95
Other liabilities	2,323	-142	2,465	2,319	-122	2,441
TOTAL CURRENT LIABILITIES	4,709	929	3,780	3,591	860	2,731
TOTAL EQUITY AND LIABILITIES	18,864	7,914	10,951	17,414	7,049	10,365

SPECIFICATION OF EFFECTS OF IFRS 16 ON CASH FLOW

SEK m.	2021/22	2021/22 IFRS 16	2021/22, excl. effects of IFRS 16	2020/21	2020/21 IFRS 16	2020/21, excl. effects of IFRS 16
Operating profit/loss (EBIT)	1,224	288	936	1,169	243	926
Amortisation	1,755	1,358	398	1,587	1,224	363
Adjustment for non-cash items	37	–	37	24	–	24
Tax paid	-179	–	-179	-146	0	-145
Cash flow from operating activities before changes in working capital	2,838	1,646	1,192	2,634	1,466	1,168
Cash flow from changes in working capital	-7	-40	33	238	49	190
Cash flow from operating activities	2,831	1,606	1,225	2,872	1,515	1,357
Cash flow from investing activities	-536	–	-536	-437	–	-437
Interest received (+) and paid (-)	-33	–	-33	-31	–	-31
Interest paid, lease liability	-404	-401	-3	-368	-365	-3
Dividend to shareholders	-185	–	-185	-158	–	-158
New share issue	2	–	2	17	–	17
Increase (+)/decrease (-) in interest-bearing liabilities	-171	–	-171	-182	–	-182
Amortisation of lease liability	-1,346	1,206	-140	-1,281	-1,150	-131
Cash flow from financing activities	-2,136	1,607	-530	-2,003	-1,515	-487
CASH FLOW FOR THE YEAR	158	–	158	433	0	433
Cash and cash equivalents at beginning of year	966	–	966	528	–	528
Exchange-rate differences in cash and cash equivalents	12	–	12	5	–	5
Cash and cash equivalents at year-end	1,137	–	1,137	966	0	966

G33: Significant events after the end of the financial year

- After the end of the financial year, it has been announced that Chairman Anders Bülow has declined re-election and that Håkan Sörman, a member of AcadeMedia's Board of Directors since 2017, will be elected as the new Chairman and that Mikael Helmersson will be elected as a new member of the Board at AcadeMedia's Annual General Meeting to be held on 30 November 2022.
- The number of children and students in the first quarter of 2022/23 was higher than ever. Preliminary student numbers for the autumn 2022 show aggregate average growth of around 5 percent in AcadeMedia's three school segments, to a total of approximately 96,000 children and students. Almost 16,000 of them are attending their first year in upper secondary school.
- In September 2022, the number of shares and votes in AcadeMedia AB 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 504 ordinary shares and as many votes
- After the end of the financial year, AcadeMedia has initiated negotiations to acquire Fürstenwalder Aus- und Weiterbildungszentrum gGmbH with compulsory school and adult education business in Brandenburg Germany. The business had a turnover in 2021 of approximately EUR 22 million.
- After the end of the financial year, the incoming government presented an agreement on schools. The proposals covered systemic and organisational issues as well as those more directly related to school education. It is important to stress that these proposals in the agreement must be investigated according to the existing procedures. They must both be sent out for consultation and to the Legislative Council before they are presented for a vote in the Riksdag. This process can take several years. The main headings of the agreement for schools are Knowledge Outcomes and Content, Safety and Peace of Work, and Free Schools and Freedom of Choice. If the proposals are implemented, the expectation is that a clear regulatory framework will be put in place with a focus on knowledge, while serious independent school providers will continue to be well placed to be an important part of the work to develop schools. One of the proposals concerns limitation of dividend during the first years for new openings and new acquisitions. The proposal thus does not cover the existing operations of AcadeMedia or other independent actors. Historically, AcadeMedia has contributed to the creation of new educational places through the opening of new schools. These units generally run at a loss in the first years, which is why the proposal is not expected to affect AcadeMedia's plans to continue contributing to the creation of new educational places. Based on known information, the proposals are not expected to affect AcadeMedia's financial position.

G34: Effects of change in accounting policy

In response to the IFRS Interpretations Committee's (IFRS IC) published agenda decision on "cloud computing arrangement costs", that is, the costs for configuring or customising software in a cloud-based solution, AcadeMedia has conducted a review of the effects in the financial statements. In the third quarter, it was established that certain intangible assets previously recognised no longer qualify for recognition as intangible assets. A recalculation for the items has been performed and relevant information for comparison is presented below.

INCOME STATEMENT, TRANSITIONAL EFFECT

SEK m.	Stated	Adjustment	Adjusted
Net sales	13,340	–	13,340
Cost of services sold	-1,120	–	-1,120
Other external expenses	-1,351	-1	-1,352
Personnel expenses	-8,106	–	-8,106
Amortisation	-1,587	6	-1,581
Items affecting comparability	-7	–	-7
OPERATING PROFIT/LOSS (EBIT)	1,169	5	1,174
Financial items (net)	-402	–	-402
PROFIT/LOSS BEFORE TAX	767	5	772
Taxes	-173	–	-173
PROFIT/LOSS FOR THE PERIOD	594	5	599

BALANCE SHEET, TRANSITIONAL EFFECT

SEK m.	1 July 2020		1 July 2020
	Stated	Adjustment	Adjusted
Intangible non-current assets	6,191	-23	6,168
Current receivables	704	6	710
Equity	4,807	-17	4,790

CASH FLOW, TRANSITIONAL EFFECT

SEK m.	Stated	Adjustment	Adjusted
Operating profit/loss (EBIT)	1,169	5	1,174
Amortisation	1,587	-6	1,581
Cash flow from operating activities before changes in working capital	2,634	-1	2,632
Cash flow from changes in working capital	238	1	240
Cash flow from operating activities	2,872	–	2,872
			–
Cash flow from investing activities	-437	–	-437
Cash flow from financing activities	-2,003	–	-2,003
CASH FLOW FOR THE PERIOD	433	–	433

Parent Company **income statement** and statement of comprehensive income

PARENT COMPANY INCOME STATEMENT

(SEK m.)	Note	2021/22	2020/21
Net sales	P2	7	8
Other external expenses	M2, M4	-8	-7
Personnel expenses	P3	-16	-15
OPERATING PROFIT/LOSS		-17	-14
Interest income and similar profit/loss items	P5	20	20
Interest expense and similar profit/ loss items	P6	-16	-17
PROFIT/LOSS AFTER FINANCIAL ITEMS		-12	-11
APPROPRIATIONS			
Group contributions received		20	25
		20	25
PRE-TAX PROFIT		8	14
Taxes	P7	-1	-3
PROFIT FOR THE YEAR		7	11

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

(SEK m.)	Note	2021/22	2020/21
Profit for the year		7	11
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		7	11

Parent Company balance sheet

ASSETS

(SEK m.)	Note	30 June 2022	30 June 2021
NON-CURRENT ASSETS			
<i>Non-current financial assets</i>			
Participations in Group companies	P8	3,261	3,261
TOTAL NON-CURRENT ASSETS		3,261	3,261
CURRENT ASSETS			
<i>Current receivables</i>			
Receivables from Group companies		3,165	3,016
Current tax assets		12	1
Other receivables		0	0
Prepaid expenses and accrued income		1	1
		3,178	3,017
<i>Cash and bank balances</i>			
		841	662
TOTAL CURRENT ASSETS		4,020	3,679
TOTAL ASSETS		7,281	6,941

EQUITY AND LIABILITIES

(SEK m.)	Note	30 June 2022	30 June 2021
EQUITY			
<i>Restricted equity</i>			
Share capital		106	106
		106	106
<i>Non-restricted equity</i>			
Share premium reserve		2,631	2,629
Retained earnings		-326	-152
Profit for the year		7	11
		2,312	2,488
TOTAL EQUITY		2,418	2,593
NON-CURRENT LIABILITIES			
Non-current liabilities to credit institutions	P10	–	635
Other non-current liabilities	P10	19	18
TOTAL NON-CURRENT LIABILITIES		19	653
CURRENT LIABILITIES			
Liabilities to credit institutions	P10	639	150
Accounts payable		0	0
Liabilities to Group companies		4,193	3,516
Other liabilities		0	1
Accrued expenses and deferred income		12	12
TOTAL CURRENT LIABILITIES		4,844	3,694
TOTAL EQUITY AND LIABILITIES		7,281	6,941

Parent Company statement of changes in equity

(SEK M.)	Restricted equity		Non-restricted equity		Total equity
	Share capital (Note P9)	Share premium reserve	Retained earnings		
OPENING BALANCE, 1 JULY 2020	105	2,612	6		2,729
Profit/loss for the year and comprehensive income			11		11
Comprehensive income for the year	-	-	11		11
Transactions with owners					
New share issue	0	17	-		17
Dividend paid	-	-	-158		-158
Share-matching plan*	-	0	0		0
TOTAL TRANSACTIONS WITH OWNERS	0	17	-158		-141
CLOSING BALANCE, 30 JUNE 2021	106	2,629	-141		2,593
Profit/loss for the year and comprehensive income	-	-	7		7
Comprehensive income for the year	-	-	7		7
Transactions with owners					
Conversion of convertible bonds	0	0	-		0
Issue of warrants		2	-		2
Dividend paid	-	-	-185		-185
Share-matching plan*	-	0	-		0
TOTAL TRANSACTIONS WITH OWNERS	0	2	-185		-182
CLOSING BALANCE, 30 JUNE 2022	106	2,631	-319		2,418

Parent Company cash flow statement

(SEK m.)	Note	2021/22	2020/21
Cash flow from operating activities			
Operating profit/loss		-17	-14
Adjustment for items affecting cash flow		0	0
Income tax paid		-27	-1
Cash flow from operating activities before changes in working capital		-44	-15
Cash flow from changes in working capital			
Change in operating receivables		-135	-233
Change in operating liabilities		677	811
CASH FLOW FROM OPERATING ACTIVITIES		498	563
Financing activities			
Interest received		0	0
Interest paid		-11	-13
New share issue	P9	2	17
Dividend paid		-185	-158
Group contributions received		25	100
Borrowing		-	-
Amortisation of loans	P10	-150	-150
CASH FLOW FROM FINANCING ACTIVITIES		-319	-203
Cash flow for the year		179	359
Cash and cash equivalents at beginning of year		662	303
CASH AND CASH EQUIVALENTS AT END OF YEAR		841	662

Notes Parent Company

P1: Significant accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities. Under RFR 2, the Parent Company is required in accounting for the legal entity to apply all IFRS adopted by, and statements from, the EU as far as is possible within the framework of the Swedish Accounts Act (Sw.: ÅRL), the Swedish Pension Obligations Vesting Act and with due regard to the correlation between accounting and taxation. The recommendation states which exemptions and which additions shall be applied.

