



Photo from the Gymnasie-SM final in Cuisine, Table service, and hotel and tourism at Campus Södermalm

Change Through Education

AcadeMedia AB (publ)

Interim report July 2022 – March 2023

- Significantly increased interest in vocational programmes
- Adult education margin stabilised
- Previous years' cost increases in Norway to a greater extent compensated by school voucher

AcademeMedia

Interim report quarter 3 2022/23

Summary of the third quarter (January – March 2023)

- Net sales increased by 10.3 percent and amounted to SEK 4,195 million (3,802). Organic growth, including bolt-on acquisitions, was 7.5 percent.
- Operating profit (EBIT) amounted to SEK 361 million (313).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 277 million (264). Items affecting comparability amounted to SEK -6 million (-27).
- Net profit for the period amounted to SEK 170 million (155).
- Earnings per share was SEK 1.60 (1.47) after dilution. Adjusted for IFRS 16, earnings per share was SEK 1.85 (1.67) after dilution.
- The average number of children and students in preschool, compulsory school, and upper secondary school during the third quarter was 99,076 (93,092), representing an increase of 6.4 percent.

Summary the first nine months (July 2022 – March 2023)

- Net sales increased by 8.1 percent to SEK 11,340 million (10,488). Organic growth, including bolt-on acquisitions, was 5.5 percent.
- Operating profit (EBIT) amounted to SEK 865 million (887).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 631 million (722). Items affecting comparability amounted to SEK -22 million (-50).
- Net profit for the period amounted to SEK 372 million (441).
- Diluted earnings per share was SEK 3.52 (4.17). Adjusted for IFRS 16, diluted earnings per share was SEK 4.19 (4.78).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the first nine months was 97,559 (92,295), representing an increase of 5.7 percent.

Third quarter summary

SEK m	Third quarter			Nine months			Rolling 12 months	Full year
	2022/23	2021/22	Change	2022/23	2021/22	Change	Apr 22 – Mar 23	2021/22
Net sales	4,195	3,802	10.3%	11,340	10,488	8.1%	15,192	14,339
Organic growth, %	12.4%	4.7%	7.7 p.p.	7.2%	5.7%	1.5 p.p.	6.3%	5.2%
Operating profit (EBIT)	361	313	15.3%	865	887	-2.5%	1,202	1,224
EBIT margin, %	8.6%	8.2%	0.4 p.p.	7.6%	8.5%	-0.9 p.p.	7.9%	8.5%
Adjusted EBIT ¹	277	264	4.9%	631	722	-12.6%	910	1,001
Adjusted EBIT margin, %	6.6%	6.9%	-0.3 p.p.	5.6%	6.9%	-1.3 p.p.	6.0%	7.0%
Profit for the period	170	155	9.7%	372	441	-15.6%	536	605
Earnings per share, diluted (SEK)	1.60	1.47	8.9%	3.52	4.17	-15.6%	5.07	5.72
Free cash flow	168	19	784.2%	385	525	-26.7%	782	922
Number of children and students ²	99,076	93,092	6.4%	97,559	92,295	5.7%	96,496	92,549
Number of FTEs	14,702	13,904	5.7%	14,398	13,765	4.6%	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 35-36.

CEO's comments

The third quarter of the financial year is the first quarter fully affected by the new economic conditions, with sharply increased inflation. Thanks to AcadeMedia's solid preparations and investments in quality and attractiveness, the business continues to show stable progress both in terms of growth and financial performance. The number of children and students increased by 6.4 percent and net sales by 10.3 percent. Strong growth in the international preschool segment during the quarter is particularly pleasing, the number of children increasing by 14.9 percent and net sales by 22.9 percent.

The Swedish municipalities adjusted school voucher, about 5 percent, is a good starting point. At the same time, we believe that investments need to continue, not least in view of the new economic conditions. Education, from preschool to adult education, must always be a priority, even more so in difficult times. Good cooperation between all stakeholders, whether independent or municipal, is an essential prerequisite for prioritising correctly for the society as a whole. We believe that great potential lies in better collaboration on, for example, educational initiatives, student health, admission systems and premises. For example, we would like to build joint campuses with municipalities, as we have previously done in Nacka. AcadeMedia is well equipped to face the new economic environment.

Major investment in Swedish schools

In recent years, AcadeMedia has made major investments in Swedish schools. Our focus has been on vocational programmes and the establishment of our campus strategy. The campus strategy is a way of allowing students from different schools, often with completely different specialisations, to meet under the same roof. For example, various facilities are shared, such as a large high-quality school canteen and a big library.

We can now see that these investments are paying off. Schools based on our campuses all report rising application rates. The latter also applies to our practical vocational programmes, which are strongly growing. Preliminary applications for Praktiska Gymnasiet are up by more than 10 percent.

Roadmap 2030 makes us even better

For many years, AcadeMedia has managed its operation in a way that has created a long-term sustainable company with a focus on the best possible use of resources. This creates stability when conditions in society are changing. These resources also enable us to implement a number of initiatives over the next few years to further improve quality. These include:

- Focus on leadership and skills development for teachers
- A programme to further improve equality in grading practices
- Strengthen schools with students who need school the most

Adult education stabilised

Operating profit in adult education has stabilised. Higher vocational education is showing good and stable development and our cost management measures in municipal adult education have had an impact. However, we do not anticipate volumes in municipal adult education to increase, as unemployment is still low. Unemployment is expected to increase over the remainder of the year to 7.9 percent and to 8.3 percent next year. This will lead to

continued investment in vocational training programmes in particular.

International preschool

The Norwegian preschool sector has for several years faced challenges from increased costs and changes to the reimbursement system. School voucher funding in Norway increased in January 2023 by about 9 percent, which together with our own measures means that we are now better reimbursed for our costs. The increase is reflecting the fact that school voucher funding in Norway is based on the municipality's actual costs two years earlier, in this case 2021. At that time, the municipalities had to cope with high pandemic-related costs. Norway has a significantly higher proportion of private preschools than the other countries in which AcadeMedia operates; in Norway 50 percent of all preschools are private.

In Germany, the preschool sector is still in development, with official statistics indicating a shortage of around 400,000 preschool places. However, the reimbursement system is not designed for a high-inflation environment, and we estimate that it will take up to a year before preschool operators are fully reimbursed for increased costs. The private sector is substantial and important to German society, so operators will be compensated, albeit with a time lag. AcadeMedia's growth in Germany continues as planned, and next year we will open 15 new units.

Our employees find their workplace convivial and recommend us as employers

Our annual employee survey was conducted in January 2023 and nearly 10,000 employees in Sweden completed the questionnaire. A personnel-intensive business like ours is entirely dependent on employees being happy and recommending others to work at AcadeMedia. It is pleasing to note that more than 8 out of 10 employees say they would recommend their workplace to others, and that 86 percent feel proud to work at their preschool, school, or adult education unit.

For many years AcadeMedia has invested considerable resources in leadership development; good school management creates a good school. Here, too, the figures are high, 8 out of 10 employees feel that their manager motivates them and helps them to prioritise when necessary.

Key school organisations celebrate 30 years in operation

This year, two of our operations celebrate 30 years. LBS Kreativa gymnasiet has contributed to Swedish education in gaming. Many students have been trained over the years and are now working in a growing industry that is important to Sweden. The other 30-year-old, Rytmus, also trains people in an industry that is important to Sweden – music. Many students from Rytmus have contributed to the Swedish music scene, which is fantastic and something we are very proud of.

Finally, I would like to thank all of our 20,000 employees and all our 100,000 students for choosing to join us on our development journey.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)



Development in the third quarter (January – March 2023)

Volume development and net sales

Net sales in the third quarter increased by 10.3 percent to SEK 4,195 million (3,802). The acquisition of Sandviks AS and the German education provider FAWZ contributed with 2.8 percentage points. Organic growth, including bolt-on acquisitions, was 7.5 percent and changes in exchange rates impacted sales marginally by 0.1 percent. The average number of children and students, excluding the Adult Education Segment, increased by 6.4 percent to 99,076 (93,092)

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT was SEK 277 million (264) and adjusted EBIT margin 6.6 percent (6.9). Higher operating costs due to inflation were largely offset by the annual school voucher revision. In the quarter inflation increased operating costs, mainly electricity and food, just over SEK 20 million. Rental costs increased, due to indexation, about SEK 35 million compared to the same period last year.

In Norway, previous years cost increases are now partially compensated by the annual school voucher revision, which was 9 percent. Expansions in the Swedish school segments continues to have a negative impact on the capacity utilisation and the operating profit. Effects of declining volumes in parts of the Adult Education Segment began to ease. Acquisitions contributed with SEK 2 million in the quarter.

Group overhead costs were lower than last year due to lower activity levels and cost savings programs.

Operating profit (EBIT) was SEK 361 million (313) and EBIT margin 8.6 percent (8.2).

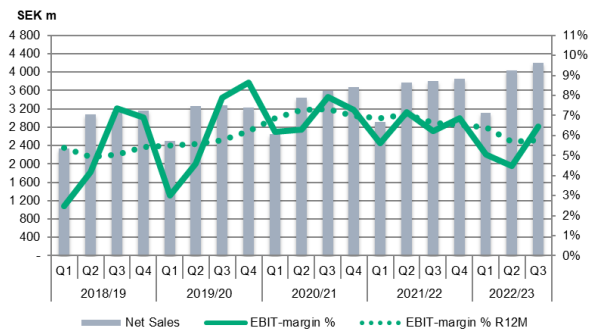
Items affecting comparability

Items affecting comparability amounted to SEK -6 million (-27) and include costs related to a fire in a compulsory school in January 2023. Insurance compensation is expected to cover most of the expenses.

SEK m	Third quarter	
	2022/23	2021/22
Restructuring expenses (upp. Sec)	-	-15
Fire 2021 (Comp.)	-	-12
Fire 2023 (Comp.)	-6	-
Total	-6	-27

Acquisitions, divestments, new establishments, and discontinued operation

Six new units were added in the quarter. Three preschools in Germany, two preschools in the Netherlands, and one acquired compulsory school in Sweden.



