

Change Through Education

AcadeMedia AB (publ)

Interim report July – September 2022

- Preschool Segment grew the number of children by 8.1 percent, of which Germany grew by 23 percent
- Continued good demand in the school segments, but costs increased

AcadeMedia

Interim report quarter one, July – September 2022

Summary of the first quarter 2022/23

- Net sales increased by 6.6 percent and amounted to SEK 3,104 million (2,911). Organic growth, including bolt-on acquisitions, was 4.5 percent.
- Operating profit (EBIT) amounted to SEK 239 million (233).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 151 million (194). Items affecting comparability amounted to SEK 6 million (-30).
- Net profit for the period amounted to SEK 94 million (100).
- Earnings per share was SEK 0.73 (0.94) after dilution. Adjusted for IFRS 16, earnings per share was SEK 0.93 (1.15) after dilution.
- The average number of children and students in preschool, compulsory school, and upper secondary school during the first quarter was 95,834 (91,431), representing an increase of 4.8 percent.
- As previously communicated, AcadeMedia has initiated negotiations to acquire a compulsory school and adult education business in Germany.

First quarter summary

SEK m	First quarter			Rolling 12 m	Full year
	2022/23	2021/22	Change	Oct 21 – Sep 22	2021/22
Net sales	3,104	2,911	6.6%	14,532	14,339
Organic growth, %	4.5%	6.8%	-2.3 p.p.	4.7%	5.2%
Operating profit (EBIT)	239	233	2.6%	1,230	1,224
EBIT margin, %	7.7%	8.0%	-0.3 p.p.	8.5%	8.5%
Adjusted EBIT ¹	151	194	-22.2%	958	1,001
Adjusted EBIT margin, %	4.9%	6.7%	-1.8 p.p.	6.6%	7.0%
Profit for the period	94	100	-6.0%	599	605
Earnings per share, diluted (SEK)	0.73	0.94	-22.9%	5.50	5.72
Free cash flow	-64	-99	-35.4%	957	922
Number of children and students ²	95,834	91,431	4.8%	-	92,549
Number of FTEs	13,982	13,543	3.2%	n.m.	13,829

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

² Excl. adult education. See definitions on pages 30-31.

CEO's comments

For AcadeMedia, the new financial year of 2022/23 started off with strong demand in the school segments and adult vocational training business. Particularly encouraging is the increasing growth and demand in preschool, where the number of children increased by 8.1 percent.

Pursuing our international strategy, we strengthened our presence in the Netherlands this quarter, with the acquisition of five additional preschool units. Moreover, negotiations are in progress regarding a further acquisition in Germany that would broaden the business and open up new opportunities for profitable growth.

Although the underlying business is performing well, results for the quarter were negatively impacted by higher food and electricity costs. Going forward, we will continue to be affected by the major cost increases in society. Lower unemployment has during the summer and early autumn reduced demand in our municipal adult education business, which is why further cost adjustments have been initiated.

Inflation-proof over time

Higher electricity and food prices continue to drive inflation, which in September was around 10 percent in Sweden and Germany and 7 percent in Norway on an annual basis. These extraordinary cost increases had a negative impact on results for the quarter and are estimated to continue to affect results going forward.

The statutory school voucher funding model, is intended to maintain equal conditions, ensuring that AcadeMedia remains inflation-proof over time. We currently assess, however, that it may take until January 2024 for the school voucher to reflect the large cost increases we are now seeing. That is why we are taking a series of measures to address the sharply rising costs in our various markets.

In Germany, we will defer three new establishments until the next financial year. The planned 15 new establishments in 2022/23 will be reduced to 12 and in 2023/24 will increase to around 20 new units. The demand for preschool places in Germany remains high. In Adult Education Segment, cost reduction programmes have been implemented. Further cost savings are planned in the second quarter to realign our operations. The cost programmes will take full effect from January 2023 and, combined with the changes in school voucher funding, our ambition is to return to normal profitability levels by 2024.

New upper secondary campuses in Stockholm have made a strong start

Our two newly opened campuses in Stockholm have started well, with high enrolment and good student numbers. Together, our five campuses in the Stockholm area now have more than 5,000 students. The campuses have contributed to 10 percent growth in our academic upper secondary programmes and demand for academic programmes is expected to remain high in the metropolitan regions.

We see good opportunities for continued strong organic growth in autumn 2024 as our campuses fill up with new student intakes. Thanks to our investments in increased capacity and the fact that the demographic trend in upper secondary schools remains robust, in Stockholm alone we can increase student numbers by a further 1,000.

Higher Vocational Education is developing well, Municipal Adult Education adjusts to lower demand

The buoyant labour market has reduced demand for municipal adult education by more than 25 percent during the summer and autumn compared with a year earlier. AcadeMedia's Adult Education segment is adjusting staffing levels to reflect the lower volumes, however the segment's profit will be affected during the autumn and winter.

The Swedish National Institute of Economic Research is predicting that the Swedish economy will go into recession next year. This is expected to lead to a reduction in demand for labour and a rise in unemployment. On this basis, we anticipate that participant volumes will increase in 2023. We have a strong portfolio of contracts running until 2024.

The volumes in AcadeMedia's higher vocational education business increased by 7 percent compared to the previous year. Demand is stable and is expected to remain firm going forward. AcadeMedia is the market leader in higher vocational education, and we will continue to strengthen our position.

Long-term regulatory framework for the education sector in Sweden

Shortly after the end of the reporting period, Sweden's incoming government presented the "Tidö Agreement", laying out the policies to be implemented over the next mandate period. The agreement covers a number of proposals relating to education. AcadeMedia welcomes many of these proposals. Over the years, we ourselves have proposed several of the measures addressed in the agreement. Through the Tidö Agreement, there are now very good opportunities to develop long-term rules, and it also creates the conditions for independent schools to remain an important part of developments in the sector.

The strength of the agreement lies in the fact that it addresses both systemic issues and those that directly affect teaching, in the classroom. Through the agreement, we move from a situation with relatively large perceived political uncertainty for the independent school sector to a long-term regulatory framework that has the potential to both improve learning outcomes and create equivalence in Swedish schools. This will benefit the students, those working in schools and Sweden as a whole.

Pursuing our international strategy

AcadeMedia is negotiating with a German education company, FAWZ, which operates schools and adult education in Brandenburg, Germany. AcadeMedia's model is also scalable internationally and an acquisition would expand AcadeMedia's presence in Germany and pave the way for new opportunities for profitable growth.

Demand in all our markets is expected to remain strong in 2023 and our overall assessment is that our past investments and solid position will enable us to cope well with the new economic situation in the years to come. This new business environment also creates attractive acquisition opportunities. Even in these challenging times, AcadeMedia is strong and well positioned to seize opportunities.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Development in the first quarter (July 2022 – September 2022)

Volume development and net sales

Net sales in the first quarter increased by 6.6 percent to SEK 3,104 million (2,911). The acquisition of Sandviks AS contributed with 0.9 percentage points. Organic growth, including bolt-on acquisitions, was 4.5 percent and changes in exchange rates impacted sales by 1.2 percent. The average number of children and students, excluding the Adult Education Segment, increased by 4.8 percent to 95,834 (91,431)

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT was SEK 151 million (194) with an adjusted EBIT margin of 4.9 percent (6.7). Operating profit (EBIT) was SEK 239 million (233) with an EBIT margin of 7.7 percent (8.0). Earnings decreased due to lower volumes in part of the Adult Education Segment, lower pension contribution in Norway, capacity expansion in the Upper Secondary School Segment, and increased operating costs. The increased operating costs is mainly related to electricity and food, in total SEK 10 million.

Group overhead expenses decreased compared to last year due to lower activity levels and cost savings programs.

Items affecting comparability

Items affecting comparability amounted to SEK 6 million (-30) and include insurance compensation related to a fire in a compulsory school in July 2021. Insurance compensation is expected to cover a substantial part of the expenses.

	First quarter	
SEK m	2022/23	2021/22
Fire, insurance compensation (Comp.)	6	-
Fire (Comp.)	-	-30
Total	6	-30

First quarter in summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Preschool	22,702	20,999	956	808	-3	9	-0.3%	1.1%	-3	9	-0.3%	1.1%
Compulsory School	28,416	27,697	746	713	51	54	6.8%	7.6%	57	24	7.6%	3.4%
Upper Secondary School	44,716	42,735	1,025	964	74	87	7.2%	9.0%	74	87	7.2%	9.0%
Adult Education	- ¹	- ¹	377	427	45	67	11.9%	15.7%	45	67	11.9%	15.7%
Group adj. Parent company	-	-	0	0	-16	-23	-	-	-16	-23	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	82	69	-	-
Total	95,834	91,431	3,104	2,911	151	194	4.9%	6.7%	239	233	7.7%	8.0%

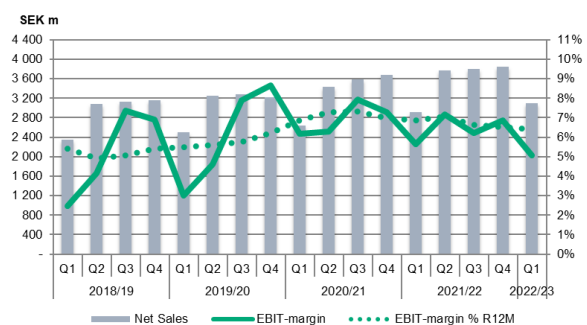
¹ Adult education volume is not measured by the number of participants as the length of the programmes varies from single occasions to academic years.