The differences between the Group's accounting policies, as described in Note G1, and those of the Parent Company are set out below. The stated principles have been applied consistently to all periods presented.

Presentation of income statement and balance sheet

The financial statements include income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity. The Parent Company uses the presentations described in the Swedish Annual Accounts Act for the income statement and balance sheet, whereas the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Participations in Group companies

Participations in Group companies are recognised at cost less any impairment losses. An estimate of recoverable amount is made when there is an indication that shares and participations in subsidiaries have decreased in value. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. Impairment losses are reported under Income from participation in Group companies.

Financial instruments

With due account being taken of the correlation between accounting and taxation, the Parent Company does not apply IFRS 9 Financial Instruments. In the Parent Company, non-current financial assets are measured at cost less any impairment losses, while current financial assets are measured at cost or fair value, whichever is the lower. Financial liabilities are recognised at amortised cost.

Leases

In the Parent Company, any leases where the Parent Company is the lessee are recognised by expensing the lease payment on a straight-line basis over the term of the lease.

Group contributions and shareholder contributions

Shareholder contributions paid are recognised as an increase in the value of shares and participations in Group companies. An assessment is then made of whether any impairment has arisen in the value of the shares and participations concerned. Group contributions paid and received are recognised as appropriations.

Dividends

Dividend receipts are recognised in the income statement when the shareholders' right to receive a dividend payment has been established.

P2: Intra-Group transactions

Of the Parent Company's income, SEK 7 million (8) consists of sales to other companies in the corporate group of which the Company is part.

The Parent Company's income consists of fees for services performed on behalf of the subsidiaries.

Of the Parent Company's expenses, SEK 0 million (0) consists of purchases from other Group companies.

P3: Salaries and other remuneration

SEK m.	2021/22	2020/21
BOARD OF DIRECTORS AND CEO		
Salaries and other remuneration	13	13
Pension expenses	2	2
Social security contributions	4	4
Total	19	19
OTHER EMPLOYEES		
Salaries and other remuneration	0	0
Pension expenses	0	0
Social security contributions	0	0
TOTAL	0	0
TOTAL	19	19

AVERAGE NUMBER OF EMPLOYEES

	2021/22	2020/21
Women	–	–
Men	1	1
SUM TOTAL	1	1

P4: Fees to auditors

SEK m.	2021/22	2020/21
PricewaterhouseCoopers AB		
Auditing	1	1
Auditing services over and above audit assignment	0	0
Tax advisory services	0	0
Other services	0	0
SUM TOTAL	1	1

Auditing fees consists of the fees paid for statutory auditing of the annual accounts and the accounting records, and of the administration by the Board of Directors, and for advisory services provided in connection with observations arising from the audit.

P5: Interest income and similar profit/loss items

	2021/22	2020/21
Foreign exchange gains	0	2
Interest income from Group companies	20	18
INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS	20	20

P6: Interest expense and similar profit/ loss items

	2021/22	2020/21
Interest expense	-10	-12
Interest expense to Group companies	0	0
Borrowing costs*	-4	-2
Bank charges and similar	-2	-3
INTEREST EXPENSE AND SIMILAR PROFIT/ LOSS ITEMS	-16	-17

* Setup charges for new loans are expensed over the term of the loan. During the financial year, the scheduled amortisation of capitalised borrowing costs totalled SEK 4 million (2).

P7: Taxes**RECONCILIATION OF EFFECTIVE TAX**

SEK m.	2021/22	2020/21
Net profit/loss, before tax	8	14
Tax at current tax rate (20.6% and 21.4%, respectively)	1	3
TAX EXPENSE RECOGNISED	1	3

P8: Shares in subsidiaries**Shares and participations**

The Group operates in the UK, the Netherlands, Norway, Sweden and Germany. The Parent Company has a controlling interest over the subsidiaries. All subsidiaries are wholly owned, directly or indirectly, 100 percent, by the Parent Company.

SEK m.	2021/22	2020/21
Carrying amount, opening balance	3,261	3,261
Acquisitions	–	–
CARRYING AMOUNT, CLOSING BALANCE	3,261	3,261

Direct ownership, subsidiaries	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value	Book value
ACM 2001 AB	556057-2850	Stockholm	100%	12,041,246	2	3,261

Nominal values in the tables below are shown in local currency.

Indirect ownership of subsidiaries in the Group

	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value/share (SEK)
AcadeMedia Edtech AB	559377-6296	Stockholm	100%	250	100
AcadeMedia Eductus AB	556527-4007	Stockholm	100%	20,000	100
AcadeMedia fria grundskolor AB	556932-0699	Stockholm	100%	50,000	1
AcadeMedia Förskolor Holding AB	559377-5771	Stockholm	100%	25,000	100
AcadeMedia Game Education AB	559377-6288	Stockholm	100%	250	100
AcadeMedia Grundskolor Holding AB	559383-5902	Stockholm	100%	25,000	100
AcadeMedia Gymnasieskolor Holding AB	559383-5910	Stockholm	100%	25,000	100
AcadeMedia Support AB	556568-8479	Stockholm	100%	1,000	100
AcadeMedia TM AB	559383-5936	Stockholm	100%	25,000	100
AcadeMedia Vuxenutbildning Holding AB	559383-5928	Stockholm	100%	25,000	100
Allautbildare Sverige AB	556873-3470	Stockholm	100%	505,000	0.1
Anew Learning AB	556402-8925	Stockholm	100%	10,000	10
Banéporten AB	556442-1724	Stockholm	100%	1,000	100
Banéporten Förskolor AB	556994-3565	Stockholm	100%	500	100
Banéportsskolan AB	556606-4001	Stockholm	100%	2,000	100
Bikupan i Östersund AB	556867-6695	Stockholm	100%	500	100
Cybergymnasiet Göteborg AB	556569-3297	Stockholm	100%	1,000	100
Cybergymnasiet Malmö AB	556569-3289	Stockholm	100%	1,000	100
Cybergymnasiet Stockholm AB	556554-7964	Stockholm	100%	10,000	100
DBGY Juvelen AB	556578-9129	Stockholm	100%	1,000	100
DBGY Kronan AB	556566-8794	Stockholm	100%	4,000	100
Designgymnasiet i Sverige AB	556932-0681	Stockholm	100%	50,000	1
Didaktus Skolor AB	556473-2856	Stockholm	100%	4,300	50
Didaktus Utbildningar AB	556645-3626	Stockholm	100%	2,000	50
Donnergymnasiet AB	556540-8381	Stockholm	100%	1,500	100
EC Utbildning AB	556626-4387	Karlskamm	100%	1,000	100
Friskolan Lyftet AB	556604-4599	Gävle	100%	1,000	100
Färjan AB	556768-0631	Stockholm	100%	1,000	100
Förskolan Moroten AB	556450-3612	Stockholm	100%	1,000	100
Global Education Services AB	556606-7855	Stockholm	100%	1,000	100
Guldkusten AB	556983-1430	Stockholm	100%	500	100