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

Third quarter in summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	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	26,446	23,020	1,386	1,128	76	65	5.5%	5.8%	75	65	5.4%	5.8%
Compulsory School	28,715	27,965	1,008	940	69	63	6.8%	6.7%	63	51	6.3%	5.4%
Upper Secondary School	43,915	42,106	1,385	1,280	116	115	8.4%	9.0%	116	100	8.4%	7.8%
Adult Education	- ¹	- ¹	415	450	33	40	8.0%	8.9%	33	40	8.0%	8.9%
Group adj. Parent company	-	-	1	4	-16	-18	-	-	-16	-18	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	90	75	-	-
Total	99,076	93,092	4,195	3,802	277	264	6.6%	6.9%	361	313	8.6%	8.2%

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.

Development in the first nine months (July 2022 – March 2023)

Volume development and net sales

Net sales increased by 8.1 percent to SEK 11,340 million (10,488). The acquisition of Sandviks AS and FAWZ contributed 1.9 percentage points. Organic growth, including bolt-on acquisitions, was 5.5 percent and changes in exchange rates impacted sales by 0.7 percent. The average number of children and students, excluding the Adult Education Segment, increased by 5.7 percent to 97,559 (92,295)

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT for the first nine months decreased to SEK 631 million (722) and adjusted EBIT margin was 5.6 percent (6.9). The decline in operating profit was primarily due to lower volumes in part of the Adult Education Segment. In the school segments inflation increased operating costs, mainly electricity and food, about SEK 55 million. Rental costs increased, due to indexation, about SEK 35 million compared to the same period last year.

Furthermore, lower pension contribution in Norway, about SEK 20 million, and capacity expansion in the Swedish school segments had a negative impact. Higher capacity utilisation in the Swedish and Norwegian preschools dampened the effect. Acquisitions contributed with SEK 6 million in the first nine months.

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

Operating profit (EBIT) was SEK 865 million (887) and EBIT margin 7.6 percent (8.5).

Items affecting comparability

Items affecting comparability amounted to SEK -22 million (-50) and include transaction and integration expenses relating to the FAWZ acquisition, restructuring expenses relating to the Compulsory School Segment, settlement of insurance compensation related to a fire in a compulsory school in July 2021, now completely settled, and costs related to a fire in a compulsory school in January 2023. Insurance compensation is expected to cover most of the expenses.

SEK m	Nine months	
	2022/23	2021/22
Transaction expenses (FAWZ)	-11	-
Restructuring expenses (Comp.)	-13	-
Restructuring expenses (upp. Sec)	-	-15
Fire, insurance compensation (Comp.)	+9	+18
Fire 2021 (Comp.)	-	-42
Fire 2023 (Comp.)	-6	-
VAT- (Adult education)	-	-11
Total	-22	-50

Acquisitions, divestments, new establishments, and discontinued operation

Net, 27 new units were added during the first nine months. Mainly in the Netherlands and Germany where 15 were added through acquisitions and 10 through new openings. Also, three upper secondary schools, one compulsory school, and one preschool have opened, and one compulsory school have been acquired in Sweden. The first nine months is also impacted by four units less.

In the first 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 first quarter.

First nine months in summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	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	24,663	22,001	3,595	2,996	98	95	2.7%	3.2%	87	95	2.4%	3.2%
Compulsory School	28,550	27,843	2,740	2,589	183	191	6.7%	7.4%	172	167	6.3%	6.5%
Upper Secondary School	44,345	42,451	3,770	3,523	297	320	7.9%	9.1%	297	305	7.9%	8.7%
Adult Education	- ¹	- ¹	1,230	1,375	105	177	8.5%	12.9%	105	166	8.5%	12.1%
Group adj. Parent company	-	-	5	4	-53	-62	-	-	-53	-62	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	256	216	-	-
Total	97,559	92,295	11,340	10,488	631	722	5.6%	6.9%	865	887	7.6%	8.5%

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.

Cash flow and financial position

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

Cash flow adjusted for lease payments

SEK M	Third quarter		Nine months		Rolling 12 months	Full year
	2022/23	2021/22	2022/23	2021/22	Apr 22- Mar 23	2021/22
Cash flow from operating activities before changes in working capital	273	243	666	784	1,074	1,192
Cash flow from changes in working capital	-50	-184	-65	-76	44	33
Cash flow from operating activities	223	59	601	708	1,117	1,225
Investments related to existing operations ¹	-56	-40	-215	-183	-335	-303
Investments related to expansion ²	-35	-52	-192	-137	-289	-234
Cash flow from investing activities	-91	-93	-407	-319	-624	-536
Cash flow from financing activities	-66	-87	-453	-399	-584	-530
CASH FLOW FOR THE PERIOD	67	-120	-260	-11	-91	158
Free cash flow³	168	19	385	525	782	922

Cash flow from operating activities for the quarter amounted to SEK 223 million (59). The increase compared to last year was due to higher profit and a less negative effect from net working capital development, SEK -50 million (-184). The net working capital development in the quarter was mainly due to seasonality with higher prepaid income in Norway, about SEK 100 million.

Investments in existing operations¹ were higher compared to last year and amounted to SEK -56 million (-40) contributing to a free cash flow³ of SEK 168 million (19). Expansion investments² in the period were SEK 35 million (52), mainly related to acquisition and investments in the Norwegian properties. Cash flow from investing activities amounted to SEK -91 million (-93). Cash flow from financing activities totalled SEK -66 million (-87). All in all, cash flow for the third quarter amounted to SEK 67 million (-120).

In the first nine months, cash flow from operating activities amounted to SEK 601 million (708). The decline was due to lower profit. The net working capital development was somewhat less negative SEK -65 million (-76). Paid tax in the first nine months amounted to SEK 244 million (157), where previous year had lower tax paid due to a positive adjustment of final tax in Norway and Sweden at SEK 55 million while the current year had higher paid tax following higher preliminary tax in Sweden, SEK 30 million.

Investments in existing operations¹ were higher compared to last year and amounted to SEK -215 million (-183) contributing to a free cash flow³ of SEK 385 million (525). Expansion investments² in the period were SEK 192 million (-137), mainly related to the acquisition of Framtidsutveckling, Futuregames, preschools in the Netherlands, a compulsory school in Sweden, and FAWZ in Germany. In total, cash flow from investing activities amounted to SEK -407 million (-319). Cash flow from financing activities totalled SEK -453 million (-399) of which dividend to shareholders SEK -185 million (-185). All in all, cash flow from the first nine months amounted to SEK -260 million (-11).

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.

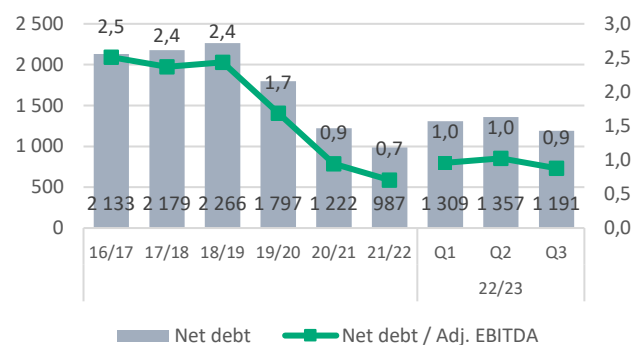
³ Free cash flow before expansion investments consists of the cash flow from operating activities less investments in existing operations.

Financial position¹

In November 2022, AcadeMedia's Board of Directors communicated a clarified dividend policy and at the same time introduced new financial key performance indicators relating to capital structure. The new dividend policy and financial key performance indicators are specified on page 16.

SEK m	Including IFRS 16			Excluding IFRS 16		
	2023-03-31	2022-03-31	2022-06-30	2023-03-31	2022-03-31	2022-06-30
Net debt	10,678	9,149	9,460	1,191	1,303	987
Property-related leasing liabilities	9,487	7,846	8,474	-	-	-
Net debt/ adjusted EBITDA	3.4	3.1	3.1	0.9	0.9	0.7
Debt ratio (%)	55.6%	52.9%	53.4%	11.5%	13.1%	10.1%
Equity/asset-ratio (%)	-	-	-	56.0%	54.4%	55.3%
Buildings ²	1,148	1,119	1,057	1,148	1,119	1,057

Consolidated interest-bearing net debt¹ including property-related leasing liabilities amounted to SEK 10,678 million (9,149), of which property-related leasing liabilities amounts to SEK 9,487 million (7,846). The increase compared to last year is related to expansion, commencement of new lease agreements, renewal of current lease agreements, and indexation of existing rental agreements. Financial expenses increased to SEK 399 million (327) following the increased leasing liabilities and increased interest rates. Interest expenses related to property-related leasing liabilities amounted to SEK 347 million (299), an effect of increased leasing liability and a higher marginal borrowing rate.



Consolidated interest-bearing net debt¹ excluding property-related leasing liabilities amounted to SEK 1,191 million (1,303) as of 31 March 2023. The decrease in net debt over the past 12 months is mainly due to a weaker Norwegian krona, SEK 74 million. In the beginning of the financial year, AcadeMedia 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 decreased compared to last year, mainly due to a weaker Norwegian krona. In total, the property loans amounted to SEK 723 million (789), of which the negative currency effect amounted to SEK 58 million. During the same period, buildings increased by SEK 29 million to SEK 1,148 million (1,119) primarily an effect of the surplus value from the acquisition of FAWZ being allocated to properties in the purchase price allocation, SEK 57 million.

Net debt in relation to adjusted EBITDA¹ (rolling 12 months) amounted to 0.9 (0.9), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Net debt in relation to adjusted EBITDA including IFRS 16 (rolling 12 months) was 3.4 (3.1).

School voucher development 2023

The average voucher increase for AcadeMedia's Swedish preschools is estimated to 5.3 (2.8) percent. The average voucher increase has been calculated based on voucher notifications for 97 percent of the children weighted by child and municipality mix. In addition to voucher payments, the preschools receive around 3.5 (3.7) percent of revenues from parental fees according to the maximum fee regulation. The maximum parental fee is adjusted annually by the National Agency for Education. For 2023, the increase was 4.6 (4.1) percent.

In Norway, the municipal contributions to preschools including parental fees have increased about nine percent, weighted by child and municipality mix. The high increase is largely due to the fact that the municipalities had high pandemic-related costs in 2021. In Norway, municipal preschool vouchers for 2023 are calculated based on the municipality's actual cost 2021, calculated with a cost index for 2022 and 2023. This index gave an increase of a total of 5.3% for two years. Compared to the previous year, a redistribution between school vouchers and parental fees is a political decision with the aim of reducing parents' costs for a pre-school place. The parental fee is now 14.5 percent (16). Components related to real estate cost are also adjusted to reflect each property's age, which means higher contributions for new properties and lower for older properties. The system of school voucher based on historical outcome means that the independent actors can be negatively affected by lagging compensation for general cost increases.