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

Acquisitions, divestments, new establishments, and discontinued operation

Fifteen new units were added in the quarter. Five preschools in the Netherlands were acquired in the end of the quarter and ten new units opened, three upper secondary schools, one compulsory school, one preschool in Sweden, and five preschools in Germany. The number of units also decreased by three in the quarter because of the closing of one unit and the merging of four units into two units.

During the quarter, AcadeMedia acquired Futuregames further strengthening the position in game education within the Adult Education Segment. Also, the edtech company Framtidsutveckling was acquired during the quarter.



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

Cash flow and financial position

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

Cash flow adjusted for lease payments

SEK m	First quarter		Rolling 12 months	Full year
	2022/23	2021/22	Oct 21 – Sep 22	2021/22
Cash flow from operating activities before changes in working capital	178	246	1,124	1,192
Cash flow from changes in working capital	-155	-272	151	33
Cash flow from operating activities	24	-26	1,275	1,225
Investments related to existing operations ¹	-88	-73	-318	-303
Investments related to expansion ²	-82	-34	-282	-234
Cash flow from investing activities	-170	-106	-600	-536
Cash flow from financing activities	-87	0	-617	-530
CASH FLOW FOR THE PERIOD	-233	-133	58	158
Free cash flow³	-64	-99	957	922

Cash flow from operating activities for the quarter amounted to SEK 24 million (-26). The increase compared to last year was due to a less negative effect from net working capital development, SEK -155 million (-272), which had a positive effect on cash flow. In the quarter, a calendar effect entailed higher accounts payables of about SEK 200 million, where of SEK 130 million related to property rents, at the same time as accounts receivables was unusually high, SEK 50 million. The net working capital development in the first quarter is negatively affected by seasonality following holidays and higher accounts receivable relating to the start of the academic year. Paid tax in the quarter amounted to SEK 71 million (11), affected by higher preliminary tax in Sweden at SEK 15 million. Paid tax previous year included a positive adjustment of final tax in Norway and Sweden at SEK 55 million.

Investments in existing operations¹ were higher compared to last year and amounted to SEK -88 million (-73) contributing to a free cash flow³ of SEK -64 million (-99). Expansion investments² in the period were SEK -82 million (-34) mainly related to the acquisition of Framtidsutveckling, Futuregames and five preschools in the Netherlands, in total SEK 76 million. Cash flow from investing activities amounted to SEK -170 million (-106).

Cash flow from financing activities totalled SEK -87 million (0). All in all, cash flow for the quarter amounted to SEK -233 million (-133).

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

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

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

Financial position¹

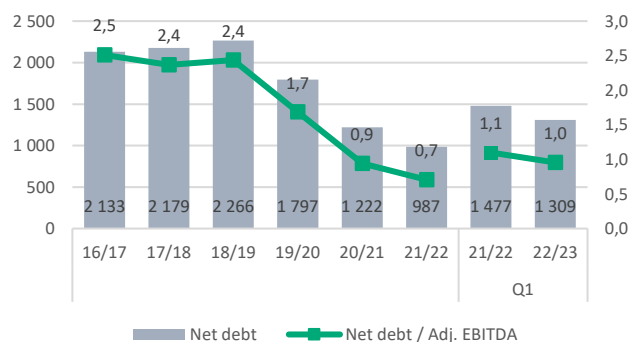
SEK m	2022-09-30	2021-09-30	2022-06-30
Equity/asset-ratio (%) (excluding IFRS 16)	54.3%	53.5%	55.3%
Net debt (inclusive of IFRS 16)	10,404	9,225	9,460
Property-related leasing liabilities	9,094	7,747	8,474
Net debt (excluding IFRS 16)	1,309	1,477	987
Net debt/ adjusted EBITDA	1.0	1.1	0.7
Buildings ²	1,066	1,047	1,057

Consolidated interest-bearing net debt¹ including property-related leasing liabilities amounted to SEK 10,404 million (9,225), of which property-related leasing liabilities amounts to SEK 9,094 million (7,747). The increase compared to last year is partly related to expansion and new lease agreements, partly that current lease agreements expired and resigned. Financial expenses increased to SEK -123 million (-106) following the increased leasing liabilities and increased interest rates. Interest expenses related to property-related leasing liabilities amounted to SEK -107 million (-98).

Consolidated interest-bearing net debt¹ excluding property-related leasing liabilities amounted to SEK 1,309 million (1,477) as of 30 September 2022. The decline in net debt over the past 12 months is due to positive cash flows following strong results. In the quarter, AcadeMedia has signed a new loan agreement with DNB and SEB to refinance existing loans to an amount of SEK 1,650 million until the middle of 2025 with the possibility to extend until 2027. Annual amortization will decrease by SEK 34 million which will positively impact cash flow.

The property loans, consisting of both non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, have, increased by SEK 23 million over the past 12 months to SEK 751 million (728). Excluding the currency effects related to a stronger Norwegian krona, the property loans decreased by SEK 7 million. Buildings increased by SEK 19 million to SEK 1,066 million (1,047) during the equivalent period.

Net debt in relation to adjusted EBITDA¹ (rolling 12 months) amounted to 1.0 (1.1), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Property-adjusted net debt divided by adjusted EBITDA¹ (12m) was 0.4 (0.6).



¹ Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. By excluding the effects of IFRS 16, continuity is achieved in the KPIs above. See pages 30 to 31 for definitions.

² As of 30 September 2022, AcadeMedia owns 41 preschool properties in Norway, which are funded by long-term liabilities in the Norwegian State Housing Bank and short-term construction loans.

Preschool

- The number of children increased by 8.1 percent to 22,702 (20,999) in the first quarter.
- Sales increased by 18.4 percent and amounted to SEK 956 million (808), positively affected by acquisitions and currency changes. Organic growth increased by 10.4 percent.
- Adjusted operating profit (adj. EBIT) decreased to SEK -3 million (9).

AcadeMedia's Preschool segment runs preschools in Sweden, Norway, Germany and the Netherlands, and educational services through Sandviks AS. In Sweden, business is conducted in many municipalities with a total of 111 units. In Norway, Espira is the third largest preschool provider with 107 units. In Germany and the Netherlands, we operate 78 and 7 preschools, respectively. The segment had a total of 303 units during the quarter.

Outcome for the first quarter

The average number of children increased by 8.1 percent compared with the previous year and amounted to 22,702 (20,999). The increase was mainly driven by new establishments in Germany.

Sales increased by 18.4 percent and amounted to SEK 956 million (808). The acquisition of Sandviks and positive currency effects contributed 3.3 and 4.6 percentage points, respectively. The organic growth was 10.4 percent.

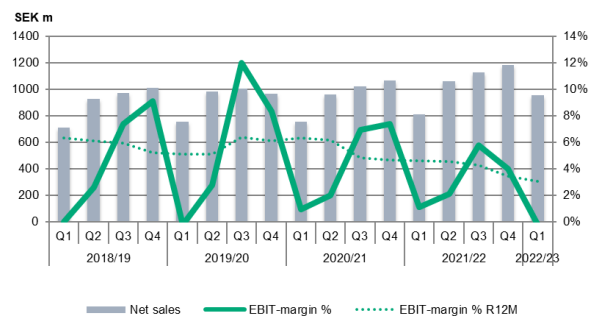
Adjusted operating profit (EBIT) decreased to SEK -3 million (9) with a margin of -0.3 percent (1.1). Decrease

in profit and margin were mainly due to the Norwegian business and relates to higher salary expenses and lower pension supplement, total SEK 13 million, and also increased operating costs, SEK 3 million, driven by inflation. Increased operating costs due to inflation also had an impact on the Swedish and German operation but were mitigated by increased capacity utilisation in Sweden and a positive vacation effect in Germany.

Operational changes

Six new units opened in the quarter, one in Sweden and five in Germany. In the end of the quarter, five units were acquired in the Netherlands.

The plan to open 15 units in Germany during 2022/23 has been revised to 12 units to reduce the effects of higher inflation.



Financial overview¹

SEK m	First quarter			Rolling 12 months	Full year
	2022/23	2021/22	Change	Oct 21 - Sep 22	2021/22
Net sales	956	808	18.4%	4,329	4,180
Operating profit (EBIT)	-3	9	-133.3%	131	142
EBIT margin, %	-0.3%	1.1%	-1.4 p.p.	3.0%	3.4%
Items affecting comparability	-	-	n.a.	-21	-21
Adjusted operating profit	-3	9	-133.3%	151	163
Adjusted EBIT margin, %	-0.3%	1.1%	-1.4 p.p.	3.5%	3.9%
Number of children and students	22,702	20,999	8.1%	n.m.	22,413
Number of units	303	278	9.0%	n.m.	286

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

¹ Additional financial information per segment is presented on pages 26-27.