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Hagströmska Gymnasiet AB	556755-0461	Falun	100%	1,000	100
Hammarby Förskolor AB	556629-2537	Stockholm	100%	1,000	100
Hermöds AB	556044-0017	Stockholm	100%	11,000	1,000
International Montessori School Sweden AB	556764-0205	Ekerö	100%	1,000	100
Internationella hotell- och restaurangskolan IHR AB	556982-8451	Stockholm	100%	50,000	1
Kastanjelunden Förskola AB	556755-0032	Stockholm	100%	1,000	100
KLARA Gymnasium Bildning AB	556528-6696	Stockholm	100%	2,800	100
KLARA Gymnasium Kunskap AB	556630-3938	Stockholm	100%	1,000	100
KLARA Gymnasium Lärande AB	556558-3282	Stockholm	100%	250,000	1
Kompetensutvecklingsinstitutet Sverige AB	556355-7395	Stockholm	100%	1,000	100
Kringlaskolan AB	556773-4065	Stockholm	100%	1,000	100
Kråkbrinkens Förskola AB	559197-0800	Stockholm	100%	1,020	100
Kungsholmens Förskola AB	559042-7000	Stockholm	100%	500	100
KYH AB	556644-7768	Stockholm	100%	1,000	100
Limhamns Förskola AB	556483-3829	Stockholm	100%	878	178
Ljud & Bildskolan LBS AB	556485-1649	Stockholm	100%	10,000	100
Matchning och Utveckling i Sverige AB	556820-7673	Stockholm	100%	500	100
Movant AB	556526-5005	Gothenburg	100%	1,000	100
Norrskenet Friskola Luleå AB	559045-5076	Stockholm	100%	50,000	1
NTI Gymnasiet Ellips AB	556597-0471	Stockholm	100%	6,000	100
NTI Gymnasiet Helix AB	556674-7290	Stockholm	100%	1,000	100
NTI Gymnasiet Macro AB	556120-3679	Stockholm	100%	10,000	100
NTI-skolan AB	556709-8057	Stockholm	100%	2,000	100
Omniway AB	556442-1328	Stockholm	100%	5,000	100
Plushögskolan AB	556495-5853	Gothenburg	100%	1,000	100
Pops Academy AB	556958-3197	Stockholm	100%	1,000	50
Praktiska Lärande AB	556530-4481	Stockholm	100%	6,999	100
Praktiska Studier Riks AB	556575-5500	Stockholm	100%	1,000	100
Praktiska Sverige AB	556257-5786	Gothenburg	100%	1,000	100
Praktiska Utbildning AB	556478-1606	Stockholm	100%	1,000	100
Primaskolan i Sverige AB	556557-0958	Stockholm	100%	4,000	100
ProCivitas Privata Gymnasium AB	556615-7102	Stockholm	100%	1,000	100
Pysslingen Förskolor och Skolor AB	556035-4309	Stockholm	100%	90,000	100
Pålsjö Skogs Förskola AB	556451-3587	Stockholm	100%	1,230	100
RE Skolor AB	559024-4579	Stockholm	100%	50,000	1
Rytmus AB	556464-8979	Stockholm	100%	8,000	100
Sandviks Förlag AB	556398-3609	Malmö	100%	8,000	100
Sjölins Gymnasium AB	556375-8399	Stockholm	100%	500	1,000
Sofiero Förskola AB	556555-3079	Stockholm	100%	1,000	100
Swedish Education Group AB	556504-2255	Stockholm	100%	1,000	100
Sälj och Marknadshögskolan i Sverige AB	556518-9361	Stockholm	100%	1,000	100
Söder Triaden Förskolor AB	556468-5955	Stockholm	100%	102	1,000

TGA Utbildning AB	556575-3901	Stockholm	100%	1,000	100
Vindora Holding AB	556861-7079	Gothenburg	100%	2,414,622,329	0.01
Vindora Utbildning AB	556735-0110	Gothenburg	100%	1,000	100
Vittraskolorna AB	556458-6716	Stockholm	100%	1,000	100
Växthuset förskola i Mölndal AB	556780-2714	Stockholm	100%	1,000	100
Åsöbergets Förskola AB	556476-5609	Stockholm	100%	1,000	100

Indirect ownership of subsidiaries in the Group (Norway)

	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value/share (NOK)
AcadeMedia Norge AS	913192281	Karmøy	100%	30	100,000
Engelsrudhagen Barnehetomt AS	913981464	Karmøy	100%	216,828	1
Espira Akademiet AS	966825855	Karmøy	100%	920	152
Espira Barnehager AS	985072825	Karmøy	100%	100	1,000
Espira Bjørgene AS	988440418	Karmøy	100%	100	1,000
Espira Blakstad AS	996987329	Karmøy	100%	100	1,000
Espira Brådalsfjellet AS	988711896	Karmøy	100%	100	1,000
Espira Casa Musica Barnehage AS	984084358	Karmøy	100%	100	1,000
Espira Draggerskogen AS	990652899	Karmøy	100%	100	1,000
Espira Dvergsnes AS	991126627	Karmøy	100%	100	1,000
Espira Eiendom AS	992642734	Karmøy	100%	100	1,000
Espira Eikenga AS	817350232	Karmøy	100%	62	2,935
Espira Eikenøtta Naturbarnehage AS	888792112	Karmøy	100%	100	100
Espira Evje AS	996987337	Karmøy	100%	100	1,000
Espira Fasanveien AS	925905836	Karmøy	100%	300	500
Espira Fenstad AS	987762780	Karmøy	100%	100	1,000
Espira Garhaug AS	986916490	Karmøy	100%	100	1,000
Espira Gjemle AS	983089909	Karmøy	100%	100	1,000
Espira Gruppen AS	991926577	Karmøy	100%	54,630,000	0.1
Espira Gullhella AS	985462437	Karmøy	100%	100	1,000
Espira Gåserud AS	985030006	Karmøy	100%	100	1,000
Espira Halsnøy Kloster AS	990797722	Karmøy	100%	100	1,000
Espira Helldalsåsen AS	985311374	Karmøy	100%	100	1,000
Espira Holbekk Idrettsbarnehage AS	921744927	Karmøy	100%	100	100
Espira Høytorp Fort AS	988711918	Karmøy	100%	100	1,000
Espira Jeløy AS	986977651	Karmøy	100%	100	11,020
Espira Kløverenga AS	988067547	Karmøy	100%	100	1,000
Espira Knerten AS	979339828	Karmøy	100%	210	1,000
Espira Kniveåsen AS	990343063	Karmøy	100%	100	1,000
Espira Krystallveien AS	992419938	Karmøy	100%	100	1,000

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Espira Kulturstien AS	989557718	Karmøy	100%	10,000	10
Espira Kuventræ AS	989838563	Karmøy	100%	100	1,000
Espira Kystad Gård AS	919307617	Karmøy	100%	100	1,000
Espira Lindesnes AS	914760224	Karmøy	100%	1,000	100
Espira Litlasund AS	992061472	Karmøy	100%	100	1,000
Espira Løvestad AS	992823690	Karmøy	100%	100	1,000
Espira Marthahaugen AS	990036888	Karmøy	100%	100	1,000
Espira Muruvik AS	919307595	Karmøy	100%	100	1,000
Espira Myraskogen AS	992061448	Karmøy	100%	100	1,000
Espira Nordmo AS	985311366	Karmøy	100%	100	1,000
Espira Opaker AS	992081066	Karmøy	100%	100	1,000
Espira Opsahl AS	985797625	Karmøy	100%	100	1,000
Espira Ormdalen AS	992420189	Karmøy	100%	100	1,000
Espira Oslo Barnehagedrift AS	914945577	Karmøy	100%	100	1,000
Espira Rambjørå AS	986916512	Karmøy	100%	100	1,000
Espira Ree AS	989544489	Karmøy	100%	100	1,000
Espira Romholt AS	888440402	Karmøy	100%	100	1,000
Espira Rubbestadneset AS	991996605	Karmøy	100%	100	1,000
Espira Rå AS	989932543	Karmøy	100%	100	1,000
Espira Rødknappen AS	994751530	Karmøy	100%	100	1,000
Espira Salamonskogen AS	989512811	Karmøy	100%	100	1,000
Espira Sandtoppen Naturbarnehage AS	990446458	Karmøy	100%	100	100
Espira Scala Hundvåg AS	988201030	Karmøy	100%	100	1,000
Espira Scala Tasta AS	988201170	Karmøy	100%	100	1,000
Espira Skjeraberget AS	917350140	Karmøy	100%	67	1,000
Espira Skolegata AS	986916644	Karmøy	100%	100	1,000
Espira Skåredalen AS	992061529	Karmøy	100%	100	1,000
Espira Snurrefjellet AS	986916563	Karmøy	100%	100	1,000
Espira Solknatten AS	990652813	Karmøy	100%	100	1,000
Espira Stansa AS	912980219	Karmøy	100%	73,818	1
Espira Stjørdal AS	919307579	Karmøy	100%	100	1,000
Espira Stongafjellet AS	989838512	Karmøy	100%	100	1,000
Espira Sundbyfoss AS	994310623	Karmøy	100%	100	1,000
Espira Taremareby AS	917350183	Karmøy	100%	630	500
Espira Tastarustå AS	915657087	Karmøy	100%	5,000	10
Espira Tjøsvoll AS	992062002	Karmøy	100%	100	1,000
Espira Torsbergskogen AS	991361642	Karmøy	100%	100	1,000
Espira Ulsetskogen AS	991127402	Karmøy	100%	100	1,000
Espira Vagletjørn AS	989838482	Karmøy	100%	100	1,000
Espira Vannverksdammen AS	990342598	Karmøy	100%	100	1,000
Espira Vanse AS	988263095	Karmøy	100%	100	1,000
Espira Varbak Arcen AS	890015492	Karmøy	100%	100	1,000

Espira Veldetun AS	985462372	Karmøy	100%	100	1,000
Espira Åbol AS	992823585	Karmøy	100%	100	1,000
Espira Århaug AS	988067644	Karmøy	100%	100	1,000
Espira Østrem AS	986916555	Karmøy	100%	100	1,000
Holbekk Barnehagetun AS	990407592	Karmøy	100%	100	100
Karmsund Barnehage AS	990586152	Karmøy	100%	100	1,000
Lilleba & Herreman AS	988467189	Stavanger	100%	300,000	1
Naturbarnehagene AS	994525085	Karmøy	100%	100	100
Sandviks AS	918793569	Stavanger	100%	126,443	0.26
Skogen Barnehage AS	992420243	Karmøy	100%	100	1,000
Søndre Kleivan Barnehage AS	990050937	Karmøy	100%	100	1,000
Tomm Murstad Friluftsbarnhage AS	998143969	Karmøy	100%	50,000	1

Indirect ownership of subsidiaries in the Group (Germany)

	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value/share (EUR)
AcadeMedia GmbH	HRB 222 151	Munich	100%	25,000	1
Espira und Joki Kinderbetreuung GmbH	HRB 174 184	Munich	100%	25,000	1
KTS Verwaltungs GmbH	HRB 190824	Munich	100%	25,000	1
Lab for Future GmbH	HRB 227687 B	Berlin	100%	25,000	1
Step Kids Education GmbH	HRB 132431 B	Berlin	100%	49,380	1
Step Kids KiTas GmbH	HRB 149735 B	Berlin	100%	25,000	1

Indirect ownership of subsidiaries in the Group (Netherlands)

	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value/share (EUR)
Plek voor kinderen Holding B.V.	KVK 85624004	Bergen op Zoom	100%	1,000	1
Plek voor kinderen B.V.	KVK 20112609	Bergen op Zoom	100%	1,000	1

Indirect ownership of subsidiaries in the Group (UK)

	Corp. ID No.	Registered office	Capital Percentage	Number of participations	Nominal value/share (GBP)
The Game Assembly Ltd	13881612	London	100%	1	1

P9: Equity

Share capital	Number	SEK
Ordinary share	105,586,973	105,586,973
Class C share	205,905	205,905

The Class C shares are held by AcadeMedia. For further information regarding the share capital, see Note G24.