The average voucher increase for Compulsory School Segment is estimated to 5.2 (3.1) percent. The average voucher increase has been calculated based on voucher notifications for 98 percent of the children and is weighted by child and

municipality mix. The growth calculation only reflects the compulsory school voucher and does not take into account changes in the voucher related to before- and after school care, nor does it consider socio-economic compensation.

The voucher increase for the Upper Secondary School Segment amounts to 3.9 (2.3) percent on average. Voucher increases have been calculated based on received voucher notifications for 97 percent of the students weighted with AcadeMedia's student and program mix. The growth calculation only reflects the basic reimbursement and does not take price changes on introduction programs nor socio-economic compensation into consideration.

In summary, the school voucher increase for AcadeMedia's Swedish school operation is estimated at 4.6 (2.6) percent for 2023 based on just over 95 percent of the student population. The result has been calculated based on voucher notifications received and is weighted by child and student mix. The increases in Sweden are slightly higher than the preliminary figures stated in AcadeMedia's quarterly report as per 31 December 2022.

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 35 to 36 for definitions.

² As of 31 March 2023, 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. Through the acquisition of FAWZ, AcadeMedia owns 3 properties in Germany.

Preschool

- The number of children increased by 14.9 percent to 26,446 (23,020) in the third quarter.
- Sales increased by 22.9 percent and amounted to SEK 1,386 million (1,128), positively affected by acquisitions. Organic growth increased by 13.5 percent.
- Adjusted operating profit (adj. EBIT) increased to SEK 76 million (65).

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 110 units. In Norway, Espira is the third largest preschool provider with 107 units. In Germany we operate 83 preschools, 2 compulsory schools and 5 upper secondary schools. In the Netherlands, we operate 10 preschools. The segment had a total of 317 units during the quarter.

Outcome for the third quarter

The average number of children increased by 14.9 percent compared with the previous year and amounted to 26,446 (23,020). The increase was mainly driven by the acquisition of FAWZ, acquisitions and new openings in the Netherlands and new establishments in Germany. Sales increased by 22.9 percent and amounted to SEK 1,386 million (1,128). The acquisitions, Sandviks and FAWZ, contributed with 9.3 percentage points. The organic growth was 13.5 percent. Currency had no effect in the period.

Adjusted operating profit (EBIT) increased to SEK 76 million (65) and the margin was 5.5 percent (5.8). The increased profit was primarily an effect of increased school vouchers in Norway, which now compensates for previous years' cost increases. Continued higher cost level due to inflation affected the segment by approximately SEK 10 million, partially offset by higher capacity utilization in Norway and Sweden. Rental costs increased, due to indexation, about SEK 8 million compared to the same period last year. As of January, the Norwegian business was affected by higher pension costs in the quarter, SEK 3 million, and the estimated full year effect amounts to SEK 10 million.

Operating income (EBIT) was higher compared to last year and amounted to SEK 75 million (65) corresponding to an EBIT margin of 5.4 percent (5.8).

Outcome for the first nine months

The average number of children during the first nine months increased by 12.1 percent and amounted to 24,663 (22,001). Net sales increased by 20.0 percent and amounted to SEK 3,595 million (2,996). The acquisitions, Sandviks and FAWZ, and positive currency effects contributed 6.6 and 2.6 percentage points, respectively. The organic growth was 10.7 percent.

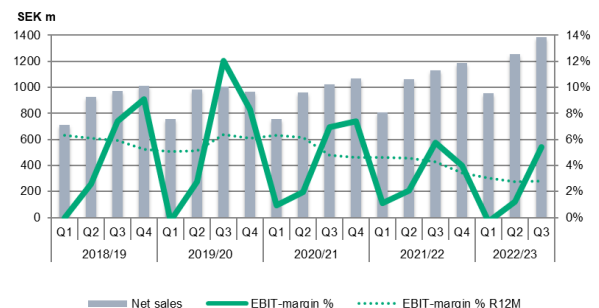
Adjusted operating profit (adj. EBIT) for the first nine months was SEK 98 million (95), and the margin 2.7 percent (3.2). The increase in profit was mainly due to the acquisitions. Inflation and increased operating costs, about SEK 20 million, as well as increased rental costs due to indexation, about SEK 10 million, is somewhat offset by increased school vouchers and higher capacity utilisation in Sweden and Norway. Furthermore, higher salary expenses and lower pension supplement in Norway, total SEK 22 million, during the first six months affected the operating profit.

Non-recurring items amounted to SEK -11 million (-) and include transaction and integration costs for the acquisition of FAWZ. Operating income (EBIT) was lower compared to last year and amounted to SEK 87 million (95). This corresponds to an EBIT margin of 2.4 percent (3.2).

Operational changes

During the third quarter, five new preschools were added, one acquisition and one new unit in Netherlands and three new units in Germany.

Net, the number of units have increased by 25 during the first nine months.



Financial overview¹

SEK M	Third quarter			Nine months			Rolling 12 m	Full year
	2022/23	2021/22	Change	2022/23	2021/22	Change	Apr 22 – Mar 23	2021/22
Net sales	1,386	1,128	22.9%	3,595	2,996	20.0%	4,779	4,180
Operating profit (EBIT)	75	65	15.4%	87	95	-8.4%	134	142
EBIT margin, %	5.4%	5.8%	-0.4 p.p.	2.4%	3.2%	-0.8 p.p.	2.8%	3.4%
Items affecting comparability	-0	-	n.a.	-11	-	n.a.	-32	-21
Adjusted operating profit (adj. EBIT)	76	65	16.9%	98	95	3.2%	166	163
Adjusted EBIT margin, %	5.5%	5.8%	-0.3 p.p.	2.7%	3.2%	-0.5 p.p.	3.5%	3.9%
Number of children and students	26,446	23,020	14.9%	24,663	22,001	12.1%	24,410	22,413
Number of units	317	289	9.7%	311	284	9.5%	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 31-32.

Compulsory School

- The number of students increased by 2.7 percent to 28,715 (27,965) in the third quarter.
- Sales increased by 7.2 percent to SEK 1,008 million (940).
- Adjusted operating profit (EBIT) increased to SEK 69 million (63).

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 117 units during the quarter, whereof 38 integrated preschools.

Outcome for the third quarter

The average number of students increased by 2.7 percent compared with the previous year and amounted to 28,715 (27,965). The increase is mainly due to one new unit with 130 children, growth in existing units, of which some have increased their capacity, and an acquisition of a compulsory school in March with 230 children.

Net sales increased by 7.2 percent and amounted to SEK 1,008 million (940), which in addition to the increase in number of students, also was due to the annual adjustment of school vouchers of 5.2 percent (3.1) and increased government grants.

Adjusted operating profit was SEK 69 million (63) and the margin 6.8 percent (6.7). The profit was affected by the general higher cost level, energy and meal costs increased by SEK 7 million and rental costs increased just over SEK 10 million. Continued initiatives to strengthen student health at our schools, also contributing to increased costs.

Non-recurring items amounted to SEK -6 million (-12) and include costs related to a fire in January 2023. Insurance compensation is expected in the coming quarters and is expected to cover most of the costs.

Operating income (EBIT) was SEK 63 million (51) corresponding to an EBIT margin of 6.3 percent (5.4).

Outcome for the first nine months

The average number of students increased by 2.5 percent and amounted to 28,550 (27,843). Net sales increased by 5.8 percent and amounted to SEK 2,740 million (2,589) following the volume increase and also the annual adjustment of school vouchers and increased government grants.

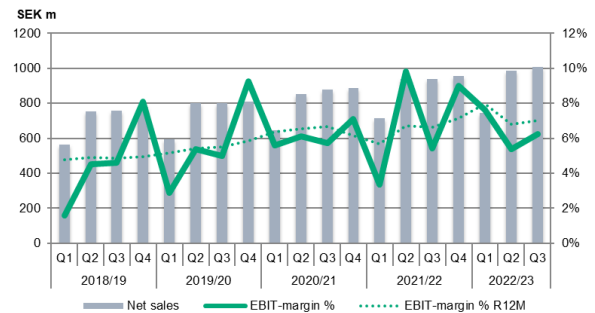
Adjusted operating profit was lower than last year, SEK 183 million (191). The result was affected by the general higher cost level where energy and meal costs increased by SEK 15 million. Indexation of rental costs had a negative impact of just over SEK 10 million. Initiatives to strengthen student health at our schools also contributed to the cost increase. The newly opened unit and units with added capacity also have a temporary negative effect on the results until the utilization has increased.

Items affecting comparability was SEK -10 million (-24) and include restructuring expenses and insurance compensation relating to fire in July 2021, insurance case settled, and costs related to a fire in January 2023. Insurance compensation is expected in the coming quarters and is expected to cover most of the costs.

Operating profit (EBIT) amounted to SEK 172 million (167), and the operating margin was 6.3 percent (6.5).

Operational changes

During the first quarter, one compulsory school opened in Örebro with 130 children and two units merged into one unit. During the third quarter one compulsory school, Maria Montessori with 230 children in Malmö, was acquired.



Financial overview¹

SEK m	Third quarter			Nine months			Rolling 12 m	Full year
	2022/23	2021/22	Change	2022/23	2021/22	Change	Apr 22 – Mar 23	2021/22
Net sales	1,008	940	7.2%	2,740	2,589	5.8%	3,694	3,543
Operating profit (EBIT)	63	51	23.5%	172	167	3.0%	259	253
EBIT margin, %	6.3%	5.4%	0.9 p.p.	6.3%	6.5%	-0.2 p.p.	7.0%	7.1%
Items affecting comparability	-6	-12	n.a.	-10	-24	n.a.	-4	-18
Adjusted operating profit (adj. EBIT)	69	63	9.5%	183	191	-4.2%	263	271
Adjusted EBIT margin, %	6.8%	6.7%	0.1 p.p.	6.7%	7.4%	-0.7 p.p.	7.1%	7.6%
Number of children and students	28,715	27,965	2.7%	28,550	27,843	2.5%	28,426	27,896
Number of units	117	116	0.9%	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 31-32.