Compulsory School

- The number of students increased by 2.6 percent to 28,416 (27,697) in the first quarter.
- Sales increased by 4.6 percent to SEK 746 million (713).
- Adjusted operating profit (EBIT) decreased to SEK 51 million (54).

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

Outcome for the first quarter

The average number of students increased by 2.6 percent compared with the previous year and amounted to 28,416 (27,697). The increase relates to growth in existing units, of which some have increased their capacity, and to one new unit with 130 children.

Net sales increased by 4.6 percent and amounted to SEK 746 million (713), which in addition to the increase in number of students, also was due to the annual adjustment of school vouchers and increased government grants.

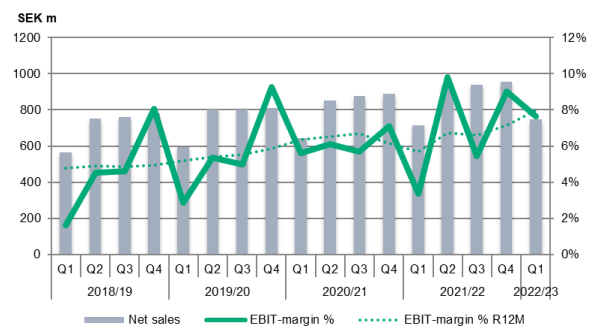
Adjusted operating profit was SEK 51 million (54) with a margin of 6.8 percent (7.6). The result was affected by a higher number of students and a general higher cost level. Among other things, electricity costs increased by SEK 3 million. The newly opened unit and units with added capacity also have a temporary negative effect

on the results until the utilization has increased. In the quarter, initiatives to strengthen student health at our schools, also contributing to increased costs.

Non-recurring items amounted to SEK 6 million (-30) and include insurance compensation related to a fire at a school in July 2021. Insurance compensation is expected to cover most of the expenses. Operating income (EBIT) increased compared to last year and amounted to SEK 57 million (24). This corresponds to an EBIT margin of 7.6 percent (3.4).

Operational changes

During the first quarter, one compulsory school opened in Örebro with 130 children and two units merged into one unit.



Financial overview¹

SEK m	First quarter			Rolling 12 months	Full year
	2022/23	2021/22	Change	Oct 21 - Sep 22	2021/22
Net sales	746	713	4.6%	3,577	3,543
Operating profit (EBIT)	57	24	137.5%	286	253
EBIT margin, %	7.6%	3.4%	4.2 p.p.	8.0%	7.1%
Items affecting comparability	6	-30	n.a.	18	-18
Adjusted operating profit	51	54	-5.6%	268	271
Adjusted EBIT margin, %	6.8%	7.6%	-0.8 p.p.	7.5%	7.6%
Number of children and students	28,416	27,697	2.6%	n.m.	27,896
Number of units	116	116	-	n.m.	116

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

¹ Additional financial information per segment is presented on pages 26-27.

Upper Secondary School

- The number of students increased by 4.6 percent in the first quarter, amounting to 44,716 (42,735).
- Sales increased 6.3 percent to SEK 1,025 million (964).
- Adjusted operating profit decreased to SEK 74 million (87).

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 152 units during the quarter.

Outcome for the first quarter

The number of students increased by 4.6 percent compared with the previous year, amounting to 44,716 (42,735). The growth was mainly attributable to the 24 new units that have opened since 2017, where of three in the beginning of current financial year, enrolling new students. In total, these 24 units have admitted about 1,250 additional students compared to the same period last year. Expansion through new starts and investments in campus has increased the student capacity with about four thousand places. These places are expected to be filled in coming years.

Net sales increased by 6.3 percent to SEK 1,025 million (964), following increased number of student and the annual school voucher revision.

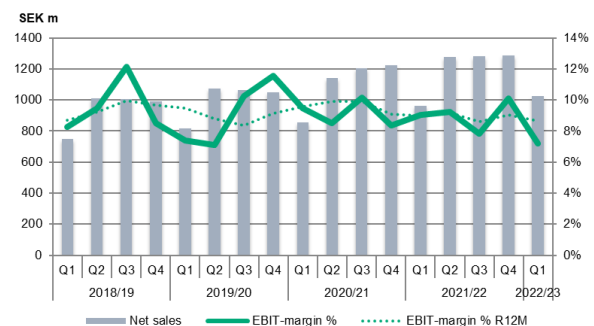
Adjusted operating profit was SEK 74 million (87), representing a margin of 7.2 percent (9.0). Decreased

profit and margin is a result of expansion in new starts and campuses that initially reduce the capacity utilisation to 85.2 percent (88.0) and put pressure on profitability, and a general higher cost level. Operating costs increased by SEK 7 million, of which electricity was SEK 3 million, compared to last year.

Operating profit (EBIT) decreased and amounted to SEK 74 million (87) and the margin was 7.2 percent (9.0).

Operational changes

At the start of the autumn term 2022, three new upper secondary schools opened, in Malmö and Gothenburg. In the quarter, these schools have in total admitted almost 350 students. Number of units in the quarter has also been affected by one closed unit in Stockholm and two units merged into one unit.



Financial overview¹

SEK m	First quarter			Rolling 12 months	Full year
	2022/23	2021/22	Change	Oct 21 - Sep 22	2021/22
Net sales	1,025	964	6.3%	4,868	4,807
Operating profit (EBIT)	74	87	-14.9%	422	435
EBIT margin, %	7.2%	9.0%	-1.8 p.p.	8.7%	9.0%
Items affecting comparability	-	-	n.a.	-15	-15
Adjusted operating profit	74	87	-14.9%	437	450
Adjusted EBIT margin, %	7.2%	9.0%	-1.8 p.p.	9.0%	9.4%
Number of children and students	44,716	42,735	4.6%	n.m.	42,240
Number of units	152	151	0.7%	n.m.	151

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

¹ Additional financial information per segment is presented on pages 26-27.

Adult Education

- Sales decreased 11,7 percent to SEK 377 million (427).
- Operating profit (EBIT) was SEK 45 million (67).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education with a presence in about 150 locations in the country. The segment works in three main customer groups: Municipal Higher Education (44 percent of sales in the quarter), Higher Vocational Education (44) and Labour Market Services (9).

Outcome for the first quarter

Net sales decreased by 11.7 percent and amounted to SEK 377 million (427). The decrease is mainly attributable to Municipal Adult Education and Labour Market Services, to some extent mitigated by a strong Higher Vocational Education.

Number of participants within **Higher Vocational Education** continued to increase and net sales increased by 11 percent compared to last year. Growth was positively affected by the acquisition of Futuregames that contributed with 3 percentage points.

Volumes in **Municipal Adult Education** have not recovered after the summer and net sales decreased 28 percent compared to last year, impacting earnings and profitability. The inflow of students to SFI and basic adult education was low already before the summer, and we are now also seeing reduced volumes within upper secondary school education for adults. In the third quarter last financial year, the SFI-operation in Stockholm started to adjust its capacity to the changed demand, this is now completed. Capacity adjustment for the remaining business is now under way and is expected to be completed at the second quarter this financial year.

The conscious choice to reduce exposure to the **Labour Market Services** business resulted in net sales decreasing 37 percent compared to last year. The decline is related to the contracts STOM and Vocational Swedish (YS) that are closed. The expected volumes in the new matching contracts (KROM) are still not met.

Operating profit decreased to SEK 45 million (67), corresponding to a margin at 11.9 percent (15.7). The lower earnings were mainly related to declining volumes in Municipal Adult Education business. Also, the Labour Market Services declined, an effect from conscious reduced exposure. Higher Vocational Education business showed maintained profitability

Financial overview¹

		First quarter		Rolling 12 months	Full year
SEK m	2022/23	2021/22	Change	Oct 21 - Sep 22	2021/22
Net sales	377	427	-11.7%	1,754	1,804
Operating profit (EBIT)	45	67	-32.8%	181	203
EBIT margin, %	11.9%	15.7%	-3.8 p.p.	10.3%	11.3%
Items affecting comparability	-0	-	n.a.	-11	-11
Adjusted operating profit	45	67	-32.8%	192	214
Adjusted EBIT margin, %	11.9%	15.7%	-3.8 p.p.	10.9%	11.9%

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

¹ Additional financial information per segment is presented on pages 26-27.