P10: Interest-bearing liabilities**INTEREST-BEARING LIABILITIES**

SEK m.	30 June 2022	30 June 2021
Liabilities to credit institutions	639	785
Convertible bonds	19	18
	658	803

Of these liabilities, SEK 639 million (150) matures within one year and SEK 20 million (635) between one and five years. The difference from what is recognised on the balance sheet is made up of the accrued acquisition cost of the loans and the discount for the balance of the convertible loan.

A new financing agreement was signed during the year and entered into force in July 2022. The loan terms in the new agreement are described in Note G28 Loans.

P11: Post balance sheet events

Apart from a new financing agreement entering into force (for more, see Notes G28 Loans and G33 Significant events after the balance sheet date), no significant events have occurred since the end of the financial year.

P12: Dividend proposal

After the balance sheet date, the Board proposed a dividend of SEK 1.75 per share, corresponding to a total dividend of SEK 185 million. The dividend will be subject to approval by the Annual General Meeting, which is scheduled for 30 November 2022.

Signatures of the Board of Directors

The Board of Directors and the CEO hereby provide an assurance that the consolidated accounts and annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting standards, and provide a fair and true view of the Group's and the Parent Company's financial position and results, and that the Administration Report provides a true and fair overview of the development of the Group's and the Parent Company's operations, financial position and results, and describes material risks and uncertainties faced by the companies in the Group.

The undersigned also hereby submit the sustainability report on pages 14–42.

Stockholm, 24 October 2022

Anders Bülow
Chairman

Marcus Strömberg
Chief Executive Officer

Johan Andersson
Board member

Ann-Marie Begler
Board member

Jan Berhardsson
Board member

Pia Rudengren
Board member

Silvija Seres
Board member

Håkan Sörman
Board member

Anna Lundmark Boman
Employee representative

Anders Lövgren
Employee representative

We submitted our audit report on 24 October 2022.

PricewaterhouseCoopers AB

Patrik Adolfson
*Authorised Public Accountant
Principal auditor*

Eva Medbrant
Authorised Public Accountant

Audit Report

To the annual meeting of shareholders of AcadeMedia AB, corporate registration number 556846-0231

Report on the annual report and consolidated accounts

OPINIONS

We have conducted an audit of the annual report and the consolidated accounts of AcadeMedia AB for the financial year 1 July 2021 – 30 June 2022 with the exception of the corporate governance report on pages 50-53. The annual report and consolidated accounts of the company are included on pages 43-98 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 June 2022 and of its financial performance and its cash flow for the year then ended, in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as per 30 June 2022 and of its financial performance and cash flow for the year, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual report and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet of the parent company and the group.

Our opinions in this report on the annual report and consolidated accounts are consistent with the content of the supplementary report that was submitted to the parent company's and the group's audit committee in accordance with Article 11 of the EU's Audit Regulation (Regulation (EU) No 537/2014).

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further

described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, based on our best knowledge and belief, no prohibited services as referred to in Article 5 (1) of Regulation (537/2014 EU Audit Regulation) have been provided to the audited company or, where applicable, its parent company or its controlled companies in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OUR AUDIT APPROACH

FOCUS AND SCOPE OF THE AUDIT

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where management had made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We adapted the focus and scope of our audit, taking into account the structure of the AcadeMedia Group and the internal control environment, to enable us to provide an audit report on the annual report and the consolidated accounts as a whole.

AcadeMedia is the largest education group in the Nordic region and has operations in Sweden, the Netherlands, Norway and Germany. As per 30 June 2022, the business was conducted via around 170 legal entities. The large number of legal entities is due to the acquisition of the businesses by the group, and legal

regulations that restrict the possibility of relocating operations. We conduct a statutory audit of all legal entities in Sweden and Norway, and for group purposes we review the most significant entities in the group and the parent company. The operations in Sweden and Norway account for 95 percent of the group's sales and the majority of the group's total assets. The audit included the following activities:

- Review of internal control of financial reporting, procedures and processes based on assessed risks;
- Limited review of the accounts as per 31 March 2022 with the aim of issuing a limited review report; and
- Audit of the annual accounts as per 30 June 2022, focusing on measurement of goodwill, recognition of revenue and personnel expenses, acquisition analyses and integration relating to acquisitions, restructuring reserves and assessment of reporting and disclosure regarding disputes. Furthermore, the impact on financial reporting and related information arising from heightened political risk attributable to the business has been analysed and taken into account in the audit.
- Final audit procedures required to issue this audit report on the annual report of the parent company and the group and, where applicable, other legal entities. In addition, procedures are also performed to enable us to issue our opinion on compliance with guidelines for senior executives, as well as the corporate governance and sustainability reports of the parent company.

The review was conducted by an audit team from within the PwC network. The work was performed in accordance with the local audit requirements of each country, as well as specific instructions related to the group audit. Regarding the operation in Germany, the group audit team carried out an analytical review and

other review procedures. In addition, the Group audit team conducted digital meetings with the Norwegian, German and Dutch operations during the year. The purpose of these meetings was to gain an understanding of activities in the units visited and to understand the procedures and controls in order to evaluate internal control and to conduct a limited review of the financial reporting based on the group's accounting principles.

MATERIALITY

The scope of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the financial reporting as a whole. These, together with qualitative considerations, helped us to determine the focus and scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters in the audit are those that, in our professional judgement, were of most significance in our audit of the annual report and consolidated accounts for the period under review. These matters were addressed in the context of our audit of, and in forming our opinion on, the annual report and consolidated accounts as a whole, but we do not provide separate opinions on these matters.

Key audit matter

MEASUREMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

We refer to the Notes G1 General information, accounting and valuation policies, which contains information on important estimates and assumptions for accounting purposes, G15 Intangible non-current assets and G16 Impairment testing.

Goodwill represents an important component of the AcadeMedia Group's total assets and amounts to SEK 6,387 million as per 30 June 2022 (34 percent of total assets). Brands are valued at around SEK 191 million at the same point in time. The items are subject to management's assessment and assumptions, and, because of their materiality, have been deemed to be a Key audit matter in the audit.

Management and the board of directors prepare annual impairment testing of the value of goodwill. The purpose of impairment testing is to determine whether an asset is impaired, i.e. whether the book value (carrying amount) exceeds the assessed fair value (recoverable amount). The model and methodology for testing goodwill and other assets with indefinite useful lives have been applied consistently throughout the group, although in Norway the value of sales is calculated net of costs of selling to reflect the surplus value in owned properties. The calculated value is based on the budgets and forecasts approved by the board of directors for the next ten years. The cash flows from the years beyond the next five are extrapolated on the basis of the business plan. The process thus includes assumptions that assume material significance to impairment testing. These assumptions include sales growth, development of margins and the discount rate (WACC). The value resulting from testing corresponds to the value of discounted cash flows for identified cash-generating units.

Even if a unit passes impairment testing, future developments that deviate negatively from the assumptions and assessments on which the review was based may lead to a need for impairment. Valuation of the company's operations is at its most sensitive regarding future earnings in the Norwegian business.

Furthermore, assumptions made are affected by the uncertainty regarding political decisions that could be made affecting staffing, quality, profits etc., as described in Note G1, which addresses important estimates and assessments for accounting purposes.

AcadeMedia's conclusion, based on the best estimate and the information that was available when the annual impairment test was performed, is that there was no indication of impairment of the assets referred to above as per 30 June 2022.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In the impairment test for goodwill and other acquisition-related intangible assets, to ensure the valuation and accuracy we performed the following audit measures:

- In the assessment of the assumptions, which are presented in Note G16 Impairment testing, we have engaged PwC's experts in valuation to test and assess the models and methodology that were used, as well as significant assumptions.
- On a random sample basis, we tested, evaluated and challenged the information used in the calculations versus AcadeMedia's financial plan and, where possible, external information. We then focused on assumed growth rates, changes in margins and discount rate per cash generating unit. We also reviewed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes.
- We checked the sensitivity of the valuation to negative changes in key parameters that, on an individual or aggregate basis, could result in an impairment charge.
- We judged that the disclosures provided in the annual report are correct, based on the test of valuation conducted, particularly as regards the information on the sensitivity of the valuations.
- We compared the disclosures provided in the annual report with requirements of IAS 36 and found that the latter were fulfilled in all material respects.

Based on our audit we conclude that AcadeMedia's assumptions fall within an acceptable interval. In addition to this disclosure requirement, the information in Note G16 addresses assumptions and risks where changes in assumptions entail or could entail a need for an impairment write-down. However, without qualifying our opinion, we draw attention to the fact that, as described in note G16, impairment testing has been prepared in accordance with the regulations applicable to the business, and changes in the rules known as per 30 June 2022. As explained in the Annual Report, there are political risks attributable to the business, as well as restrictions of risks in profits in the welfare sector. In the event of any change in regulations or if profit restrictions are introduced, goodwill and other assets may be impaired.