Upper Secondary School

- The number of students increased by 4.3 percent in the third quarter, amounting to 43,915 (42,106).
- Sales increased 8.2 percent to SEK 1,385 million (1,280).
- Adjusted operating profit increased to SEK 116 million (115).

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 third quarter

The number of students increased by 4.3 percent compared with the previous year, amounting to 43,915 (42,106). The growth was mainly attributable to 24 new units that have opened since 2017, of which three in the beginning of current financial year, enrolling new students. In total, these 24 new units have admitted about 1,200 additional students compared to the same period last year. Expansion through new starts and investments in campuses has increased the student capacity with about four thousand places. These places are expected to be filled in coming years.

Net sales increased by 8.2 percent to SEK 1,385 million (1,280), following increased number of student and the annual school voucher revision of 3.9 percent (2.3).

Adjusted operating profit was SEK 116 million (115), representing a margin of 8.4 percent (9.0). Decreased margin was a result of expansion in new starts and campuses that initially reduce the capacity utilisation to 83.9 percent (86.8). Higher cost level, mainly energy and meal costs, increased operating costs by SEK 7 million compared to last year. Rental costs, negatively affected by revised index, increased about SEK 20 million compared to the same period last year.

Operating profit (EBIT) increased and amounted to SEK 116 million (100) and the margin was 8.4 percent (7.8). Last year was negatively affected by restructuring costs of SEK 15 million.

Financial overview¹

SEK m	Third quarter			Nine months			Rolling 12 m	Full year
	2022/23	2021/22	Change	2022/23	2021/22	Change	Apr 22 – Mars 23	2021/22
Net sales	1,385	1,280	8.2%	3,770	3,523	7.0%	5,055	4,807
Operating profit (EBIT)	116	100	16.0%	297	305	-2.6%	427	435
EBIT margin, %	8.4%	7.8%	0.6 p.p.	7.9%	8.7%	-0.8 p.p.	8.4%	9.0%
Items affecting comparability	-	-15	n.a.	-	-15	n.a.	-	-15
Adjusted operating profit (adj. EBIT)	116	115	0.9%	297	320	-7.2%	427	450
Adjusted EBIT margin, %	8.4%	9.0%	-0.6 p.p.	7.9%	9.1%	-1.2 p.p.	8.4%	9.4%
Number of children and students	43,915	42,106	4.3%	44,345	42,451	4.5%	43,660	42,240
Number of units	152	151	0.7%	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 31-32.

Outcome for the first nine months

The number of students increased by 4.5 percent amounting to 44,345 (42,451) and net sales increased by 7.0 percent to SEK 3,770 million (3,523). The growth was attributable to new openings and higher school vouchers per student.

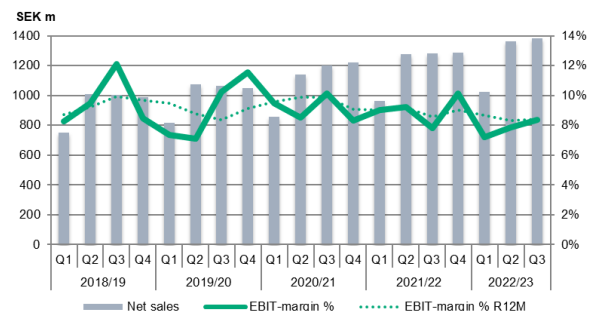
Adjusted operating profit was SEK 297 million (320), representing a margin of 7.9 percent (9.1). Profit and margin were affected by general higher cost level, about SEK 20 million, increased rental costs about SEK 20 million and lower capacity utilisation due to expansion.

Items affecting comparability amounted to SEK 0 million (-15). Operating profit (EBIT) was SEK 297 million (305) and the margin was 7.9 percent (8.7).

Operational changes

At the start of the autumn term 2022, three new upper secondary schools opened, in Gothenburg and Malmö, admitting almost 350 students. Number of units during the first nine months has been affected by one closed unit in Stockholm and two units merged into one unit.

One new school is planned to open in the autumn 2023, which has been well received by students and the local municipality.



Adult Education

- Sales decreased 7.8 percent to SEK 415 million (450).
- Operating profit (EBIT) was SEK 33 million (40).

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 (43 percent of sales in the quarter), Higher Vocational Education (42) and Labour Market Services (8).

Outcome for the third quarter

Net sales decreased by 7.8 percent and amounted to SEK 415 million (450). The decrease is mainly attributable to Municipal Adult Education and Labour Market Services, to some extent mitigated by higher volumes in Higher Vocational Education.

The number of participants in the **Higher Vocational Education** continued to increase and net sales increased by 8 percent compared to last year. Operating profit and margin decreased slightly as capacity utilisation and the proportion of students who completed their education declined somewhat.

Volumes in **Municipal Adult Education** continue to be much lower than last year and net sales decreased by 24 percent. Efforts to adjust the business, especially in basic adult education and upper secondary school education for adults, have had an effect and the margin increased slightly compared to the previous year. The transition is expected to be completed during the fourth quarter 2022/23.

The conscious choice to reduce exposure to the **Labour Market Services** business continue to impact net sales which decreased 7 percent compared to last year. The decline is related to the contracts STOM and Vocational Swedish (YS) that are now closed. The volumes in the new matching contracts (KROM) have increased but are still far below the Swedish Public Employment Service's forecasts.

Operating profit (EBIT) decreased to SEK 33 million (40), corresponding to a margin 8.0 percent (8.9). The lower earnings were mainly related to Higher Vocational Education where the capacity utilisation and the proportion of students who completed their studies decreased slightly.

The assessment is that volumes within Municipal and Labour Market services has stabilised. In the Higher

Vocational Education the expectation is that volumes will decrease in the fourth quarter, in line with the businesses seasonal pattern. Consequently, the segment's EBIT-margin in the fourth quarter is also anticipated to be below the range of 9-11 percent. The development of the economy and the new transition study grant (sv. Omställningsstudiestöd) can in the longer term have a positive effect on the development.

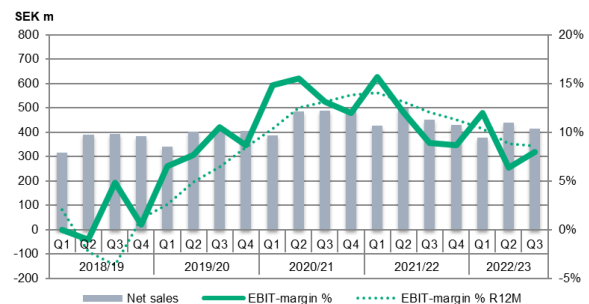
Outcome for the first nine months

Net sales decreased by 10.5 percent and amounted to SEK 1,230 million (1,375). Adjusted operating profit was SEK 105 million (177), corresponding to a margin of 8.5 percent (12.9). Operating profit decreased to SEK 105 million (166) and the margin was 8.5 percent (12.1). The decline was mainly due to lower volumes.

Operational changes and market development

In the Spring Amending Budget for 2023, the Swedish government presented an investment of just over SEK 700 million in adult education. The money will go to regional vocational training, higher vocational education, and study support. The amendment budget also included SEK 100 million to SFI (Swedish for immigrants) for Ukrainian refugees. The investments correspond to approximately 7,400 annual places within regional vocational training and 950 annual places within the higher vocational education.

The outlook on the labour market has continued to withstand the recession and unemployment as a whole fell somewhat during the period. The number of people receiving notice of employment termination was higher than the previous year but, with a few exceptions, has been stable since October 2022.



Financial overview¹

SEK m	Third quarter			Nine months			Rolling 12 m	Full year
	2022/23	2021/22	Change	2022/23	2021/22	Change	Apr 22 - Mar 23	2021/22
Net sales	415	450	-7.8%	1,230	1,375	-10.5%	1,660	1,804
Operating profit (EBIT)	33	40	-17.5%	105	166	-36.7%	142	203
EBIT margin, %	8.0%	8.9%	-0.9 p.p.	8.5%	12.1%	-3.6 p.p.	8.6%	11.3%
Items affecting comparability	-0	-	n.a.	-0	-11	n.a.	-	-11
Adjusted operating profit (adj. EBIT)	33	40	-17.5%	105	177	-40.7%	142	214
Adjusted EBIT margin, %	8.0%	8.9%	-0.9 p.p.	8.5%	12.9%	-4.4 p.p.	8.6%	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 31-32.

Quality

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

"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

Survey results from guardians and students

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

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

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

	2022/23	2021/22	Full year			
			2020/21	2019/20	2018/19	2017/18
Quality review Preschool						
Recommendation level - Norway	-*	4,5	4,5	4,5	85%	84%
Recommendation level - Sweden	88%	87%	88%	86%	83%	82%
Their child happy at the preschool	93%	92%	93%	92%	91%	92%
Satisfaction with the preschool's activities – Sweden	88%	87%	87%	84%	84%	84%
Quality review Compulsory School						
Recommendation level – students	65%	66%	70%	68%	65%	64%
Recommendation level – parents	79%	81%	81%	78%	74%	73%
Satisfaction with teaching – students	70%	72%	74%	72%	70%	69%
Satisfaction with teaching – parents	79%	80%	82%	78%	77%	76%
Satisfaction – students	75%	78%	79%	78%	76%	75%
Satisfaction – parents	84%	85%	85%	83%	81%	82%
Quality review Secondary School						
Recommendation level - students	70%	72%	76%	69%	68%	68%
Satisfaction with teaching – students	74%	76%	78%	72%	69%	69%
Satisfaction – students	80%	82%	83%	78%	77%	78%
Quality review Adult Education						
Satisfaction with teaching (total) autumn semester	86.4%	86.0%	85.5%	86.4%	80.2%	79.6%
Recommendation level (total) autumn semester	87.4%	87.1%	87.7%	86.4%	84.3%	82.9%

* Survey cancelled due to strike

Preschool

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

The annual survey in Germany was conducted during the third quarter, but this year's response rates unfortunately did not reach sufficient levels for a reliable result to be established.

In Norway, they had to cancel this year's surveys because of a strike. The survey will instead be done during 2023/24.