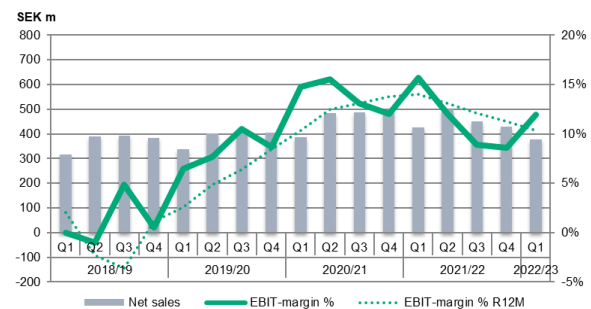
The assessment is that volumes in the Municipal Adult Education business will continue to be low in the second quarter. Consequently, the segment's EBIT-margin in the second quarter is anticipated to be significantly below the range of 9-11 percent. The financial year as a whole is expected to be in the lower end of the range. The development of the economy and the new transition study grant (sv. Omställningsstudiestöd), available from October 1, can in the longer term have a positive effect on the development.

Operational changes and market development

During the quarter, AcadeMedia acquired the game education company Futuregames and continued the expansion in game education, a business with strong growth in Sweden as well as internationally. Also, the edtech company Framtidsutveckling was acquired in the quarter.

The labour market remains strong and the Swedish Public Employment Service's figures for September show continued decrease in unemployment. However, in August the number of termination notices was the highest since April 2021, but still not significantly different compared to last year. At the same time, the National Institute of Economic Research reports that a slowdown in the economy is under way.

The new transition study grant, available from October 1, 2022, is part of a major labour market reform. The grant is expected to remain after the change of government. Increased state funding of higher vocational education, vocational education, or universities, to meet increased demand for education that the reform aims to achieve, is expected to be announced in the new budget 2023.



Quality

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

"All of AcadeMedia's operations are part of a clear structure with a common framework and a culture with a focus on continuous improvement that makes us stronger together. We must deliver high-quality teaching and good goal fulfilment both based on core tasks and business tasks." AcadeMedia's Roadmap

Publication of AcadeMedia's quality report and AcadeMedia's annual and sustainability report for 2021/22

On 18 October 2022, AcadeMedia's quality report was published on the company website, <https://academedia.se/>. In the report, quality results on group level and future development areas are presented. In addition, the AcadeMedia model and the foundation for AcadeMedia's quality work are described. The report also includes articles with good examples from AcadeMedia's different operations.

On 25 October 2022, AcadeMedia's Annual and sustainability report was published. The sustainability report can be found on pages 14-42 and is inspired by Global Reporting Initiatives Standards. In the report, the group's main sustainability areas are presented, Learning, Employees and Environmental impact.

Quality results for the first quarter

In connection with the end of the academic year, the grade results for AcadeMedia's compulsory and upper secondary schools were compiled. At the end of September, the Swedish National Agency for Education published the national statistics regarding the compulsory school grade results for the academic year 2021/22. The corresponding results for the upper secondary school will only be published at the end of November. The grade results that can currently be reported for upper secondary school are therefore preliminary and there are no national averages to compare with yet.

The drop in grades that many thought would come during the pandemic seems to have come the following year instead. AcadeMedia's compilations for the academic year 2021/22 show declining grade results, above all in compulsory school.

In this context, it is worth noting that the grade results - are the opposite of the expected both within AcadeMedia and in the rest of the country - increased during the pandemic years. The Swedish National Agency for Education's analyses have shown that the pandemic posed major challenges for teachers to conduct tests, assess students' knowledge development, and assign grades. In addition, the national exams were cancelled. Now the new national averages for compulsory school point to a return to the levels before the pandemic.

As there have not yet been published any national statistics concerning, for example, outcomes on national tests and deviations between results on national tests and assigned grades, there is still a lot of analysis work to be done.

Compulsory School

According to the determined grade results for AcadeMedia's compulsory schools in the 2021/22 school year, the percentage of students with passing grades in all subjects was 80.6 percent (85.0) and the national average was 74.1 percent (76.1). The percentage of students with upper secondary school eligibility decreased to 89.8 percent (92.8) compared to the national average of 85.0 percent (86.2). The average merit value for primary school based on 17 subjects was 243.5 points (249.5) compared to the national average of 229.2 points (232.1). The levels for AcadeMedia's compulsory schools are thus still higher than the corresponding national average.

Upper Secondary School

The in-house compilation of grades for AcadeMedia's upper secondary schools shows that the portion graduating decreased to 90.0 percent (92.0). The average grade point for students with a passing grade remained unchanged at 14.2 points. The results are below the previous year's national average regarding both the proportion with a degree and the average grade point. However, the variation between AcadeMedia's upper secondary school activities is large.

Preschools Sweden

The results of the Swedish preschools' own assessments of target achievement in relation to the national mandate⁴ were also 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).

⁴ The assessment scale is five-pointed (0, 2, 4, 6 and 8), where the value eight refers to the highest possible quality and a four indicates that the goal fulfilment is fully acceptable in relation to the requirements in the governing documents.

Other businesses

No comprehensive quality follow-ups have been carried out within other operations during the first quarter.

Employees

The average number of full-time employees in the quarter was 13,982 (13,543) which represents an increase of 3.2 percent. The proportion of women in the Swedish operation was 67.0 percent (67.3) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 8.6 percent aggregated over the three-month July - September period, compared with 6.5 percent aggregated over the corresponding period in the previous year. Absence due to illness for AcadeMedia employees in Sweden (aggregated average short-term absence <90 days) was 3.1 percent (3.4) during quarter.

Parent Company

Revenue in the quarter amounted to SEK 6 million (4). Operating profit (EBIT) amounted to SEK -1 million (-1) and profit after tax was SEK 2 million (0). The Parent Company's assets essentially consist of participations in Group companies and intercompany receivables. Operations are financed by equity, debt, and intra group loans. Equity in the Parent Company as of 30 September 2022 was SEK 2,420 million (2,594). The Parent Company's interest-bearing debt as of 30 September 2022 was SEK 569 million (808).

Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 30 September 2022, share capital was SEK 105,793,382 and the number of shares amounted to a total of 105,793,382 shares distributed among 105,587,477 ordinary shares and 205,905 Class C shares, where the C-shares are held by AcadeMedia AB. The quota value is SEK 1.00 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 22.83 percent of the capital as of 30 September 2022.

The number of shares and votes in AcadeMedia AB has increased during September 2022 as a result of the conversion of convertibles within the framework of the convertible program aimed at employees in the AcadeMedia group which was introduced at the annual general meeting on November 22, 2018. In total, the number of shares and votes has increased by 504 ordinary shares and equal many voices.

Significant events after the end of the reporting period

AcadeMedia is negotiating an acquisition in Germany: 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. A potential deal would increase AcadeMedia's presence in Germany, which is in line with the growth strategy for AcadeMedia. The information on the ongoing negotiations was disclosed due to rumours circulating in Germany on 4 October 2022.

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

Other

Risks and uncertainties

AcadeMedia categorises risks as operating, external, and financial and they are described in detail in AcadeMedia AB's 2021/22 Annual Report. Operating risks include variations in demand and number of students and participants, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk. With declining demand in a specific unit, fixed expenses and thus rental costs are a risk.

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

In October 2022, the incoming government presented an agreement on the school. The proposals covered both system and organizational issues and things that more directly affect teaching in the school. It is important to underline that these

proposals in the agreement must be investigated according to the existing procedures. These proposals 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 the school are Knowledge results and knowledge content, Safety and peace of mind at work and independent schools and freedom of choice. If the proposals are implemented, the expectation is that a clear set of regulations with a focus on knowledge, at the same time as serious independent schools will also continue to be given good conditions to be an important part of the work to develop the school. One of the proposals in the agreement concerns a ban on profit distribution during the first years for new start-ups and new acquisitions. It therefore does not cover the existing operations of AcadeMedia or other actors. In terms of start-ups, AcadeMedia has historically contributed to the creation of new educational places by opening new schools and expanding operations. Newly opened units are generally loss-making in the first years, so the proposal is not expected to affect AcadeMedia's plans to continue contributing to the creation of new training places or expansion. The proposals are therefore judged, based on known information, not to affect AcadeMedia's financial position.

The increased inflation and rising interest rates can lead to a recession, which in turn will increase the demand for adult education. Higher electricity prices, CPI-indexed rents and meal costs affect AcadeMedia's cost mass, but over time, higher costs are reflected in increased school fees.

Seasonal variations

AcadeMedia's four segments show different seasonal variations. The three school segments show recurring seasonal variations, in which the first half of the year, July to December, typically reports weaker sales and earnings. This is mainly due to school holidays, annual leave and the annual salary review. The second half, January to June, is stronger, as sales typically rise because of the annual school voucher funding reviews and higher numbers of children and students. The Adult Education segment shows more irregular seasonal variations. However, with a stable portfolio of contracts, the fourth and first quarters are typically weaker, while the second and third quarters are stronger due to the distribution of training days over the year. However, the seasonal variations in the Adult Education segment may show sharp deviations from this pattern in the event of major contractual changes or changes in public initiatives. The seasonal variations are described in more detail in AcadeMedia AB's annual report for 2021/22.

Covid-19 has had a major impact on our business, which is why 2019/20 and 2020/21 were special. The result was mainly affected by lower costs during the second and third quarters of the business year, mainly due to cancelled and postponed activities as well as lower personnel costs due to high sickness absence and limited access to substitutes.