APPLICATION OF IFRS 16 LEASES DURING THE FINANCIAL YEAR

We refer to the Notes G1 General information, accounting and valuation policies, which contains information on important estimates and assumptions for accounting purposes, and Note G18 Right-of-use-assets.

According to IFRS 16 Leasing, essentially all leases are recognised on the balance sheet, as there is no longer any distinction made between operating leases and finance leases. IFRS 16 requires assets and liabilities relating to leases, unless the lease term is twelve months or less or the underlying asset is of low value, to be recognised as assets and liabilities on the balance sheet.

Accounting under IFRS 16 has almost doubled the balance sheet total compared to the previous accounting standard and has significant impact on the income statement. Furthermore, the accounts are based on a number of significant estimates including discount rates, lease term (and related management of renewal clauses) and vacant space.

Considering the material impact on AcadeMedia's accounts and the critical judgements upon which the accounts are based, accounting in accordance with IFRS 16 constitutes a Key audit matter in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In our 2021/2022 audit, we focused in particular on the accounting in accordance with IFRS 16 and performed the following audit procedures;

- Gained an understanding of AcadeMedia's IFRS 16 accounting process.
- On a random basis, we examined and checked calculations used to support the recognition of right-of-use assets and lease liabilities.
- We reconciled input data in calculations against leases or other supporting data.
- We examined AcadeMedia's judgements, including the discount rates used and application of option clauses in leases, and examined the same.

In addition to the above, our procedures included:

- Examination of the accounting policies applied and verification against IFRS 16 Leases
- Examination of the change in discount rate, and its impact on the accounts, that took place during the year
- Examination of accounting in 2021/22 and verification against implemented accounting policies
- Examination of procedures and internal controls to verify a correct accounting process under IFRS 16 Leases.

The assessment of AcadeMedia's policies for posting impairment losses at any indication of impairment of recognised right-of-use assets is described below under the Key audit matter "Management's judgements concerning provisions for onerous contracts and impairment of right-of-use assets".

In our audit, we have reported to the Audit Committee that AcadeMedia has a process for IFRS 16 and that the applied assumptions, on which the accounting was based, were found to be reasonable.

MANAGEMENT'S JUDGEMENTS CONCERNING PROVISIONS FOR ONEROUS CONTRACTS AND IMPAIRMENT OF RIGHT-OF-USE ASSETS.

We refer to Notes G1 General information, accounting and valuation policies, G18 Right-of-use assets, G25 Other provisions and G26 Accrued expenses and deferred income.

Assumptions and judgements that serve as the basis of provisions for onerous contracts or similar commitments (in the following "onerous contracts") and any indication of impairment of right-of-use assets. AcadeMedia has around 700 units in its operations, including both mature units and startups. The results for such units range from negative to positive, according to whether a unit is in a development stage, and/or various other factors. In the event that a commitment, legal or constructive, is going to lead to future losses, under IAS 37 Provisions a provision must be recognised for the losses that are expected to be incurred after the reporting date and until termination of the contract. In the event that the losses relate to right-of-use assets, an impairment charge of must be taken for those assets instead of a provision being reported.

AcadeMedia monitors the profit and position of all units on a monthly basis and makes judgments and forecasts for the future. Based on these judgements, AcadeMedia determines whether a provision or an impairment of a right-of-use asset should be reported. According to the notes above, there are, for example, provisions totalling SEK 64 million for restructuring and a contract renegotiation/onerous contract reserve of SEK 81 million, which in part cover the said exposure. Although these items are not material in relation to AcadeMedia's financial position, we find that the reporting of underlying judgements is a Key audit matter.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In our audit, we focused in particular on examining management's assessments of onerous contracts in order to verify completeness, accuracy and measurement. The audit procedures we performed during the 2021/22 financial year included the following:

- We examined AcadeMedia's monitoring and closing accounts procedures to verify that controls are in place to account for provisions for restructuring and onerous contracts if required under IAS 37 Provisions and that impairment of right-of-use assets have been recognised if a permanent decline in value is found to exist.
- We analysed and discussed the follow-up and documentation that AcadeMedia prepares for onerous contracts as well as for restructuring. Here, the current situation and activities to achieve profitability are described, and a forecast period for the time until the unit is expected to make a profit is attached.
- We followed up profit and loss outcomes and future forecasts pertaining to units on the basis of internal reports, and evaluated the reliability of future forecasts jointly with the individuals responsible at AcadeMedia.
- We evaluated AcadeMedia's policies for making provisions against potential losses attributable to restructuring and losses against the requirements stated in IAS 37 Provisions, and the same with regard to impairment of right-of-use assets against the requirements stated in IAS 36 Impairment of Assets.

In our audit, we reported observations to the Audit Committee regarding the accounting of provisions for onerous contracts and impairment of right-of-use assets. In our view, AcadeMedia's assumptions on which provision for onerous contracts and impairments of right-of-use assets are based are within an acceptable range.

PROCEDURES AND PROCESSES, AS WELL AS RECOGNITION OF PERSONNEL-RELATED EXPENSES

We refer to Notes G1 General information, accounting and valuation policies, G5 Personnel expenses, G6 Pensions and G26 Accrued expenses and deferred income.

AcadeMedia has around 18,800 employees in its subsidiaries. Personnel expenses account for just over 66 percent of AcadeMedia's operating expenses. This is thus the most significant expense item in AcadeMedia's consolidated income statement. Personnel costs consist of both salaries and other remuneration, including variable remuneration, as well as directly attributable taxes and social security contributions. The risk in these items relates to their completeness, as well as their being correctly calculated, properly reported as accrued and properly measured. There is also an inherent complexity in payroll management, since the various personnel groups are covered by different types of employment contract and different collective agreements, which in turn give rise to differences in how salaries, other remuneration and benefits are to be calculated.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In order to pay salaries to 18,800 employees each month, or in some cases more frequently, efficient procedures and processes must be in place to calculate and check the salaries and remuneration to be paid.

Our audit is based both on an evaluation of internal controls and on substantive testing of revenues and other analysis measures, including systems-based transaction analyses of certain balance sheet and income statement items in key subsidiaries.

The review of key controls of financial reporting and income statement and balance sheet items was carried out on a random sample basis. Audit activities performed include the following:

- We checked material accrued expenses and/or reserves for vacation pay liability, payroll liability, taxes and social security contributions etc., against information from the payroll system and management's calculations and assessments.
- We reviewed personnel expenses via analytical review measures including changes in expenses in the income statement, accrued expenses and reserves, based on our knowledge and through the use of database-related transaction analyses.

Nothing material emerged in these audit procedures that we reported to the management, the audit committee or board.

Information other than the annual report and consolidated accounts

This document also contains information other than the annual report and the consolidated accounts. This other information is provided on pages 1-13 and 105-111. The board of directors and the chief executive officer are responsible for this other information.

Our opinion regarding the annual report and consolidated accounts does not cover this information, and we make no statement of assurance regarding this other information. In connection with our audit of the annual report and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated accounts. In this procedure, we also take into account the knowledge we have otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, on the basis of the work performed regarding this information, we conclude that such other information includes a material misstatement, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The board of directors and the chief executive officer are responsible for the preparation and fair presentation of the annual report and consolidated accounts in accordance with the Annual Accounts Act and, as regards the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The board of directors and the chief executive officer are also responsible for such internal control that they determine is necessary to enable the preparation of annual report and consolidated accounts that are free from material misstatement,

whether due to fraud or error.

In preparing the annual report and consolidated accounts, the board of directors and the chief executive officer are responsible for the assessment of the ability of the company and the group to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a going concern and to use the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the board of directors and the chief executive officer intend to liquidate the company, cease operations or have no realistic alternative but to do so.

The board's audit committee shall, without prejudice to the board's responsibilities and duties, in particular monitor the company's financial reporting.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to submit an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual report and the consolidated accounts.

A further description of our responsibility for the audit of the annual report and consolidated accounts is available on the website of the Supervisory Board of Public Accountants (Revisorsnämnden): www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual report and the consolidated accounts, we have examined the administration of the board of directors and the chief executive officer of AcadeMedia AB for the financial year 1 July 2021 – 30 June 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the board of directors and the chief executive officer be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The board of directors is responsible for the proposal for appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation and ensuring that

the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a satisfactory manner. The chief executive officer shall manage the ongoing administration according to the board of directors' guidelines and instructions and among other matters take measures that are necessary to ensure that the company's accounting is performed in accordance with law and to ensure that the management of assets is conducted in a satisfactory manner.

AUDITOR'S RESPONSIBILITIES

Our objective concerning the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to judge with a reasonable degree of assurance whether any member of the board of directors or the chief executive officer in any material respect:

- has undertaken any action or been guilty of any omission that can give rise to liability to the Company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion on this matter, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriation of the company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Supervisory Board of Public Accountants (Revisorsnämnden): www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's review of the corporate governance report

The board of directors is responsible for the corporate governance report on pages 50-53 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's RevU 16 Auditor's Review of the corporate governance report. This means that our review of the corporate governance report has a different focus and is substantially lesser in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides a sufficient basis for our opinion.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, subsection 2, points 2–6, and Chapter 7, Section 31, subsection 2 of the Annual Accounts Act are consistent with the other parts of the annual accounts and the consolidated annual accounts, as well as with the Annual Accounts Act.

Auditor's review of the ESEF report

OPINIONS

In addition to our audit of the annual report and the consolidated accounts, we have also verified that the board of directors and the chief executive officer have prepared the annual report and the consolidated accounts in a format that enables harmonised electronic reporting (via the ESEF report) in accordance with Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for AcadeMedia AB (publ) for the year 1 July 2021 to 30 June 2022.

Our examination and opinion refers only to the statutory requirement.

In our view, the ESEF report 9290efaa17a2ad3fdc2928c862ebb-3b24a17ad04f1fce579cbbf1ebe1e92410f has been prepared in a format that essentially allows for harmonised electronic reporting.