Compulsory School

Within the Compulsory school customer satisfaction among both parents and students decreased. The degree of students who would recommend their school were 65 (66) percent, whilst being significantly higher among the parents,

79 (81). The proportion of students and parents who were satisfied with the education were 70 (72) and 79 (80) percent respectively. 75 (78) percent replied that they are Satisfied at their school and the corresponding result among parents were 84 (85).

Upper Secondary School

The customer satisfaction has decreased compared to last year, 70 (72) percent would recommend their school to others. Despite the decline, 80 (82) percent responded that they are satisfied with their school and 74 (76) percent are satisfied with the education. However, it should be noted that there were large variations in results across the upper secondary schools.

Adult Education

The survey from AcadeMedia's Adult Education is compiled by the segment themselves and the 2022 autumn result show that the customer satisfaction and the degree of students who would recommend their school remained at a high level, 86.4 (86.0) percent and 87.4 (87.1) percent respectively.

In addition to the customer satisfaction survey, the grade scores for the various business areas within AcadeMedia's adult education for 2022 was also compiled during the third quarter. Among these, it can be mentioned that the students in basic adult education as measured by the percentage of students who achieved passing grades decreased to 85.4 (87.6) percent (the national average for 2021 was 88.5 percent). The percentage of students who achieved passing grades in upper secondary level adult education decreased to 82.7 (83.9) percent (the national average for 2021 was 88.3 percent).

The percentage of students who completed their education with a diploma in higher vocational education decreased to 65 (68) percent (the national average for 2021 was 70 percent according to the Swedish National Agency for Higher Vocational Education's statistical annual report for 2021).

Employees

Each year AcadeMedia conducts an employee satisfaction survey in order to analyse strengths and identify areas for improvement. This year's employee survey had a response rate of 80 (84) percent. The survey has shown consistent and positive results in the employee satisfaction index since 2013. Moreover, it showed that 82 (86) percent of employees were proud of their workplace, and seven out of ten see good opportunities for professional development. Managers at AcadeMedia continue to receive good ratings, where 83 (84) percent of employees responded that they have strong confidence in their manager. 78 (81) percent of employees responded that they would recommend their workplace to others. As of 2021, a question is included about AcadeMedia's vision, seven out of ten responded that AcadeMedia lead the development of tomorrow's education. From 2022 and onwards, a question of sustainability is included, which resulted in seven out of ten considering that their workplace has a clear sustainability perspective.

The Norwegian business employee satisfaction survey could not be conducted due to the strike in autumn 2022.

The German business will conduct their employee satisfaction survey during Q4 2022/23.

The average number of full-time employees in the quarter was 14,702 (13,904) which represents an increase of 5.7 percent. The proportion of women in the Swedish operation was 66.8 percent (66.9) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 17.4 percent aggregated over the nine-month July - March period, compared with 14.0 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 4.6 percent (5.5) during the first nine months.

Parent Company

Revenue during the first nine months amounted to SEK 15 million (7). Operating profit (EBIT) amounted to SEK -9 million (-10) and profit after tax was SEK -3 million (-5). 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 31 March 2023 was SEK 2,232 million (2,406). The Parent Company's interest-bearing debt as of 31 March 2023 was SEK 507 million (878).

Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 31 March 2023, 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 31 March 2023.

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.

During the third quarter 2022/23, the warrant program (TOP 2022/26) decided on the Annual General Meeting on 30 November 2022 was launched. The warrant program is intended for a number of senior executives, other key personnel, and employees within the AcadeMedia group. For further information refer to the notice convening the Annual General Meeting in AcadeMedia AB (publ) 2022, note 17.

Significant events after the end of the reporting period

Changes in the Executive Management Team

Katarina Wilson, CFO at AcadeMedia since 2019, will take the role as deputy CEO at Academedi from 1 July 2023. Karl Sandlund, COO, and member of the executive management team will leave for a new assignment outside of AcadeMedia.

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 vouchers.

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.

Clarified dividend policy and introduction of new financial key performance indicators

In November 2022, AcadeMedia's Board of Directors communicated a clarified dividend policy and at the same time introduced new financial key performance indicators relating to capital structure. The purpose with the clarification was to clarify AcadeMedia's capital structure and how capital should be allocated over time. The considerations made by the board when formulating the new policy are presented in the press release from 7 November 2022.

AcadeMedia's new dividend policy reads:

AcadeMedia's purpose is to provide quality education for the funding received. AcadeMedia's free cash flow will primarily be reinvested in the business in order to maintain high quality and to finance future business development and growth. The Board of Directors deem that AcadeMedia should maintain a strong balance sheet and thereby high financial stability. Surplus may be distributed to the shareholders provided that AcadeMedia in all material respects meets its targets relating to quality and financial position. This can be done through dividend and/or through redemption of shares or similar methods provided all AcadeMedia's shareholders are treated equally. AcadeMedia aims to distribute 30 percent of annual profits after tax as dividends.

Given that AcadeMedia has large lease obligations related to property, the Board of Directors have decided to implement new financial key performance indicators that take this into account and that can be applied when evaluating the company's financial position. The new key ratios are:

- Net debt / adjusted EBITDA R12, including the effect of IFRS 16
- Debt ratio defined as Net debt / Total assets excluding cash and cash equivalents, including and excluding the effects of IFRS 16

Legal action filed in Norway due to discrimination in the existing compensation system

AcadeMedia's Norwegian subsidiary Espira AS together with preschool operators Norlandia Preschools, and FUS have filed a lawsuit against several relevant municipalities as well as the Norwegian state represented by the Ministry of Education and Research. The lawsuit is filed on grounds of discrimination inherent in the Norwegian preschool financing rules.

Today, about 50 percent of all children in Norway go to an independent preschool. The preschool operators Espira, Norlandia, and FUS believe that these children are not treated equally to children in municipal preschools, as stipulated in the law. In the past years, several changes in the regulation of the remuneration model to private preschools have been implemented. The claim is that the funding for private preschools for the years 2020 – 2022 and the relevant regulation be declared invalid.

A legal clarification will be beneficial for the entire sector, and especially the children in the private preschools. The financial effects cannot be estimated at the moment, but a positive outcome will enable increased investments in personnel and in our operations.

Outlook

AcadeMedia does not publish any forecasts.

Calendar

19 July 2023	Preliminary result for the fiscal year 2022/23
30 August 2023	Year-end report 2022/23
25 October 2023	Interim report, first quarter
25 October 2023	Annual report 2022/23

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

Stockholm 5 May 2023

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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 5 May 2023.

Report of Review (Translation of Swedish Original)

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

Introduction

We have reviewed this report for the period July 1, 2022 to March 31, 2023 for AcadeMedia AB. The board of directors and the managing director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, May 5, 2023

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

Eva Medbrant
Authorized Public Accountant

Consolidated income statement

SEK m	Not	Third quarter		Nine months		Rolling 12 m Apr 22- Mar 23	Full year 2021/22
		2022/23	2021/22	2022/23	2021/22		
Net Sales	3	4,195	3,802	11,340	10,488	15,192	14,339
Cost of services		-367	-336	-1,074	-953	-1,395	-1,274
Other external expenses		-422	-349	-1,131	-941	-1,563	-1,373
Personnel expenses		-2,532	-2,331	-6,819	-6,351	-9,116	-8,648
Depreciation/amortization		-507	-447	-1,429	-1,305	-1,880	-1,755
Items affecting comparability ¹⁾		-6	-27	-22	-50	-36	-64
TOTAL OPERATING EXPENSES		-3,834	-3,490	-10,475	-9,600	-13,990	-13,115
OPERATING INCOME (EBIT)		361	313	865	887	1,202	1,224
Financial income		2	0	14	0	14	1
Financial expenses	6	-146	-113	-399	-327	-513	-441
Net financial items		-144	-113	-385	-327	-499	-441
INCOME BEFORE TAX		217	200	480	560	703	784
Tax		-47	-44	-108	-120	-167	-179
PROFIT FOR THE PERIOD		170	155	372	441	536	605
Profit for the period attributable to:							
Owners of the parent company		170	155	372	441	536	605
Basic earnings per share (SEK)		1.61	1.47	3.53	4.17	5.08	5.73
Diluted earnings per share (SEK)		1.60	1.47	3.52	4.17	5.07	5.72
Earnings per share based on number of shares outstanding (SEK)		1.61	1.47	3.53	4.17	5.08	5.73

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

Consolidated statement of comprehensive income

SEK m	Third quarter			Nine months		Rolling 12 m Apr 22- Mar 23	Full year
	Not	2022/23	2021/22	2022/23	2021/22		2021/22
PROFIT FOR THE PERIOD		170	155	372	441	536	605
Other comprehensive income							
<i>Items that will not be reclassified to profit/loss</i>							
Actuarial gains and losses		-3	54	-39	35	-79	-6
Deferred tax relating to actuarial gains and losses		1	-12	9	-8	17	1
		-2	42	-30	27	-62	-4
<i>Items that may be reclassified to profit/loss</i>							
Translation differences		-36	35	-11	57	-34	35
Other comprehensive income for the period		-38	77	-42	85	-95	31
COMPREHENSIVE INCOME FOR THE PERIOD		131	233	331	525	441	636
Comprehensive income for the period attributable to:							
Owners of the parent company		131	233	331	525	441	636

Consolidated statement of financial position in summary

SEK m	Mar 31, 2023	Mar 31, 2022	Jun 30, 2022
ASSETS			
Intangible non-current assets	6,670	6,515	6,597
Buildings	1,148	1,119	1,057
Right-of-use assets	9,368	7,875	8,367
Other property, plant, and equipment	1,034	857	924
Other non-current assets	96	150	79
Total non-current assets	18,315	16,516	17,024
Current receivables	901	782	704
Cash and cash equivalents ¹	872	976	1,137
Total current assets	1,773	1,758	1,840
TOTAL ASSETS	20,088	18,274	18,864
EQUITY AND LIABILITIES			
Total equity	5,905	5,647	5,758
Non-current liabilities to credit institutions	1,462	1,649	722
Long-term lease liabilities	8,410	6,915	7,464
Provisions and other non-current liabilities	197	160	212
Total non-current liabilities	10,068	8,724	8,397
Current interest-bearing liabilities	346	402	1,207
Short-term lease liabilities	1,306	1,134	1,180
Other current liabilities	2,462	2,367	2,323
Total current liabilities	4,114	3,903	4,709
TOTAL EQUITY AND LIABILITIES	20,088	18,274	18,864