Outlook

AcadeMedia does not publish any forecasts.

Annual General Meeting 2022

The Annual General Meeting (AGM) will be held on Wednesday 30 November 2022 at 2:00 pm at AcadeMedia Head office, Adolf Fredriks Kyrkogata 2, Stockholm.

Calendar

25 October 2022	Annual report 2021/22
30 November 2022	Annual General Meeting 2022
2 February 2023	Interim report, second quarter
5 May 2023	Interim report, third quarter

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

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

Stockholm 25 October 2022

Marcus Strömberg
Chief Executive Officer

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This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CEST on 25 October 2022.

Consolidated income statement

SEK m	Note	First quarter		Rolling 12 Months	Full year
		2022/23	2021/22	Oct 21- Sep 22	2021/22
Net Sales	3	3,104	2,911	14,532	14,339
Cost of services		-314	-272	-1,316	-1,274
Other external expenses		-316	-267	-1,423	-1,373
Personnel expenses		-1,793	-1,688	-8,753	-8,648
Depreciation/amortization		-448	-421	-1,782	-1,755
Items affecting comparability ¹⁾		6	-30	-29	-64
TOTAL OPERATING EXPENSES		-2,866	-2,678	-13,302	-13,115
OPERATING INCOME		239	233	1,230	1,224
Financial income		3	0	4	1
Financial expenses	6	-123	-106	-458	-441
Net financial items		-120	-106	-454	-441
INCOME BEFORE TAX		119	127	775	784
Tax	7	-25	-27	-176	-179
PROFIT FOR THE PERIOD		94	100	599	605
Profit for the period attributable to:					
Owners of the parent company		94	100	599	605
Basic earnings per share (SEK)		0.73	0.94	5.51	5.73
Diluted earnings per share (SEK)		0.73	0.94	5.50	5.72
Earnings per share based on number of shares outstanding (SEK)		0.73	0.94	5.51	5.73

¹ Items affecting comparability are specified on page 4. Key performance indicator definitions are on pages 30 to 31. Please see note 2 for information on how application of IFRS 16 impact the financial reports.

Consolidated statement of comprehensive income

SEK m	Note	First quarter		Rolling 12 months	Full year
		2022/23	2021/22	Oct 21- Sep 22	2021/22
PROFIT FOR THE PERIOD		94	100	599	605
Other comprehensive income					
<i>Items that will not be reclassified to profit/loss</i>					
Actuarial gains and losses		-38	-10	-34	-6
Deferred tax relating to actuarial gains and losses		8	2	7	1
		-29	-7	-26	-4
<i>Items that may be reclassified to profit/loss</i>					
Translation differences		12	6	42	35
Other comprehensive income for the period		-17	-2	16	31
COMPREHENSIVE INCOME FOR THE PERIOD		77	98	614	636
Comprehensive income for the period attributable to:					
Owners of the parent company		77	98	614	636

Consolidated statement of financial position in summary

SEK m	Sep 30, 2022	Sep 30, 2021	June 30, 022
ASSETS			
Intangible non-current assets	6,687	6,427	6,597
Buildings	1,066	1,047	1,057
Right-of-use assets	8,946	7,854	8,367
Other property, plant, and equipment	1,011	798	924
Other non-current assets	102	61	79
Total non-current assets	17,812	16,186	17,024
Current receivables	989	862	704
Cash and cash equivalents ¹	907	836	1,137
Total current assets	1,896	1,698	1,840
TOTAL ASSETS	19,708	17,885	18,864
EQUITY AND LIABILITIES			
Total equity	5,835	5,403	5,758
Non-current liabilities to credit institutions	1,559	1,559	722
Long-term lease liabilities	8,004	6,866	7,464
Provisions and other non-current liabilities	244	193	212
Total non-current liabilities	9,807	8,619	8,397
Current interest-bearing liabilities	345	506	1,207
Short-term lease liabilities	1,378	1,104	1,180
Other current liabilities	2,344	2,254	2,323
Total current liabilities	4,067	3,864	4,709
TOTAL EQUITY AND LIABILITIES	19,708	17,885	18,864

¹ Cash includes Cash restricted for payroll tax withholdings with SEK 34 million (SEK 27 million per 30 Sep 2021 and SEK 37 million per 30 June 2022).

Summary of consolidated statement of changes in equity

Equity attributable to the owners of the Parent Company

SEK m	Jul - Sep 2022/23	Jul - Sep 2021/22	Jul-Jun 2021/22
Opening balance	5,758	5,305	5,305
Profit for the period	94	100	605
Other comprehensive income for the period	-17	-2	31
Consolidated statement of comprehensive income	77	98	636
Dividend paid	-	-	-185
Other transactions with owners ¹	0	-	2
Closing balance	5,835	5,403	5,758

¹ Transactions with owners amounts to SEK +0.1 million and include new issue connected to the convertible program SEK +0.0 million and share-matching program SEK +0.0 million. Transactions with owners in the previous year include a new share issue connected to the convertible program SEK +0.2 million and premium for issued warrants of SEK +2.1 million in the fourth quarter.

Consolidated cash flow statement

SEK m	First quarter		Full year
	2022/23	2021/22	2021/22
Operating profit (EBIT)	239	233	1,224
Depreciation/amortization	448	421	1,755
Adjustment for other non-cash items	-13	3	37
Tax paid	-71	-11	-179
Cash flow from operating activities before changes in working capital	603	646	2,838
Cash flow from changes in working capital	-286	-277	-7
Cash flow from operating activities	317	369	2,831
Acquisition of subsidiaries	-76	-14	-181
Investments in buildings	-6	-6	-20
Leasehold improvements	-23	-33	-148
Investments in equipment	-64	-39	-152
Investments in intangible non-current assets	-1	-0	-2
Investments in non-current financial assets	-	-14	-33
Cash flow from investing activities	-170	-106	-536
Interest received (+) and paid (-)	-12	-7	-30
Interest paid, lease liabilities	-110	-98	-407
Dividend paid	-	-	-185
New share issue	-	-	2
Increase (+)/decrease (-) of interest-bearing liabilities	-41	37	-171
Repayment of lease liabilities	-216	-326	-1,346
Cash flow from financing activities	-380	-395	-2,136
CASH FLOW FOR THE PERIOD	-233	-133	158
Cash and cash equivalents at beginning of period	1,137	966	966
Exchange-rate differences in cash and cash equivalents	4	2	12
Cash and cash equivalents at end of period	907	836	1,137

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

Notes and accounting policies

The interim report includes pages 1 to 31 and pages 1 to 14 are an integrated part of this financial report.

NOTE 1: ACCOUNTING POLICIES

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

The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2021/22 Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

New and amended accounting standards applied from 1 July 2022

New and amended standards and interpretations applicable from 1 July 2022 have not and will not have any significant effect on the financial reports.

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

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

Consolidated income statement

SEK m	First quarter 22/23			First quarter 21/22			Full year 21/22		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Net Sales	3,104	-	3,104	2,911	-	2,911	14,339	-	14,339
Cost of services	-314	-	-314	-272	-	-272	-1,274	-	-1,274
Other external expenses	-316	425	-742	-267	400	-667	-1,373	1,646	-3,019
Personnel expenses	-1,793	-	-1,793	-1,688	-	-1,688	-8,648	-	-8,648
Depreciation/amortization	-448	-343	-105	-421	-331	-90	-1,755	-1,358	-398
Items affecting comparability	6	-	6	-30	-	-30	-64	-	-64
TOTAL OPERATING EXPENSES	-2,866	82	-2,948	-2,678	69	-2,747	-13,115	288	-13,403
OPERATING INCOME	239	82	157	233	69	164	1,224	288	936
Financial income	3	-	3	0	-	0	1	-	1
Financial expenses	-123	-109	-15	-106	-97	-9	-441	-401	-41
Net financial items	-120	-109	-11	-106	-97	-9	-441	-401	-40
INCOME BEFORE TAX	119	-27	146	127	-28	155	784	-112	896
Tax	-25	6	-31	-27	6	-33	-179	25	-204
PROFIT FOR THE PERIOD	94	-21	115	100	-22	121	605	-88	692
Other comprehensive income for the period	-17	-	-17	-2	-	-2	31	-	31
COMPREHENSIVE INCOME FOR THE PERIOD	77	-21	98	98	-22	120	636	-88	723
Earnings per share basic (SEK)	0.73	-0.20	0.93	0.94	-0.21	1.15	5.73	-0.83	6.56
Earnings per share basic/diluted (SEK)	0.73	-0.20	0.93	0.94	-0.20	1.15	5.72	-0.83	6.54
Earnings per share based on number of shares outstanding (SEK)	0.73	-0.20	0.93	0.94	-0.21	1.15	5.73	-0.83	6.56