BASIS FOR OPINIONS

We conducted our review in accordance with FAR Recommendation RevR 18 *Auditor's Review of the ESEF Report*. Our responsibilities as described in this recommendation are described in more detail in the section Auditor's Responsibilities. We are independent of AcadeMedia AB (publ) in accordance with generally accepted accounting practice for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The board of directors and the chief executive officer are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4a of the Securities Market Act (2007:528), and for ensuring that such internal controls are in place that the board of directors and the chief executive officer determine are necessary to enable the preparation of an ESEF report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our task is to express an opinion with reasonable assurance as to whether the ESEF report has been prepared, in all material respects, in a format that complies with the requirements of Chapter 16, Section 4a of the Securities Market Act (2007:528), on the basis of our audit.

RevR 18 requires us to plan and perform our audit procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee, that a review conducted in accordance with RevR 18 and generally accepted auditing practice in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The auditors apply ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and thus have a comprehensive quality control system in place that includes documented guidelines and procedures for compliance with professional ethics, professional standards and applicable legal and regulatory requirements.

The review includes obtaining evidence, through a variety of procedures, that the ESEF report has been prepared in a format that enables harmonised electronic reporting of the annual report and the consolidated accounts. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement in the reporting, whether due to fraud or error. In making such risk assessments, the auditor considers aspects of internal control relevant to how the board of directors and the chief executive officer produce the material in order to design audit procedures that are appropriate in the circumstances,

but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes evaluating the appropriateness and reasonableness of the assumptions made by the board of directors and the chief executive officer.

The review procedures consist in the main of a technical validation of the ESEF report, that is, whether the file containing the ESEF report complies with the technical specification set out in

Commission Delegated Regulation (EU) 2019/815, and a verification that the ESEF report accords with the audited annual report and consolidated accounts.

Furthermore, the review also includes assessing whether the ESEF report has been tagged with iXBRL, which allows for an accurate and complete machine-readable version of the Group's income statement, balance sheet, statement of changes in equity and cash flow statement.

PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, Sweden, was appointed to serve as auditor by AcadeMedia ABs (publ) at the Annual General Meeting held on 30 November 2021 and has been the company's auditor since 24 November 2017.

Stockholm, 24 October 2022

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Principal auditor

Eva Medbrant
Authorised Public Accountant

The share and shareholders

AcadeMedia shares have been listed in the Mid-Cap segment of Nasdaq Stockholm under the ticker symbol ACAD since 15 June 2016.

Dividend policy

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

Ownership structure and number of shares

On 30 June 2022, the share capital amounted to SEK 105,792,878 (105,788,845) and the number of shares totalled 105,792,878 (105,788,845) shares, consisting of 105,586,973 (105,582,940) ordinary shares and 205,905 (205,905) Class C shares. The total number of votes in the Company is 105,607,563.5 (105,603,530.5). The quota value is SEK 1.00 per share. The C shares are held by AcadeMedia and the voting rights represent 1/10th of the voting rights of the ordinary shares.

The largest shareholder was Mellby Gård AB with 22.8 percent of the capital.

The number of shares and votes in AcadeMedia AB increased during March 2022 as a result of the conversion of convertible bonds under the convertible bond programme, introduced at the Annual General Meeting held on 22 November 2018, for employees of the AcadeMedia Group. The total number of shares increased by 4,033 ordinary shares, as did the number of votes.

During the third quarter of 2021/22, the two incentive programmes approved at the 2021 Annual General Meeting held on 30 November came into effect. Warrant Programme 2021/2025 and Share Matching Plan 2021/2025. Further information on the programmes is provided in the notice of the 2021 Annual General Meeting of AcadeMedia AB (publ), item 17.

10 largest shareholders on 30 June 2022

NAME	NUMBER OF ORDINARY SHARES	NUMBER OF CLASS C SHARES	TOTAL NUMBER OF SHARES	SHARE OF EQUITY, %	SHARE OF VOTES, %	SHARE OF SHARE CAPITAL, %, 30/06/2021	CHANGE
Mellby Gård	24,152,981		24,152,981	22.83%	22.87%	21.31%	1.52%
Nordea Fonder	6,977,195		6,977,195	6.60%	6.61%	8.85%	-2.25%
Capital Group	6,523,595		6,523,595	6.17%	6.18%	5.35%	0.82%
Swedbank Robur Fonder	4,861,389		4,861,389	4.60%	4.60%	8.68%	-4.08%
LOYS AG	3,529,036		3,529,036	3.34%	3.34%	0.35%	2.99%
PRI Pensionsgaranti	3,481,392		3,481,392	3.29%	3.30%	3.04%	0.25%
Cobas Asset Management	3,365,979		3,365,979	3.18%	3.19%	0.00%	3.18%
Janus Henderson Investors	2,669,209		2,669,209	2.52%	2.53%	2.24%	0.28%
Ruffer LLP	2,310,000		2,310,000	2.18%	2.19%	1.02%	1.16%
Länsförsäkringar Fonder	2,249,950		2,249,950	2.13%	2.13%	3.74%	-1.61%
Total, Top 10	60,120,726	0	60,120,726	56.8%	56.9%		
AcadeMedia	0	205,905	205,905	0.2%	0.0%		
Other	45,466,247	0	45,466,247	43.0%	43.1%		
Total	105,586,973	205,905	105,792,878	100.0%	100.0%		

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar, the Swedish Financial Inspectorate and others.

Share facts, 30 June 2022

Market: Nasdaq Stockholm

Segment: Mid Cap

Sector: Retail

Ticker symbol: ACAD

ISIN code: SE0007897079

Total number of shares: 105,792,878

– **ordinary shares (listed):** 105,586,973

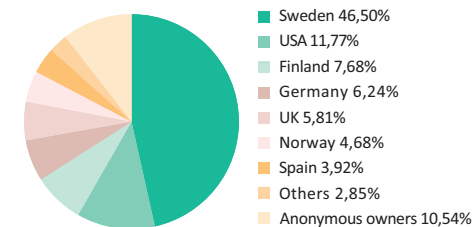
– **Class C shares (unlisted):** 205,905

Market capitalisation: SEK 4,813 MILLION

Average daily turnover: 214,802

Source: Nasdaq, Euroclear

Shareholders per country, as percentage of equity on 30 June 2022



Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar, the Swedish Financial Inspectorate and others.

Shareholder analysis, 30 June 2022

	NUMBER OF SHARES	SHARE OF EQUITY, %	SHARE OF VOTES, %
10 largest shareholders	60,120,726	56.8%	56.9%
20 largest shareholders	73,672,175	69.6%	69.8%
30 largest shareholders	80,465,317	76.1%	76.2%

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar, the Swedish Financial Inspectorate and others.

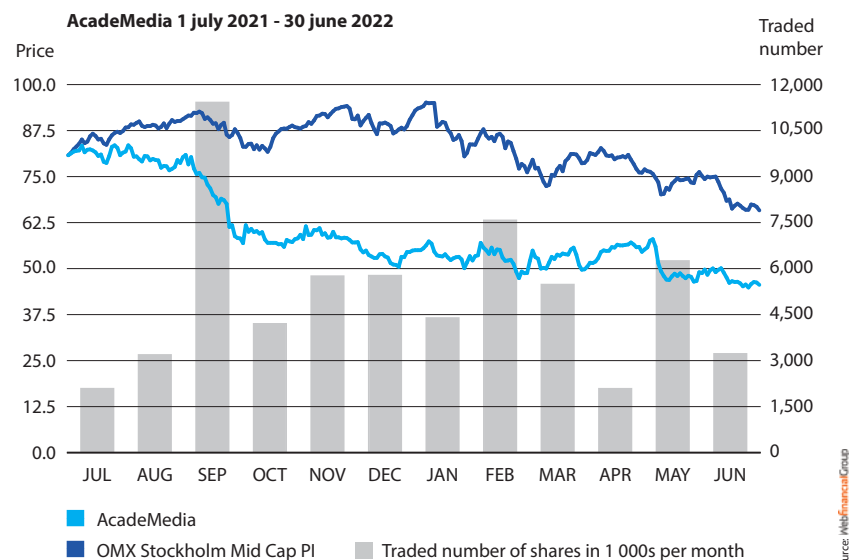
Share performance

Over the period 30 June 2021 to 30 June 2022, the AcadeMedia share rose by 41.8 percent. In the same period, the Nasdaq Stockholm Mid Cap index fell by 16.8 percent. The highest price

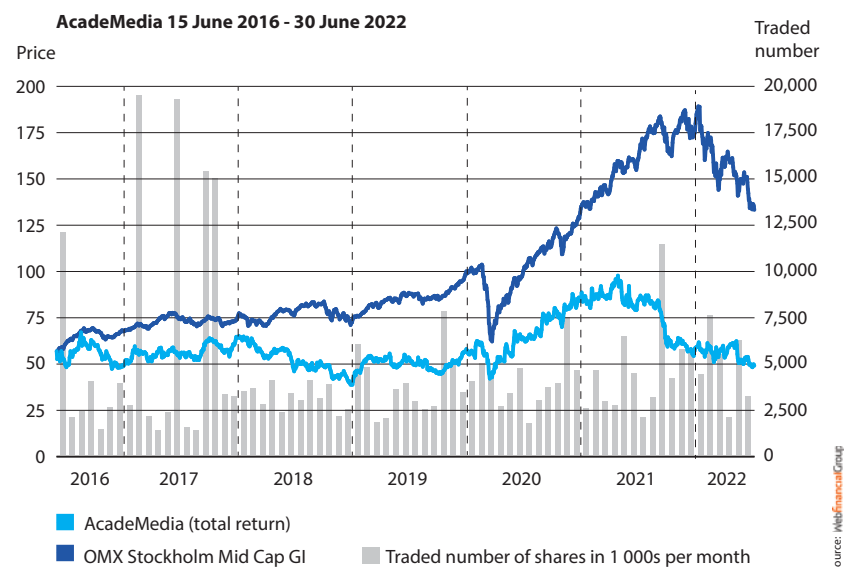
paid for the shares during the period was SEK 83.5, the lowest SEK 44.9. On 30 June, AcadeMedia shares were listed at SEK 45.6, indicating a market capitalisation of SEK 4,813 million for the Company.