¹ Cash includes Cash restricted for payroll tax withholdings with SEK 35 million (SEK 30 million per 31 Mar 2022 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 – Mar 2022/23	Jul - Mar 2021/22	Jul-Jun 2021/22
Opening balance	5,758	5,305	5,305
Profit for the period	372	441	605
Other comprehensive income for the period	-42	85	31
Consolidated statement of comprehensive income	330	525	636
Dividend paid	-185	-185	-185
Other transactions with owners ¹	1,8	2,1	2
Closing balance	5,905	5,647	5,758

¹ Transactions with owners amounts to SEK +1,8 million and include premium for issued warrants of SEK +1,9 million in the third quarter, new share issue connected to the convertible program SEK +0,0 million, share-matching program SEK +0,1 million and repurchase of issued warrants SEK -0,1 million in the second quarter. 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	Third quarter		Nine months		Full year
	2022/23	2021/22	2022/23	2021/22	2021/22
Operating profit (EBIT)	361	313	865	887	1,224
Depreciation/amortization	507	447	1,429	1,305	1,755
Adjustment for other non-cash items	-23	-10	-46	-25	37
Tax paid	-97	-87	-244	-157	-179
Cash flow from operating activities before changes in working capital	749	663	2,004	2,010	2,838
Cash flow from changes in working capital	-35	-123	-46	-83	-7
Cash flow from operating activities	714	540	1,958	1,927	2,831
Acquisition of subsidiaries	-13	-2	-169	-53	-181
Investments in buildings	-22	-1	-35	-20	-20
Leasehold improvements	-30	-15	-75	-80	-148
Investments in equipment	-24	-29	-136	-103	-152
Investments in intangible non-current assets	-2	4	-4	-0	-2
Divestment of fixed assets	-	-	12	-	-
Investments in non-current financial assets	-0	-50	-0	-64	-33
Cash flow from investing activities	-91	-93	-407	-319	-536
Interest received (+) and paid (-)	-16	-8	-37	-21	-30
Interest paid, lease liabilities	-125	-104	-353	-304	-407
Dividend paid	-	-	-185	-185	-185
New share issue	2	2	2	2	2
Increase (+)/decrease (-) of interest-bearing liabilities	-5	-41	-110	-86	-171
Repayment of lease liabilities	-412	-416	-1,127	-1,024	-1,346
Cash flow from financing activities	-556	-568	-1,811	-1,618	-2,136
CASH FLOW FOR THE PERIOD	67	-120	-260	-11	158
Cash and cash equivalents at beginning of period	818	1,084	1,137	966	966
Exchange-rate differences in cash and cash equivalents	-13	13	-5	21	12
Cash and cash equivalents at end of period	872	976	872	976	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 36 and pages 1 to 17 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	Third quarter 22/23			Nine months 22/23			Full year 21/22		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Net Sales	4,195	-	4,195	11,340	-	11,340	14,339	-	14,339
Cost of services	-367	-	-367	-1,074	-	-1,074	-1,274	-	-1,274
Other external expenses	-422	476	-898	-1,131	1,339	-2,470	-1,373	1,646	-3,019
Personnel expenses	-2,532	-	-2,532	-6,819	-	-6,819	-8,648	-	-8,648
Depreciation/amortization	-507	-386	-121	-1,429	-1,083	-346	-1,755	-1,358	-398
Items affecting comparability	-6	-	-6	-22	-	-22	-64	-	-64
TOTAL OPERATING EXPENSES	-3,834	90	-3,923	-10,475	256	-10,731	-13,115	288	-13,403
OPERATING INCOME	361	90	271	865	256	609	1,224	288	936
Financial income	2	-	2	14	-	14	1	-	1
Financial expenses	-146	-123	-23	-399	-347	-52	-441	-401	-41
Net financial items	-144	-123	-21	-385	-347	-38	-441	-401	-40
INCOME BEFORE TAX	217	-33	251	480	-91	571	784	-112	896
Tax	-47	7	-55	-108	20	-128	-179	25	-204
PROFIT FOR THE PERIOD	170	-26	196	372	-71	443	605	-88	692
Other comprehensive income for the period	-38	-	-38	-42	-	-42	31	-	31
COMPREHENSIVE INCOME FOR THE PERIOD	131	-26	157	331	-71	402	636	-88	723
Earnings per share basic (SEK)	1.61	-0.25	1.85	3.53	-0.67	4.20	5.73	-0.83	6.56
Earnings per share basic/diluted (SEK)	1.60	-0.25	1.85	3.52	-0.67	4.19	5.72	-0.83	6.54
Earnings per share based on number of shares outstanding (SEK)	1.61	-0.25	1.85	3.53	-0.67	4.20	5.73	-0.83	6.56

Consolidated statement of financial position in summary

SEK m	31 Mar 2023			31 Mar 2022		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
ASSETS						
Intangible non-current assets	6,670	-	6,670	6,515	-	6,515
Buildings	1,148	-	1,148	1,119	-	1,119
Right-of-use assets	9,368	9,142	226	7,875	7,675	200
Other property, plant, and equipment	1,034	-	1,034	857	-	857
Other non-current assets	96	29	66	150	22	128
Total non-current assets	18,315	9,171	9,144	16,516	7,697	8,819
Current receivables	901	-299	1,200	782	-316	1,098
Cash and cash equivalents	872	-	872	976	-	976
Total current assets	1,773	-299	2,072	1,758	-316	2,075
TOTAL ASSETS	20,088	8,872	11,216	18,274	7,381	10,894
EQUITY AND LIABILITIES						
Total equity	5,905	-371	6,276	5,647	-277	5,925
Non-current liabilities to credit institutions	1,462	-	1,462	1,649	-	1,649
Long-term lease liabilities	8,410	8,302	108	6,915	6,831	84
Provisions and other non-current liabilities	197	-117	313	160	-58	217
Total non-current liabilities	10,068	8,185	1,883	8,724	6,773	1,951
Current interest-bearing liabilities	346	-	346	402	-	402
Short-term lease liabilities	1,306	1,185	121	1,134	1,015	119
Other current liabilities	2,462	-127	2,589	2,367	-131	2,498
Total current liabilities	4,114	1,058	3,057	3,903	885	3,018
TOTAL EQUITY AND LIABILITIES	20,088	8,872	11,216	18,274	7,381	10,894

Consolidated cash flow statement

SEK m	Third quarter 22/23			First nine months 22/23		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	361	90	271	865	256	609
Depreciation/amortization	507	386	121	1,429	1,083	346
Adjustment for other non-cash items	-23	-	-23	-46	-1	-45
Tax paid	-97	-	-97	-244	-	-244
Cash flow from operating activities before changes in working capital	749	476	273	2,004	1,338	666
Cash flow from changes in working capital	-35	15	-50	-46	19	-65
Cash flow from operating activities	714	490	223	1,958	1,357	601
Cash flow from investing activities	-91	-	-91	-407	-	-407
Cash flow from financing activities	-556	-490	-66	-1,811	-1,357	-453
CASH FLOW FOR THE PERIOD	67	0	67	-260	-0	-260

NOTE 3: REVENUE

SEK m	Third quarter		Nine months		Full year
	2022/23	2021/22	2022/23	2021/22	2021/22
Education-related income	4,051	3,696	10,902	10,176	13,885
State subsidies	64	53	199	177	243
Sandviks	24	0	78	0	15
Other income	56	53	161	135	196
Net Sales	4,195	3,802	11,340	10,488	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.

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 nine months 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
AcadeMedia Education GmbH	FAWZ gGmbH	07-Nov-22	Preschool
Plek voor kinderen Holding BV	Daycare Owiewowie	05-Jan-23	Preschool
AcadeMedia Grundskolor Holding AB	MontessoriGrundskolan Maria AB	01-Mar-23	Compulsory school

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 first quarter, the acquisition analysis for Sandviks AS (acquired in May 2022) 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 period	Total
Purchase consideration including transaction expenses and interest compensation	-	311	311
Purchase consideration excluding transaction expenses and including interest compensation	-	311	311
Fair value of acquired net assets excluding goodwill	-12	-220	-233
Total goodwill	-12	90	78

Fair values acquired (SEK m)	Adjustment Sandviks	Acquisition in the period	Total
Intangible non-current assets	15	4	20
Property, plant, and equipment	-	172	172
Right-of-use assets	-	147	147
Financial non-current assets	-	1	1
Current assets	-	14	14
Cash and cash equivalents	-	142	142
Interest bearing liabilities	-	-20	-20
Interest bearing liabilities – IFRS 2016	-	-147	-147
Non-interest-bearing liabilities	-	-90	-90
Current tax liability	-	0	0
Deferred tax liability	-3	-2	-5
Net assets acquired	12	220	232

FAWZ gGmbH was acquired in the second quarter. The purchase price allocation has been revised in the third quarter. The accounting for net sales has been adapted to AcadeMedia's accounting principles and what was previously allocated to goodwill has been allocated to surplus value buildings and land.

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	311
Less purchase consideration that has not been settled in cash as of period end	0
Cash and cash equivalents at time of acquisition	-142
Impact on the Group's cash and cash equivalents	169

Contribution of acquisitions to consolidated profit (SEK m)	Total
Net sales	187
Adjusted operating profit (adj. EBIT)	9
Operating profit (EBIT)	1

If the units had been included in consolidated profit from July 1, 2022 the contribution would have been (SEK m)	Total
Net sales	322
Adjusted operating profit (adj. EBIT)	14
Operating profit (EBIT)	3

NOTE 6: FINANCIAL EXPENSES

SEK m	Third quarter		Nine months		Full year
	2022/23	2021/22	2022/23	2021/22	2021/22
Financial expenses					
Interest expense	-17	-7	-38	-19	-25
Borrowing costs ¹	-0	-1	-1	-2	-4
Interest expense on the lease liability	-125	-104	-353	-304	-407
Exchange rate losses	-2	-0	-2	-0	-2
Other	-1	-1	-4	-2	-3
Financial expenses	-146	-113	-399	-327	-441
<i>Interest expense on property related lease liability</i>	-123	-103	-347	-299	-401

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 first nine months amounted to SEK 108 (120) million, corresponding to an effective tax rate of 22.4 percent (21.4).