Consolidated statement of financial position in summary

SEK m	30 Sep 2022			30 Sep 2021		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
ASSETS						
Intangible non-current assets	6,687	-	6,687	6,427	-	6,427
Buildings	1,066	-	1,066	1,047	-	1,047
Right-of-use assets	8,946	8,661	285	7,854	7,634	220
Other property, plant, and equipment	1,011	-	1,011	798	-	798
Other non-current assets	102	26	77	61	17	43
Total non-current assets	17,812	8,687	9,126	16,186	7,652	8,535
Current receivables	989	-308	1,297	862	-308	1,171
Cash and cash equivalents	907	-	907	836	-	836
Total current assets	1,896	-308	2,204	1,698	-308	2,006
TOTAL ASSETS	19,708	8,379	11,330	17,885	7,344	10,541
EQUITY AND LIABILITIES						
Total equity	5,835	-321	6,156	5,403	-234	5,637
Non-current liabilities to credit institutions	1,559	-	1,559	1,559	-	1,559
Long-term lease liabilities	8,004	7,856	148	6,866	6,764	102
Provisions and other non-current liabilities	244	-108	352	193	-49	242
Total non-current liabilities	9,807	7,748	2,058	8,619	6,715	1,904
Current interest-bearing liabilities	345	-	345	506	-	506
Short-term lease liabilities	1,378	1,238	140	1,104	983	120
Other current liabilities	2,344	-287	2,631	2,254	-121	2,375
Total current liabilities	4,067	951	3,116	3,864	863	3,001
TOTAL EQUITY AND LIABILITIES	19,708	8,379	11,330	17,885	7,344	10,541

Consolidated cash flow statement

SEK m	First quarter 22/23			First quarter 21/22		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	239	82	157	233	69	164
Depreciation/amortization	448	343	105	421	331	90
Adjustment for other non-cash items	-13	-0	-12	3	-	3
Tax paid	-71	-	-71	-11	-	-11
Cash flow from operating activities before changes in working capital	603	425	178	646	400	246
Cash flow from changes in working capital	-286	-132	-155	-277	-5	-272
Cash flow from operating activities	317	293	24	369	395	-26
Cash flow from investing activities	-170	-	-170	-106	-	-106
Cash flow from financing activities	-380	-293	-87	-395	-395	0
CASH FLOW FOR THE PERIOD	-233	-	-233	-133	-	-133

NOTE 3: REVENUE

SEK m	First quarter		Full year
	2022/23	2021/22	2021/22
Education-related income	2,983	2,829	13,885
State subsidies	51	49	243
Other income	71	33	211
Net Sales	3,104	2,911	14,339

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

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

Other income refers to income not directly related to education, for example Sandviks AS.

NOTE 4: RELATED-PARTY TRANSACTIONS

Related party transactions are described in detail in the 2021/22 Annual Report. Related party transactions take place at an arm's length basis. During the first quarter no significant related-party transactions took place.

NOTE 5: ACQUISITIONS

Acquiring company	Acquired company	Acquisition date	Segment
Plek voor kinderen Holding B.V.	100% B.V.	30-Sep-22	Preschool
Plek voor kinderen Holding B.V.	Tommy & Annika B.V.	30-Sep-22	Preschool
AcadeMedia Game Education AB	Changemaker Education AB (Futuregames)	31-Aug-22	Adult Education
AcadeMedia Edtech AB	Framtidsutveckling i Sverige AB	31-Aug-22	Adult Education

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

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

The purchase consideration was in the form of cash.

Details of the net assets and goodwill acquired are given below. Goodwill attributed to company value exceeding net assets is not tax deductible whereas goodwill attributed to assets in asset-based acquisitions is tax deductible.

In the quarter, the acquisition analysis for Sandviks AS has been adjusted, which among other things resulted in a reduction of Goodwill of SEK 12 million and an increase in Brands and Other intangible fixed assets of SEK 11 million and SEK 4 million, respectively. The adjustment is shown in the table below.

Acquisition effects of acquisitions made (SEK m)	Adjustment Sandviks	Acquisition in the quarter	Total
Purchase consideration including transaction expenses and interest compensation	-	84	84
Purchase consideration excluding transaction expenses and including interest compensation	-	84	84
Fair value of acquired net assets excluding goodwill	-12	-15	-27
Total goodwill	-12	69	57

Fair values acquired (SEK m)	Adjustment Sandviks	Acquisition in the quarter	Total
Intangible non-current assets	15	4	20
Property, plant, and equipment	-	12	12
Right-of-use assets	-	8	8
Financial non-current assets	-	1	1
Current assets	-	4	4
Cash and cash equivalents	-	8	8
Interest bearing liabilities	-	0	0
Interest bearing liabilities – IFRS 2016	-	-8	-8
Non-interest-bearing liabilities	-	-14	-14
Current tax liability	-	0	0
Deferred tax liability	-3	-2	-5
Net assets acquired	12	15	27

Goodwill that has arisen in connection with acquisitions consists in part of synergies with existing businesses for example within personnel, recruitment, and personnel development and with service organisation, which can be streamlined as a result of the acquisitions, and in part of acquired resources which are not valued such as staff and the future sales development.

Impact of the acquisitions on the Group's cash and cash equivalents (SEK m)	Total
Purchase consideration excluding transaction expenses and including interest	84
Less purchase consideration that has not been settled in cash as of period end	0
Cash and cash equivalents at time of acquisition	-8
Impact on the Group's cash and cash equivalents	76

Contribution of acquisitions to consolidated profit (SEK m)	Total
Net sales	7
Operating profit (EBIT)	0

If the units had been included in consolidated profit from July 1, 2022 the contribution would have been (SEK m)	Total
Net sales	93
Operating profit (EBIT)	11

NOTE 6: FINANCIAL EXPENSES

SEK m	First quarter		Full year
	2022/23	2021/22	2021/22
Financial expenses			
Interest expense	-11	-7	-25
Borrowing costs *	-0	-1	-4
Interest expense on the lease liability	-110	-98	-407
Exchange rate losses	-	-	-2
Other	-1	-1	-3
Financial expenses	-123	-106	-441
<i>Interest expense on property related lease liability</i>	<i>-109</i>	<i>-97</i>	<i>-401</i>

¹ Acquisition costs for loans are expensed over the term of the loan.

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

NOTE 7: TAXES

The tax expense for the period amounted to SEK 25 (27) million, corresponding to an effective tax rate of 20.9 percent (21.5).

NOTE 8: FINANCIAL INSTRUMENTS

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

NOTE 9: LEASING COMMITMENTS

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered into leasing contracts which have not yet commenced. The total commitment for these contracts as per 30 September 2022 amounts to SEK 1,708 million (2,084 as per 30 June 2022). The decrease in the quarter is an effect of leasing contracts commencing at the start of the autumn term.

Parent company – financial reports

Parent company income statement in summary

SEK m	First quarter		Full year
	2022/23	2021/22	2021/22
Net sales	6	4	7
Operating expenses	-7	-5	-24
OPERATING PROFIT	-1	-1	-17
Interest income and similar items	12	5	20
Interest expense and similar items	-8	-4	-16
Net financial items	4	1	4
Year-end appropriations	-	-	20
PROFIT BEFORE TAX	2	0	8
Tax	-1	-0	-1
PROFIT FOR THE PERIOD	2	0	7

Parent company other comprehensive income

SEK m	First quarter		Full year
	2022/23	2021/22	2021/22
Profit for the period	2	0	7
Other comprehensive income for the period	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	2	0	7

Parent company balance sheet in summary

SEK m	Sep 30, 2022	Sep 30, 2021	Jun 30, 2022
ASSETS			
Participations in Group companies	3,261	3,261	3,261
Total non-current assets	3,261	3,261	3,261
Current receivables	3,326	3,023	3,178
Cash and cash equivalents	633	556	841
Total current assets	3,960	3,579	4,020
TOTAL ASSETS	7,221	6,841	7,281
EQUITY AND LIABILITIES			
Restricted equity	106	106	106
Non-restricted equity	2,314	2,488	2,312
Total equity	2,420	2,594	2,418
Non-current liabilities	364	354	19
Current liabilities	4,437	3,893	4,844
TOTAL EQUITY AND LIABILITIES	7,221	6,841	7,281

Parent company statement of changes in equity

SEK m	Jul -Sep 2022/23	Jul -Sep 2021/22	Jul-Jun 2021/22
Opening balance	2,418	2,593	2,593
Profit for the period	2	0	7
Other comprehensive income for the period	-	-	-
Total profit for the period	2	0	7
Dividend	0	0	-185
Other transactions with owners ¹	0	0	2
Closing balance	2,420	2,594	2,418

¹ Transactions with owners amounts to SEK +0.1 million and include new issue connected to the convertible program SEK +0.0 million and share-matching program SEK +0.0 million. Transactions with owners in the previous year include a new share issue connected to the convertible program SEK +0,2 million and premium for issued warrants of SEK +2,1 million in the fourth quarter.