In the period 30 June 2021 to 30 June 2022, a total of 54,559,634 shares (48,014,620) were traded, 52 percent of the shares outstanding. The average daily trading volume during that period was 214,802 shares (189,781).

Trend of share price



Total return on AcadeMedia shares, 2016-2022



Per-share data

	2021/22	2020/21	2019/20	2018/19*	2017/18*	2016/17*
Equity per share, basic	54.5	50.5	45.7	43.6	42.6	36.5
Earnings per share, basic	5.73	5.64	4.09	4.09	4.30	4.41
Earnings per share, diluted	5.72	5.62	4.09	4.09	4.29	4.40
Dividend per share	1.75**	1.75	1.50	1.25	0	0
Share price on 30 June	45.58	80.8	64.6	52.3	48.6	56.75
Average number of shares outstanding, basic	105,584,247	105,342,092	105,270,565	105,189,566	100,126,785	94,204,999
Average number of shares outstanding, diluted	105,921,679	105,692,379	105,311,923	105,228,702	100,294,230	94,334,977

* Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means accounting in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

** Dividend proposed by the Board of Directors.

Source: Monitor av Modular Finance AB. Data compiled and processed from Euroclear, Morningstar, the Swedish Financial Inspectorate and others.



Multi-year review

SEK M., UNLESS OTHERWISE STATED	2021/22	2020/21	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹
PROFIT/LOSS ITEMS, SEK M.						
Net sales	14,339	13,340	12,271	11,715	10,810	9,520
Items affecting comparability	-64	-7	36	1	-48	-23
EBITDA	2,980	2,754	2,486	931	872	827
Amortisation	-1,755	-1,580	-1,513	-296	-250	-212
Operating profit/loss (EBIT)	1,224	1,174	973	635	622	615
Net financial items	-441	-402	-417	-69	-68	-80
Profit/loss for the period, before tax	784	772	556	566	555	535
Profit/loss for the period after tax	605	599	431	431	430	416
BALANCE SHEET ITEMS, SEK M.						
Non-current assets	17,024	15,773	15,285	8,218	7,823	6,574
Current receivables	704	662	704	976	860	695
Cash and cash equivalents	1,137	966	528	527	699	579
Non-current interest-bearing liabilities	747	1,850	1,914	2,205	2,209	2,200
Non-current lease liabilities	7,464	6,495	6,346	-	-	-
Non-current non-interest-bearing liabilities	187	162	207	305	135	114
Current interest-bearing liabilities	1,207	195	270	592	673	516
Current lease liabilities	1,180	1,077	1,010	-	-	-
Current non-interest-bearing liabilities	2,323	2,319	1,965	2,030	2,103	1,577
Equity	5,758	5,305	4,807	4,589	4,262	3,443
Total assets	18,864	17,401	16,518	9,720	9,383	7,849
Capital employed	8,181	7,705	7,250	7,386	7,144	6,158
Net debt	987	1,222	1,797	2,266	2,179	2,133
Real estate adjusted net debt	237	526	1,138	1,533	1,528	1,550

SEK M., UNLESS OTHERWISE STATED	2021/22	2020/21	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹
KPIS						
Net sales, SEK m.	14,339	13,340	12,271	11,715	10,810	9,520
Organic growth incl. minor bolt-on acquisitions, %	5.2%	8.1%	5.4%	4.4%	5.8%	9.0%
Acquired growth, major bolt-on acquisitions, %	1.6%	1.6%	-	3.2%	7.9%	0.8%
Change in exchange rates, %	0.8%	-1.1%	-0.7%	0.8%	-0.1%	0.8%
Operating margin (EBIT), %	8.5%	8.8%	7.9%	5.4%	5.8%	6.5%
Adjusted EBIT, SEK m.	1,001	939	728	634	670	638
Adjusted EBIT margin, %	7.0%	7.0%	5.9%	5.4%	6.2%	6.7%
Adjusted EBITDA, SEK m.	1,398	1,295	1,066	930	920	850
Adjusted EBITDA margin, %	9.7%	9.7%	8.7%	7.9%	8.5%	8.9%
Net margin, %	4.2%	4.5%	3.5%	3.7%	4.0%	4.4%
Return on capital employed, % (12 months)	12.6%	12.6%	10.0%	8.7%	10.1%	10.9%
Return on equity, % (12 months)	12.0%	13.3%	11.5%	9.7%	11.2%	12.9%
Equity/assets ratio, %	55.3%	53.3%	51.5%	47.2%	45.4%	43.9%
Interest coverage ratio, multiple	31.6	27.9	15.9	12.5	10.9	9.4
Net debt/Adjusted EBITDA (12 months)	0.7	0.9	1.7	2.4	2.4	2.5
Adjusted Net Debt/Adjusted EBITDA (12 months)	0.2	0.4	1.1	1.6	1.7	1.8
Free cash flow	922	1,117	805	356	688	658
Cash flow from investing activities	-536	-437	-375	-559	-970	-374
Number of full-time employees	13,829	13,360	12,686	12,405	11,863	10,564

¹ Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means accounting in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

Definitions of key figures are provided on pages 109-110.

Reconciliation of alternative key performance indicators

The table below presents the data from which the alternative key performance indicators used in the report are calculated.

See Definitions for more information.

RECONCILIATION OF ALTERNATIVE KEY PERFORMANCE INDICATORS

SEK m., unless otherwise stated	2021/22	2020/21	2019/20	2018/19	2017/18
NET DEBT					
Non-current interest-bearing liabilities	8,211	8,344	8,260	2,205	2,209
+ Current interest-bearing liabilities	2,386	1,272	1,279	592	673
- Interest-bearing receivables ³	-	-	-	4	4
- Cash and cash equivalents	1,137	966	528	527	699
- IFRS 16 Non-current and current lease liabilities ¹	8,474	7,428	7,214	-	-
= Net debt excluding effects of IFRS 16²	987	1,222	1,797	2,266	2,179
REAL ESTATE ADJUSTED NET DEBT					
Net debt (as above)	987	1,222	1,797	2,266	2,179
- long-term real estate loans	722	671	597	644	603
- current real estate loans	28	25	62	89	48
= Real estate adjusted net debt, excluding effects of IFRS 16²	237	526	1,138	1,533	1,528
RETURN ON CAPITAL EMPLOYED %, 12 MONTHS					
Adjusted operating profit, EBIT (12 months)	1,001	939	728	634	670
+ Interest income	1	0	0	1	2
divided by					
Average equity (12 months)	5,531	5,047	4,698	4,426	3,853
+ average non-current interest-bearing liabilities (12 months)	8,277	8,302	5,232	2,207	2,204
+ average current interest-bearing liabilities (12 months)	1,829	1,276	935	632	594
- IFRS 16 average equity ¹	-256	-165	-59	-	-
- IFRS 16 average non-current and current lease liabilities ¹	7,951	7,321	3,607	-	-
= Return on capital employed, excluding effects of IFRS 16², %	12.6%	12.6%	10.0%	8.7%	10.1%

SEK m., unless otherwise stated	2021/2022	2020/21	2019/20	2018/19	2017/18
RETURN ON EQUITY %, 12 MONTHS					
Profit/loss after tax (12 months)	605	599	431	431	430
- IFRS 16 profit/loss after tax (12 months) ¹	-88	-95	-117	-	-
divided by					
Average equity (12 months)	5,531	5,047	4,698	4,426	3,853
- IFRS 16 average equity ¹	-256	-165	-117	-	-
= Return on equity, excluding effects of IFRS 16², %	12.0%	13.3%	11.4%	9.7%	11.2%
INTEREST COVERAGE RATIO, MULTIPLE					
Adjusted operating profit, EBIT (12 months)	1,001	939	728	634	670
+ Interest income (12 months)	1	0	0	1	2
+ Other financial income (12 months)	0	3	4	2	4
divided by					
Interest expense (12 months)	-32	-34	-46	-51	-62
= Interest coverage ratio, multiple	31.6	27.9	15.9	12.5	10.9

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

² Financial statements with application of accounting policies for financial years earlier than 1 July 2019. This means accounting in accordance with IAS 17 Leases, i.e. effects from leases of real estate, are recognised as rent and not as finance leases.

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

Definitions of key performance indicators

Implementation of IFRS 16 has a major impact on AcadeMedia, in that all leases must be capitalised on the balance sheet as lease assets and liabilities, respectively. Several important key performance indicators have the same definition as previously and are not affected by IFRS 16. AcadeMedia uses prospective application, which means that the previous year's accounts have not been restated. This means that certain key performance indicators such as return on equity and capital employed can only be calculated excluding the effects of IFRS 16.