NOTE 8: FINANCIAL INSTRUMENTS

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

NOTE 9: LEASING COMMITMENTS

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered into leasing contracts which have not yet commenced. The total commitment for these contracts as per 31 March 2023 amounts to SEK 1,573 million (2,084 as per 30 June 2022). The decrease since the beginning of the financial year 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	Third quarter		Nine months		Full year
	2022/23	2021/22	2022/23	2021/22	2021/22
Net sales	5	1	15	7	7
Operating expenses	-9	-6	-24	-16	-24
OPERATING PROFIT	-3	-5	-9	-10	-17
Interest income and similar items	35	5	73	14	20
Interest expense and similar items	-36	-3	-68	-11	-16
Net financial items	-1	1	5	3	4
Year-end appropriations	-	-	-	-	20
PROFIT BEFORE TAX	-4	-3	-4	-7	8
Tax	1	1	1	1	-1
PROFIT FOR THE PERIOD	-3	-3	-3	-5	7

Parent company other comprehensive income

SEK m	Third quarter		Nine months		Full year
	2022/23	2021/22	2022/23	2021/22	2021/22
Profit for the period	-3	-3	-3	-5	7
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-3	-3	-3	-5	7

Parent company balance sheet in summary

SEK m	31 Mar 2023	31 Mar 2022	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	4,117	3,022	3,178
Cash and cash equivalents	379	744	841
Total current assets	4,496	3,766	4,020
TOTAL ASSETS	7,757	7,028	7,281
EQUITY AND LIABILITIES			
Restricted equity	106	106	106
Non-restricted equity	2,126	2,300	2,312
Total equity	2,232	2,406	2,418
Non-current liabilities	307	355	19
Current liabilities	5,218	4,266	4,844
TOTAL EQUITY AND LIABILITIES	7,757	7,028	7,281

Parent company statement of changes in equity

SEK m	Jul -Mar 2022/23	Jul -Mar 2021/22	Jul-Jun 2021/22
Opening balance	2,418	2,593	2,593
Profit for the period	-3	-5	7
Other comprehensive income for the period	-	-	-
Total profit for the period	-3	-5	7
Dividend	-185	-185	-185
Other transactions with owners ¹	2	2	2
Closing balance	2,232	2,406	2,418

¹ Transactions with owners amounts to SEK +0.0 million and include new issue connected to the convertible program SEK +0.0 million and share-matching program SEK +0.0 million, and repurchase of issued warrants SEK -0,1 million in the second quarter. 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	Third quarter		Nine months			Full year			
	2022/23	2021/22	2022/23	2021/22	2021/22	2020/21	2019/20	2018/19 ¹	2017/18 ¹
PROFIT/LOSS ITEMS									
Net sales	4,195	3,802	11,340	10,488	14,339	13,340	12,271	11,715	10,810
Items affecting comparability	-6	-27	-22	-50	-64	-7	36	1	-48
EBITDA	868	760	2,295	2,192	2,980	2,754	2,486	931	872
Depreciation/amortization	-507	-447	-1,429	-1,305	-1,755	-1,580	-1,513	-296	-250
Operating profit/loss (EBIT)	361	313	865	887	1,224	1,174	973	635	622
Net financial items	-144	-113	-385	-327	-441	-402	-417	-69	-68
Profit/loss for the period before tax	217	200	480	560	784	772	556	566	555
Profit/loss for the period after tax	170	155	372	441	605	599	431	431	430
BALANCE SHEET ITEMS									
Non-current assets	18,315	16,516	18,315	16,516	17,024	15,773	15,262	8,218	7,823
Current receivables and inventories	901	782	901	782	704	662	710	976	860
Cash and cash equivalents	872	976	872	976	1,137	966	528	527	699
Non-current interest-bearing liabilities	1,488	1,675	1,488	1,675	747	1,850	1,914	2,205	2,209
Long-term lease liabilities	8,410	6,915	8,410	6,915	7,464	6,495	6,346	-	-
Non-current non-interest-bearing liabilities	171	135	171	135	187	162	207	305	135
Current interest-bearing liabilities	346	402	346	402	1,207	195	270	592	673
Short-term lease liabilities	1,306	1,134	1,306	1,134	1,180	1,077	1,010	-	-
Current non-interest-bearing liabilities	2,462	2,367	2,462	2,367	2,323	2,319	1,965	2,030	2,103
Equity	5,905	5,647	5,905	5,647	5,758	5,305	4,790	4,589	4,262
Total assets	20,088	18,274	20,088	18,274	18,864	17,401	16,500	9,720	9,383
Capital employed	8,340	8,204	8,340	8,204	8,181	7,705	7,232	7,386	7,144
Net debt including IFRS 16	10,678	9,149	10,678	9,149	9,460	8,650	9,011	2,266	2,179
Net debt, excluding IFRS 16	1,191	1,303	1,191	1,303	987	1,222	1,797	2,266	2,179
Property adjusted net debt	469	514	469	514	237	526	1,138	1,533	1,528
KEY RATIOS									
Net sales, SEK m	4,195	3,802	11,340	10,488	14,339	13,340	12,271	11,715	10,810
Organic growth incl. Bolt-on acquisitions, %	7.5%	4.7%	5.5%	5.7%	5.2%	8.1%	5.4%	4.4%	5.8%
Acquired growth, larger acquisitions, %	2.8%	-	1.9%	2.0%	1.6%	1.6%	-	3.2%	7.9%
Change in currency, %	0.0%	1.2%	0.7%	0.8%	0.8%	-1.1%	-0.7%	0.8%	-0.1%
Operating margin (EBIT), %	8.6%	8.2%	7.6%	8.5%	8.5%	8.8%	7.9%	5.4%	5.8%
Adjusted EBIT, SEK m	277	264	631	722	1,001	939	728	634	670
Adjusted EBIT margin, %	6.6%	6.9%	5.6%	6.9%	7.0%	7.0%	5.9%	5.4%	6.2%
Adjusted EBITDA, SEK m	398	367	977	1,016	1,398	1,295	1,066	930	920
Adjusted EBITDA margin, %	9.5%	9.7%	8.6%	9.7%	9.7%	9.7%	8.7%	7.9%	8.5%
Return on capital employed, %, (12 months)	11.1%	12.7%	11.1%	12.7%	12.6%	12.6%	10.0%	8.7%	10.1%
Return on equity, % (12 months)	10.3%	12.6%	10.3%	12.6%	12.0%	13.3%	11.6%	9.7%	11.2%
Equity/assets ratio, %	56.0%	54.4%	56.0%	54.4%	55.3%	53.3%	51.4%	47.2%	45.4%
Interest coverage ratio, times	17.7	32.3	17.7	32.3	31.6	27.9	15.9	12.5	10.9
Net debt/Adjusted EBITDA (12 m) incl IFRS 16	3.4	3.1	3.4	3.1	3.1	3.1	3.7	-	-
Net debt/Adjusted EBITDA (12 m)	0.9	0.9	0.9	0.9	0.7	0.9	1.7	2.4	2.4
Debt ratio, incl IFRS 16	11.5%	13.1%	11.5%	13.1%	10.1%	13.0%	19.9%	-	-
Debt ratio, excl. IFRS 16	55.6%	52.9%	55.6%	52.9%	53.4%	52.6%	56.4%	-	-
Free cash flow	168	19	385	525	922	1,117	805	356	688
Cash flow from investing activities	-91	-93	-407	-319	-536	-437	-375	-559	-970
Number of full-time employees	14,702	13,904	14,398	13,765	13,829	13,360	12,686	12,405	11,863

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 35 to 36.

Quarterly data, Group

Quarterly data	2022/23				2021/22				2020/21			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
SEK million, unless otherwise stated												
Net sales	4,195	4,041	3,104	3,851	3,802	3,774	2,911	3,672	3,591	3,436	2,641	
EBITDA	868	740	687	787	760	778	655	741	750	660	603	
Depreciation/amortization	-74	-73	-67	-62	-59	-58	-58	-56	-53	-50	-50	
Depreciation/amortization related to acquisitions	-6	-6	-6	-5	-4	-5	-4	-4	-4	-4	-4	
Depreciation/amortization related to right-of-use assets	-427	-395	-376	-383	-384	-373	-359	-351	-346	-332	-326	
Depreciation/amortization	-507	-474	-448	-450	-447	-436	-421	-411	-404	-386	-380	
Items affecting comparability	-6	-21	6	-14	-27	7	-30	-14	6	-9	10	
Operating income (EBIT)	361	266	239	337	313	342	233	330	346	275	222	
Total financial items	-144	-122	-120	-114	-113	-108	-106	-100	-98	-100	-104	
Income before taxes	217	144	119	223	200	234	127	231	249	174	118	
Tax for the current period	-47	-35	-25	-59	-44	-48	-27	-50	-58	-40	-26	
Profit/loss for the period	170	109	94	164	155	186	100	181	191	134	93	
Number of children/students, schools	99,076	97,767	95,834	93,308	93,092	92,363	91,431	90,032	89,691	85,927	85,642	
Number of full-time employees	14,702	14,510	13,982	14,022	13,904	13,847	13,543	13,733	13,767	13,127	12,814	
Number of education units	586	580	571	559	556	552	545	539	536	525	525	
Key ratios												
Operating margin (EBIT), %	8.6%	6.6%	7.7%	8.8%	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%	
Adjusted EBIT	277	203	151	279	264	263	194	281	279	225	153	
Adjusted EBIT, %	6.6%	5.0%	4.9%	7.2%	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%	
Adjusted EBITDA	398	323	256	382	367	365	284	374	372	315	235	
Adjusted EBITDA, %	9.5%	8.0%	8.2%	9.9%	9.7%	9.7%	9.8%	10.2%	10.4%	9.2%	8.9%	
Net margin, %	4.1%	2.7%	3.0%	4.3%	4.1%	4.9%	3.4%	4.9%	5.3%	3.9%	3.5%	
Return on equity, % (12 months) ¹	10.3%	10.4%	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	11.1%	11.1%	11.8%	12.6%	12.7%	13.2%	12.8%	12.6%	12.4%	11.7%	10.8%	
Equity/assets ratio, % ¹	56.0%	54.8%	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	0.9	1.0	1.0	0.7	0.9	0.9	1.1	0.9	1.2	1.4	1.6	
Interest coverage ratio ¹	17.7	21.8	26.4	31.6	32.3	33.0	31.0	27.9	23.5	21.6	18.4	
Other												
Free cash flow	168	282	-64	397	19	606	-99	341	246	572	-42	
Cash flow from operating activities	223	354	24	517	59	675	-26	435	275	621	26	
Cash flow from investing activities	-91	-146	-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)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	26,446	24,842	22,702	23,651	23,020	21,982	20,999	22,265	21,891	20,969	20,664	
Net sales	1,386	1,252	956	1,184	1,128	1,061	808	1,068	1,020	958	755	
of which Sweden	376	363	274	365	351	339	253	349	343	328	247	
of which Norway preschool	619	553	417	582	574	520	377	552	524	481	364	
of which Germany	349	293	231	215	203	201	178	168	153	149	144	
of which Netherlands	18	15	8	8	-	-	-	-	-	-	-	
of which Sandviks	24	28	27	15	-	-	-	-	-	-	-	
EBITDA	105	46	24	73	91	45	33	104	93	40	28	
EBITDA margin, %	7.6%	3.7%	2.5%	6.2%	8.1%	4.2%	4.1%	9.7%	9.1%	4.2%	3.7%	
Depreciation/amortization	-30	-31	-27	-26	-26	-23	-24	-24	-22	-20	-22	
Operating profit/loss (EBIT)	75	15	-3	47	65	22	9	79	71	19	7	
EBIT margin, %	5.4%	1.2%	-0.3%	4.0%	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%	
Items affecting comparability	-0	-11	-	-21	-	-	-	-	-	-	-	
Adjusted operating profit/loss (EBIT)	76	26	-3	68	65	22	9	79	71	19	7	
Adjusted EBIT margin, %	5.5%	2.1%	-0.3%	5.7%	5.8%	2.1%	1.1%	7.4%	7.0%	2.0%	0.9%	
Number of preschool units	317	312	303	292	289	285	278	273	270	267	266	