Multi-year review

SEK million, unless otherwise stated	First quarter			Full year				
	2022/23	2021/22	2021/22	2020/21	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹
PROFIT/LOSS ITEMS								
Net sales	3,104	2,911	14,339	13,340	12,271	11,715	10,810	9,520
Items affecting comparability	6	-30	-64	-7	36	1	-48	-23
EBITDA	687	655	2,980	2,754	2,486	931	872	827
Depreciation/amortization	-448	-421	-1,755	-1,580	-1,513	-296	-250	-212
Operating profit/loss (EBIT)	239	233	1,224	1,174	973	635	622	615
Net financial items	-120	-106	-441	-402	-417	-69	-68	-80
Profit/loss for the period before tax	119	127	784	772	556	566	555	535
Profit/loss for the period after tax	94	100	605	599	431	431	430	416
BALANCE SHEET ITEMS								
Non-current assets	17,812	16,186	17,024	15,773	15,262	8,218	7,823	6,574
Current receivables and inventories	989	862	704	662	710	976	860	695
Cash and cash equivalents	907	836	1,137	966	528	527	699	579
Non-current interest-bearing liabilities	1,584	1,585	747	1,850	1,914	2,205	2,209	2,200
Long-term lease liabilities	8,004	6,866	7,464	6,495	6,346	-	-	-
Non-current non-interest-bearing liabilities	218	168	187	162	207	305	135	114
Current interest-bearing liabilities	345	506	1,207	195	270	592	673	516
Short-term lease liabilities	1,378	1,104	1,180	1,077	1,010	-	-	-
Current non-interest-bearing liabilities	2,344	2,254	2,323	2,319	1,965	2,030	2,103	1,577
Equity	5,835	5,403	5,758	5,305	4,790	4,589	4,262	3,443
Total assets	19,708	17,885	18,864	17,401	16,500	9,720	9,383	7,849
Capital employed	8,372	7,950	8,181	7,705	7,232	7,386	7,144	6,158
Net debt	1,309	1,477	987	1,222	1,797	2,266	2,179	2,133
Property adjusted net debt	558	750	237	526	1,138	1,533	1,528	1,550
KEY RATIOS								
Net sales, SEK m	3,104	2,911	14,339	13,340	12,271	11,715	10,810	9,520
Organic growth incl. Bolt-on acquisitions, %	4.5%	6.8%	5.2%	8.1%	5.4%	4.4%	5.8%	9.0%
Acquired growth, larger acquisitions, %	0.9%	3.3%	1.6%	1.6%	-	3.2%	7.9%	0.8%
Change in currency, %	1.2%	0.1%	0.8%	-1.1%	-0.7%	0.8%	-0.1%	0.8%
Operating margin (EBIT), %	7.7%	8.0%	8.5%	8.8%	7.9%	5.4%	5.8%	6.5%
Adjusted EBIT, SEK m	151	194	1,001	939	728	634	670	638
Adjusted EBIT margin, %	4.9%	6.7%	7.0%	7.0%	5.9%	5.4%	6.2%	6.7%
Adjusted EBITDA, SEK m	256	284	1,398	1,295	1,066	930	920	850
Adjusted EBITDA margin, %	8.2%	9.8%	9.7%	9.7%	8.7%	7.9%	8.5%	8.9%
Return on capital employed, %, (12 months)	11.8%	12.8%	12.6%	12.6%	10.0%	8.7%	10.1%	10.9%
Return on equity, %, (12 months)	11.6%	13.1%	12.0%	13.3%	11.6%	9.7%	11.2%	12.9%
Equity/assets ratio, %	54.3%	53.5%	55.3%	53.3%	51.4%	47.2%	45.4%	43.9%
Interest coverage ratio, times	26.4	31.0	31.6	27.9	15.9	12.5	10.9	9.4
Net debt/Adjusted EBITDA (12 months)	1.0	1.1	0.7	0.9	1.7	2.4	2.4	2.5
Adjusted net debt/adjusted EBITDA (12 months)	0.4	0.6	0.2	0.4	1.1	1.6	1.7	1.8
Free cash flow	-64	-99	922	1,117	805	356	688	658
Cash flow from investing activities	-170	-106	-536	-437	-375	-559	-970	-374
Number of full-time employees	13,982	13,543	13,829	13,360	12,686	12,405	11,863	10,564

¹ Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e., effects from leases of real estate are recognised as rent and not as finance leases. Key performance indicator definitions, see pages 30 to 31.



Quarterly data, Group

Quarterly data	2022/23		2021/22				2020/21			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
SEK million, unless otherwise stated										
Net sales	3,104	3,851	3,802	3,774	2,911	3,672	3,591	3,436	2,641	
EBITDA	687	787	760	778	655	741	750	660	603	
<i>Depreciation/amortization</i>	-67	-62	-59	-58	-58	-56	-53	-50	-50	
<i>Depreciation/amortization related to acquisitions</i>	-6	-5	-4	-5	-4	-4	-4	-4	-4	
<i>Depreciation/amortization related to right-of-use assets</i>	-376	-383	-384	-373	-359	-351	-346	-332	-326	
Depreciation/amortization	-448	-450	-447	-436	-421	-411	-404	-386	-380	
Items affecting comparability	6	-14	-27	7	-30	-14	6	-9	10	
Operating income (EBIT)	239	337	313	342	233	330	346	275	222	
Total financial items	-120	-114	-113	-108	-106	-100	-98	-100	-104	
Income before taxes	119	223	200	234	127	231	249	174	118	
Tax for the current period	-25	-59	-44	-48	-27	-50	-58	-40	-26	
Profit/loss for the period	94	164	155	186	100	181	191	134	93	
Number of children/students, schools	95,834	93,308	93,092	92,363	91,431	90,032	89,691	85,927	85,642	
Number of full-time employees	13,982	14,022	13,904	13,847	13,543	13,733	13,767	13,127	12,814	
Number of education units	571	559	556	552	545	539	536	525	525	
Key ratios										
Operating margin (EBIT), %	7.7%	8.8%	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%	
Adjusted EBIT	151	279	264	263	194	281	279	225	153	
Adjusted EBIT, %	4.9%	7.2%	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%	
Adjusted EBITDA	256	382	367	365	284	374	372	315	235	
Adjusted EBITDA, %	8.2%	9.9%	9.7%	9.7%	9.8%	10.2%	10.4%	9.2%	8.9%	
Net margin, %	3.0%	4.3%	4.1%	4.9%	3.4%	4.9%	5.3%	3.9%	3.5%	
Return on equity, % (12 months) ¹	11.6%	12.0%	12.6%	13.9%	13.1%	13.3%	13.9%	14.0%	12.9%	
Return on capital employed, % (12 Months) ¹	11.8%	12.6%	12.7%	13.2%	12.8%	12.6%	12.4%	11.7%	10.8%	
Equity/assets ratio, % ¹	54.3%	55.3%	54.4%	53.0%	53.5%	53.3%	52.0%	50.2%	51.4%	
Net debt/Adjusted EBITDA (12 months) ¹	1.0	0.7	0.9	0.9	1.1	0.9	1.2	1.4	1.6	
Interest coverage ratio ¹	26.4	31.6	32.3	33.0	31.0	27.9	23.5	21.6	18.4	
Other										
Free cash flow	-64	397	19	606	-99	341	246	572	-42	
Cash flow from operating activities	24	517	59	675	-26	435	275	621	26	
Cash flow from investing activities	-170	-217	-93	-120	-106	-128	-61	-236	-12	

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

Quarterly data, segment

SEK million, unless otherwise stated	2022/23		2021/22		2020/21				
Preschool (SE, NO, DE, NL)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	22,702	23,651	23,020	21,982	20,999	22,265	21,891	20,969	20,664
Net sales	956	1,184	1,128	1,061	808	1,068	1,020	958	755
of which Sweden	274	365	351	339	253	349	343	328	247
of which Norway preschool	417	582	574	520	377	552	524	481	364
of which Germany	231	215	203	201	178	168	153	149	144
of which Netherlands	8	8	-	-	-	-	-	-	-
of which Sandviks	27	15	-	-	-	-	-	-	-
EBITDA	24	73	91	45	33	104	93	40	28
EBITDA margin, %	2.5%	6.2%	8.1%	4.2%	4.1%	9.7%	9.1%	4.2%	3.7%
Depreciation/amortization	-27	-26	-26	-23	-24	-24	-22	-20	-22
Operating profit/loss (EBIT)	-3	47	65	22	9	79	71	19	7
EBIT margin, %	-0.3%	4.0%	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%
Items affecting comparability	-	-21	-	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	-3	68	65	22	9	79	71	19	7
Adjusted EBIT margin, %	-0.3%	5.7%	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%
Number of preschool units	303	292	289	285	278	273	270	267	266