KPIS	DEFINITION	PURPOSE
Number of children/students	Average number of children/students enrolled during the specified period. Adult Education participants are not included in the Group's total figures for number of children/students.	The number of children/students is the most important driver for revenue.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating in the period. Integrated units where preschools and compulsory schools are combined are counted as two units, as they each hold their own permit.	The number of education units indicates how the Company grows over time through new establishments and acquisitions, less discontinued units.
Number of full-time employees	Average number of full-time employees during the period, full-time equivalents (FTEs).	The number of employees is the main cost driver for the Company.
Return on equity, excluding the effects of IFRS 16	Profit/loss for the most recent 12-month period excluding IFRS 16, divided by average equity excl. IFRS 16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS 16.	Return on equity is a profitability measure used to place profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed, excl. IFRS 16	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital employed, excluding effects of IFRS 16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS 16.	Return on capital employed is a measure of profitability that is used to place adjusted operating profit/loss in relation to the capital needed to run the business, irrespective of type of financing.
EBITDA	Operating profit/loss before amortisation and impairment of non-current assets and right-of-use assets. IFRS 16 has a positive impact on this key performance indicator, since rent is excluded.	EBITDA is used to measure profit (loss) from operating activities, irrespective of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales. IFRS 16 has a positive impact on this key performance indicator, since rent is excluded.	EBITDA margin is used to place EBITDA in relation to sales.
Equity, excl. IFRS 16	Equity excluding the effects of IFRS 16 that arise via profit/loss for the period.	Equity excluding the effects of IFRS 16 is used to calculate return on equity on a consistent basis.
Net financial items	Financial income less financial expenses. IFRS 16 has a negative impact on this key performance indicator, since interest expense on right-of-use assets is included.	The measure is used to illustrate the outcome of the Company's financial activities.

Free cash flow	Cash flow from operating activities after changes in working capital less investments in operating activities. However, investments in operating activities consist of all investments in property, plant and equipment and intangible assets, except buildings and acquisitions. This key performance indicator is not affected by IFRS 16.	The measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for expansion, for example amortisation of loans or for dividends.
Acquired growth	Increase in net sales due to major acquisitions over the past 12-month period.	Indicates rate of growth generated from acquisitions, in contrast to organic growth and currency effects.
Acquisition-related depreciation/amortisation	Depreciation of surplus values related to assets gained in acquisitions.	Shows the impact of surplus values acquired on depreciation/amortisation. For example, brands and increases of value in properties.
Adjusted EBITDA	Operating profit/loss before amortisation/depreciation of intangible assets and property, plant and equipment, excluding items affecting comparability and excluding the effects of IFRS 16. This key performance indicator therefore includes rental costs and is not affected by IFRS 16.	Adjusted EBITDA is used to measure the underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales. This key performance indicator is not affected by IFRS 16.	Adjusted EBIT margin places the underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt	Net debt less real estate related debt. This key performance indicator is not affected by IFRS 16.	Adjusted net debt shows the portion of loans that finance the business, while real estate loans are linked to a building asset that can be separated off and sold.
Adjusted net debt/Adjusted EBITDA	Adjusted net debt divided by adjusted EBITDA for the past 12-month period. This key performance indicator is not affected by IFRS 16.	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 real estate related loans. It shows the loan-to-value ratio of the business excluding real assets such as real estate.
Adjusted operating profit/loss, EBIT	Operating profit/loss (EBIT) excluding items affecting comparability and excluding the effects of IFRS 16. This key performance indicator includes rental costs and is not affected by IFRS 16.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as major (>SEK 5 million) retroactive income related to prior financial years, items related to real estate such as capital gains on sale, major real estate damage not covered by buildings insurance, costs of advice relating to major acquisitions or fundraising, major integration costs resulting from acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in winding up of units.	The measure is used to illustrate the profit/loss items that are not included in ongoing operating activities, in order to obtain a clearer picture of the underlying profit trend.

KPIS	DEFINITION	PURPOSE
Cash flow from operating activities	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities. IFRS 16 has a positive impact on this measure, since rental costs are excluded.	Cash flow from operating activities is used as a measure of the cash flow that the Company generates before investments and financing.
Cash flow from investments	Cash flow from investing activities as per the cash flow statement. This includes investments in and divestments of buildings, acquisitions and investments in property, plant and equipment and intangible non-current assets. Investments financed via leases are not included. This key performance indicator is not affected by IFRS 16.	Cash flow from investments is used for regular measurement of how much cash is used to maintain operations and for expansion.
Net debt	Interest-bearing debt (current and non-current), excluding lease liabilities related to right-of-use assets, net of cash and cash equivalents and interest-bearing receivables (current and non-current). This key performance indicator is not affected by IFRS 16.	Net debt is used to illustrate the size of the debt less current cash and cash equivalents (which in theory could be used to amortise loans).
Net debt/ Adjusted EBITDA	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12-month period. This key performance indicator is not affected by IFRS 16.	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 real estate related loans.
Organic growth including minor bolt-on acquisitions	Increase in net sales, excluding major acquisitions and currency fluctuations.	The Group's growth target is to increase net sales by 5-7 percent per year, including minor bolt-on acquisitions. The purpose of the key performance indicator is thus to follow up on the Group's growth target.
Employee turnover	The average number of employees who left the Company during the year, in relation to the average number of employees. (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees). Calculated on an aggregated basis over the reporting period.	Employee turnover is used to measure the proportion of employees who leave the Company and must be replaced every year.
Earnings per share	Profit/loss for the period in SEK, divided by the average number of shares outstanding, basic/diluted, is calculated according to IAS 33. The key performance indicator is affected by IFRS 16 because net profit is affected by elimination of rent and the addition of amortisation and interest expense related to right-of-use assets.	Earnings per share is used to highlight the amount of profit for the period to which each share is entitled.

Earnings per share, excl. IFRS 16	Earnings per share, excluding the effects of IFRS 16.	The purpose is to report earnings per share based on the same accounting policies as before the implementation of IFRS 16, in order to provide comparability over time.
Interest coverage ratio, excl. IFRS 16	Adjusted EBIT for the past 12-months plus financial income, in relation to interest expense, excluding interest expense attributable to right-of-use assets. This key performance indicator is not affected by IFRS 16.	The interest coverage ratio is used to measure the Company's ability to pay off interest expenses.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of net sales. In the Group, this measure is affected by IFRS 16. However, the EBIT for the segments is not affected.	The operating margin shows the percentage of sales that remains after operating expenses and that can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax. In the Group, this measure is affected by IFRS 16. However, the EBIT for the segments is not affected.	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time and divided by the number of full-time employees (FTE). Calculated as an average over the reporting period.	Absence due to illness is used to measure employee absence and provide indications as to employee health.
Equity/assets ratio	Equity excluding the effects of IFRS 16, as a percentage of total assets and excluding the effects of IFRS 16. This key performance indicator is not affected by IFRS 16.	The equity/assets ratio shows the proportion of the Company's total assets that is financed by shareholders' equity. A high equity/assets ratio is an indication of financial strength.
Capital employed, excl. IFRS 16	Total assets less non-interest-bearing current liabilities and provisions, adjusted for non-current and current lease liabilities related to right-of-use assets, as well as provisions and deferred tax liabilities. Or: Equity plus non-current and current interest-bearing liabilities but excluding non-current and current lease liabilities related to right-of-use assets. This key performance indicator is not affected by IFRS 16.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the effects of IFRS 16, continuity can be achieved in the return figure.

Tips to the reader

Annual reports are packed with information and few people read them from cover to cover. However, this annual report provides a good summary of AcadeMedia's operations and results, even if you only read parts of it. Here are some tips for readers who don't have time to read everything.

If you want to know all about our business and financial performance

The Administration Report, which begins on page 43, is a good starting point. It provides a brief summary of information such as major events over the past year, our financial position and our quality management initiatives.

If you want to know all about the figures

The figures section starts on page 64. This is where you can see that AcadeMedia's sales for the year totalled SEK 14,339 million and that the profit for the period was SEK 605 million.

If you want the shortest summary possible

On page 5 we have "The year in brief" – that's as short as we can make it.

For those of you who want to gain insight into how we see the future

The two-page message from the CEO on pages 6–7 is a good status update describing both where we are today and how we view the future. On page 8, you can read about our strategy and goals. Then turn to pages 10–13 to read more about our markets.

If you want to know more about our segments

Our four segments – Preschool, Compulsory School, Upper Secondary School and Adult Education – are described on pages 9 and 45–46.

If you want to know more about our work in sustainability

Our sustainability report is provided on pages 14–42.

If your particular interest is quality

Our general approach to quality management is described in our sustainability report on pages 23–27. If you want to find out more about our quality management model and our quality performance, we recommend AcadeMedia's Group-wide Quality Report, which is available at www.academedia.se – search for "quality report".

If your focus is on internal control

The Corporate Governance Report, which starts on page 50, describes how we ensure good internal control and governance.

Words used and definitions

Some of the words and expressions commonly used in annual reports, often chosen to meet stock market requirements for clarity and accuracy, seem unnatural to many who work in the education sector. For example, many of us react to the term "customer," which does not seem to fit but is used in the "customer and employee satisfaction surveys" that we conduct and that are reported on both here in the annual report and in our annual quality report. Another example is the "market overview" section in the annual report. Referring to preschool, school and adult education as a market seems inappropriate for most people who work in education.

Regarding the word customer, we chose to explain how we think in our quality report as follows: The word "customer" is difficult to use in the context of education and may need to be explained. By "customers," we mean not only students and guardians, but also central government and municipalities – in fact, the entire community – who have given us the mandate that we strive to implement in the best possible way.

An annual report is primarily intended for readers with a particular focus on financial issues. We have therefore decided that in this particular context we will adhere relatively strictly to concepts that cannot be misunderstood by such readers, but that many people in the education sector may be uncomfortable with.

Questions and orders

Questions from shareholders and investors may be put to Head of IR Hanna Clausén, hanna.clausen@academedia.se, (Int.+46) (0) 87 94 42 62. Questions about the Sustainability Report may be put to Head of Sustainability Paula Hammerskog, paula.hammerskog@academedia.se, (Int.+46) (0)733 34 87 50.

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We hope you enjoy reading our report!

AcadeMedia

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