SEK million, unless otherwise stated	2022/23		2021/22		2020/21				
Compulsory School	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	28,416	28,052	27,965	27,867	27,697	27,374	27,046	26,193	26,170
Net sales	746	954	940	937	713	888	877	851	644
EBITDA	78	108	72	113	43	81	68	69	52
EBITDA margin, %	10.5%	11.3%	7.7%	12.1%	6.0%	9.1%	7.8%	8.1%	8.1%
Depreciation/amortization	-22	-21	-21	-21	-18	-18	-18	-18	-16
Operating profit/loss (EBIT)	57	86	51	92	24	63	50	52	36
EBIT margin, %	7.6%	9.0%	5.4%	9.8%	3.4%	7.1%	5.7%	6.1%	5.6%
Items affecting comparability	6	6	-12	18	-30	-	-	-	3
Adjusted operating profit/loss (EBIT)	51	80	63	74	54	63	50	52	33
Adjusted EBIT margin, %	6.8%	8.4%	6.7%	7.9%	7.6%	7.1%	5.7%	6.1%	5.1%
Number of education units	116	116	116	116	116	116	116	112	112

SEK million, unless otherwise stated	2022/23		2021/22		2020/21				
Upper Secondary School	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	44,716	41,605	42,106	42,513	42,735	40,394	40,753	38,765	38,808
Net sales	1,025	1,284	1,280	1,278	964	1,223	1,202	1,142	856
EBITDA	124	180	153	168	129	147	170	144	121
EBITDA margin, %	12.1%	14.0%	12.0%	13.1%	13.4%	12.0%	14.1%	12.6%	14.1%
Depreciation/amortization	-50	-50	-53	-51	-41	-45	-48	-47	-40
Operating profit/loss (EBIT)	74	130	100	118	87	102	122	97	81
EBIT margin, %	7.2%	10.1%	7.8%	9.2%	9.0%	8.3%	10.1%	8.5%	9.5%
Items affecting comparability	-	0	-15	-0	-0	-10	6	-	8
Adjusted operating profit/loss (EBIT)	74	130	115	118	87	112	116	97	73
Adjusted EBIT margin, %	7.2%	10.1%	9.0%	9.2%	9.0%	9.2%	9.7%	8.5%	8.5%
Number of education units	152	151	151	151	151	150	150	146	147

SEK million, unless otherwise stated	2022/23		2021/22			2020/21			
Adult Education	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	377	429	450	498	427	492	488	484	385
EBITDA	49	41	44	64	71	63	68	79	61
EBITDA margin, %	13.0%	9.6%	9.8%	12.9%	16.6%	12.8%	13.9%	16.3%	15.8%
Depreciation/amortization	-5	-5	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	45	37	40	60	67	59	64	75	57
EBIT margin, %	11.9%	8.6%	8.9%	12.0%	15.7%	12.0%	13.1%	15.5%	14.8%
Items affecting comparability	-0	-	-	-11	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	45	37	40	71	67	59	64	75	57
Adjusted EBIT margin, %	11.9%	8.6%	8.9%	14.3%	15.7%	12.0%	13.1%	15.5%	14.8%

SEK million, unless otherwise stated	2022/23		2021/22			2020/21			
Group-OH and adjustments	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	0	0	4	0	0	0	4	1	1
EBITDA	410	386	400	388	380	346	350	328	341
Depreciation/amortization	-344	-349	-342	-337	-333	-319	-311	-297	-299
Operating profit/loss (EBIT)	66	37	57	51	46	27	39	32	42
Items affecting comparability	-	-	-	-	-	-4	-	-9	-
Adjusted operating profit/loss (EBIT)	-16	-35	-18	-21	-23	-32	-22	-18	-17

SEK million, unless otherwise stated	2022/23		2021/22			2020/21			
Group	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	95,834	93,308	93,092	92,363	91,431	90,032	89,691	85,927	85,642
Net sales	3,104	3,851	3,802	3,774	2,911	3,672	3,591	3,436	2,641
EBITDA	687	787	760	778	655	741	750	660	603
EBITDA margin, %	22.1%	20.4%	20.0%	20.6%	22.5%	20.2%	20.9%	19.2%	22.8%
Depreciation/amortization	-448	-450	-447	-436	-421	-411	-404	-386	-380
Operating profit/loss (EBIT)	239	337	313	342	233	330	346	275	222
EBIT margin, %	7.7%	8.8%	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%
Items affecting comparability	6	-14	-27	7	-30	-14	6	-9	10
Effect of IFRS 16 on operating profit	82	72	75	72	69	63	61	59	59
Adjusted operating profit/loss (EBIT)	151	279	264	263	194	281	279	225	153
Adjusted EBIT margin, %	4.9%	7.2%	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%
Net financial items	-120	-114	-113	-108	-106	-100	-98	-100	-104
Profit/loss after financial items	119	223	200	234	127	231	249	174	118
Tax	-25	-59	-44	-48	-27	-50	-58	-40	-26
Profit/loss for the period	94	164	155	186	100	181	191	134	93
Number of full-time employees (period)	13,982	14,022	13,904	13,847	13,543	13,733	13,767	13,127	12,814
Number of units	571	559	556	552	545	539	536	525	525

Reconciliation of alternative key performance indicators

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

SEK million, unless otherwise stated	First quarter			Full year			
	2022/23	2021/22	2021/22	2020/21	2019/20	2018/19 ²	2017/18 ²
Adjusted operating profit							
Operating profit	239	233	1,224	1,174	973	635	622
- Items affecting comparability	6	-30	-64	-7	36	1	-48
- IFRS 16 impact	82	69	288	243	209	-	-
= Adjusted operating profit	151	194	1,001	939	728	634	670
Adjusted EBIT margin							
Adjusted operating profit	151	194	1,001	939	728	634	670
Divided by /Net sales	3,104	2,911	14,339	13,340	12,271	11,715	10,810
= Adjusted EBIT margin	4.9%	6.7%	7.0%	7.0%	5.9%	5.4%	6.2%
Adjusted EBITDA							
Adjusted operating profit	151	194	1,001	939	728	634	670
- Depreciation excluding depreciation relating to property rental agreements	-105	-90	-398	-357	-338	-296	-250
= Adjusted EBITDA	256	284	1,398	1,295	1,066	930	920
Net debt							
Non-current interest-bearing liabilities	9,588	8,451	8,211	8,344	8,260	2,205	2,209
+ Current interest-bearing liabilities	1,723	1,609	2,386	1,272	1,279	592	673
- Interest-bearing receivables	-	-	-	-	-	4	4
- Cash and cash equivalents	907	836	1,137	966	528	527	699
- IFRS 16 Non-current and current lease liabilities ¹	9,094	7,747	8,474	7,428	7,214	-	-
= Net debt excluding IFRS 16²	1,309	1,477	987	1,222	1,797	2,266	2,179
Property-adjusted net debt							
Net debt (as described above)	1,309	1,477	987	1,222	1,797	2,266	2,179
- non-current property loans	722	703	722	671	597	644	603
- current property loans	29	25	28	25	62	89	48
= Property adjusted net debt excluding IFRS 16²	558	750	237	526	1,138	1,533	1,528
Return on capital employed %, 12 months							
Adjusted EBIT	958	980	1,001	939	728	634	670
+ Interest income	1	0	1	0	0	1	2
divided by							
Average equity	5,619	5,141	5,531	5,047	4,690	4,426	3,853
+ average non-current interest-bearing liabilities	9,020	8,481	8,277	8,302	5,232	2,207	2,204
+ average current interest-bearing liabilities	1,666	1,412	1,829	1,276	935	632	594
- IFRS 16 average equity ¹	-278	-188	-256	-165	-59	-	-
- IFRS 16 average non-current and current lease liabilities ¹	8,421	7,549	7,951	7,321	3,607	-	-
= Return on capital employed excluding IFRS 16², %	11.8%	12.8%	12.6%	12.6%	10.0%	8.7%	10.1%
Return on equity %, 12 months							
Profit/loss after tax	599	606	605	599	431	431	430
- IFRS 16 profit/loss after tax	-87	-91	-88	-95	-117	-	-
divided by							
Average equity	5,619	5,141	5,531	5,047	4,690	4,426	3,853
- IFRS 16 average equity ¹	-278	-188	-256	-165	-59	-	-
= Return on equity², %	11.6%	13.1%	12.0%	13.3%	11.6%	9.7%	11.2%

SEK million, unless otherwise stated	2022/23		2021/22			2019/20			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio									
Adjusted operating profit EBIT (12 months)	958	1,001	1,003	1,018	980	939	936	881	806
+ Interest income (12 months)	1	1	0	0	0	0	0	0	0
+ Other financial income (12 months)	3	0	-0	3	3	3	3	4	4
divided by									
Interest expense (12 months)	-449	-432	-421	-409	-402	-399	-403	-404	-404
- Interest expense (12 months) IFRS 16 ¹	-412	-401	-390	-378	-370	-365	-363	-363	-360
= Interest coverage ratio (excl. IFRS 16)	26.4	31.6	32.3	33.0	31.0	27.9	23.5	21.6	18.4

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

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

Definitions of key performance indicators

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

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

⁵ According to ESMA guidelines on performance measures, each performance measure must be motivated.

⁶ The key indicator was calculated applying IAS 17 i.e., excluding effects from implementing IFRS 16, as the implementation had a significant impact on assets and liabilities as well as items in the income statement. By excluding the IFRS 16 effects continuity is achieved.



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

General

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