SEK million, unless otherwise stated	2022/23				2021/22				2020/21			
Compulsory School	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	28,715	28,520	28,416	28,052	27,965	27,867	27,697	27,374	27,046	26,193	26,170	
Net sales	1,008	986	746	954	940	937	713	888	877	851	644	
EBITDA	87	76	78	108	72	113	43	81	68	69	52	
EBITDA margin, %	8.6%	7.7%	10.5%	11.3%	7.7%	12.1%	6.0%	9.1%	7.8%	8.1%	8.1%	
Depreciation/amortization	-24	-24	-22	-21	-21	-21	-18	-18	-18	-18	-16	
Operating profit/loss (EBIT)	63	53	57	86	51	92	24	63	50	52	36	
EBIT margin, %	6.3%	5.4%	7.6%	9.0%	5.4%	9.8%	3.4%	7.1%	5.7%	6.1%	5.6%	
Items affecting comparability	-6	-10	6	6	-12	18	-30	-	-	-	3	
Adjusted operating profit/loss (EBIT)	69	63	51	80	63	74	54	63	50	52	33	
Adjusted EBIT margin, %	6.8%	6.4%	6.8%	8.4%	6.7%	7.9%	7.6%	7.1%	5.7%	6.1%	5.1%	
Number of education units	117	116	116	116	116	116	116	116	116	112	112	

SEK million, unless otherwise stated	2022/23				2021/22				2020/21			
Upper Secondary School	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	43,915	44,405	44,716	41,605	42,106	42,513	42,735	40,394	40,753	38,765	38,808	
Net sales	1,385	1,361	1,025	1,284	1,280	1,278	964	1,223	1,202	1,142	856	
EBITDA	176	166	124	180	153	168	129	147	170	144	121	
EBITDA margin, %	12.7%	12.2%	12.1%	14.0%	12.0%	13.1%	13.4%	12.0%	14.1%	12.6%	14.1%	
Depreciation/amortization	-60	-59	-50	-50	-53	-51	-41	-45	-48	-47	-40	
Operating profit/loss (EBIT)	116	107	74	130	100	118	87	102	122	97	81	
EBIT margin, %	8.4%	7.9%	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)	116	107	74	130	115	118	87	112	116	97	73	
Adjusted EBIT margin, %	8.4%	7.9%	7.2%	10.1%	9.0%	9.2%	9.0%	9.2%	9.7%	8.5%	8.5%	
Number of education units	152	152	152	151	151	151	151	150	150	146	147	

SEK million, unless otherwise stated	2022/23				2021/22				2020/21		
Adult Education	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	415	438	377	429	450	498	427	492	488	484	385
EBITDA	39	33	49	41	44	64	71	63	68	79	61
EBITDA margin, %	9.4%	7.5%	13.0%	9.6%	9.8%	12.9%	16.6%	12.8%	13.9%	16.3%	15.8%
Depreciation/amortization	-6	-6	-5	-5	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	33	28	45	37	40	60	67	59	64	75	57
EBIT margin, %	8.0%	6.4%	11.9%	8.6%	8.9%	12.0%	15.7%	12.0%	13.1%	15.5%	14.8%
Items affecting comparability	-0	0	-0	-	-	-11	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	33	28	45	37	40	71	67	59	64	75	57
Adjusted EBIT margin, %	8.0%	6.4%	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	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1	4	0	0	4	0	0	0	4	1	1
EBITDA	460	419	410	386	400	388	380	346	350	328	341
Depreciation/amortization	-387	-355	-344	-349	-342	-337	-333	-319	-311	-297	-299
Operating profit/loss (EBIT)	73	64	66	37	57	51	46	27	39	32	42
Items affecting comparability	-	-	-	-	-	-	-	-4	-	-9	-
Adjusted operating profit/loss (EBIT)	-16	-20	-16	-35	-18	-21	-23	-32	-22	-18	-17

SEK million, unless otherwise stated	2022/23				2021/22				2020/21		
Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	99,076	97,767	95,834	93,308	93,092	92,363	91,431	90,032	89,691	85,927	85,642
Net sales	4,195	4,041	3,104	3,851	3,802	3,774	2,911	3,672	3,591	3,436	2,641
EBITDA	868	740	687	787	760	778	655	741	750	660	603
EBITDA margin, %	20.7%	18.3%	22.1%	20.4%	20.0%	20.6%	22.5%	20.2%	20.9%	19.2%	22.8%
Depreciation/amortization	-507	-474	-448	-450	-447	-436	-421	-411	-404	-386	-380
Operating profit/loss (EBIT)	361	266	239	337	313	342	233	330	346	275	222
EBIT margin, %	8.6%	6.6%	7.7%	8.8%	8.2%	9.1%	8.0%	9.0%	9.6%	8.0%	8.4%
Items affecting comparability	-6	-21	6	-14	-27	7	-30	-14	6	-9	10
Effect of IFRS 16 on operating profit	90	84	82	72	75	72	69	63	61	59	59
Adjusted operating profit/loss (EBIT)	277	203	151	279	264	263	194	281	279	225	153
Adjusted EBIT margin, %	6.6%	5.0%	4.9%	7.2%	6.9%	7.0%	6.7%	7.7%	7.8%	6.5%	5.8%
Net financial items	-144	-122	-120	-114	-113	-108	-106	-100	-98	-100	-104
Profit/loss after financial items	217	144	119	223	200	234	127	231	249	174	118
Tax	-47	-35	-25	-59	-44	-48	-27	-50	-58	-40	-26
Profit/loss for the period	170	109	94	164	155	186	100	181	191	134	93
Number of full-time employees (period)	14,702	14,510	13,982	14,022	13,904	13,847	13,543	13,733	13,767	13,127	12,814
Number of units	586	580	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	Third quarter		Nine months		Full year			2018/19 ²
	2022/23	2021/22	2022/23	2021/22	2021/22	2020/21	2019/20	
Adjusted operating profit								
Operating profit	361	313	865	887	1,224	1,174	973	635
- Items affecting comparability	-6	-27	-22	-50	-64	-7	36	1
- IFRS 16 impact	90	75	256	216	288	243	209	-
= Adjusted operating profit	277	264	631	722	1,001	939	728	634
Adjusted EBIT margin								
Adjusted operating profit	277	264	631	722	1,001	939	728	634
Divided by /Net sales	4,195	3,802	11,340	10,488	14,339	13,340	12,271	11,715
= Adjusted EBIT margin	6.6%	6.9%	5.6%	6.9%	7.0%	7.0%	5.9%	5.4%
Adjusted EBITDA								
Adjusted operating profit	277	264	631	722	1,001	939	728	634
- Depreciation excluding depreciation relating to property rental agreements	-121	-103	-346	-295	-398	-357	-338	-296
= Adjusted EBITDA	398	367	977	1,016	1,398	1,295	1,066	930
Net debt								
Non-current interest-bearing liabilities	9,898	8,589	9,898	8,589	8,211	8,344	8,260	2,205
+ Current interest-bearing liabilities	1,652	1,536	1,652	1,536	2,386	1,272	1,279	592
- Interest-bearing receivables	-	-	-	-	-	-	-	4
- Cash and cash equivalents	872	976	872	976	1,137	966	528	527
= Net debt including IFRS 16	10,678	9,149	10,678	9,149	9,460	8,650	9,011	2,266
- IFRS 16 Non-current and current lease liabilities ¹	9,487	7,846	9,487	7,846	8,474	7,428	7,214	-
= Net debt excluding IFRS 16²	1,191	1,303	1,191	1,303	987	1,222	1,797	2,266
Property-adjusted net debt								
Net debt (as described above)	1,191	1,303	1,191	1,303	987	1,222	1,797	2,266
- non-current property loans	693	762	693	762	722	671	597	644
- current property loans	29	27	29	27	28	25	62	89
= Property adjusted net debt excluding IFRS 16²	469	514	469	514	237	526	1,138	1,533
Return on capital employed %, 12 months								
Adjusted EBIT	910	1,003	910	1,003	1,001	939	728	634
+ Interest income	6	0	6	0	1	0	0	1
divided by								
Average equity	5,776	5,389	5,776	5,389	5,531	5,047	4,690	4,426
+ average non-current interest-bearing liabilities	9,244	8,575	9,244	8,575	8,277	8,302	5,232	2,207
+ average current interest-bearing liabilities	1,594	1,376	1,594	1,376	1,829	1,276	935	632
- IFRS 16 average equity ¹	-324	-234	-324	-234	-256	-165	-59	-
- IFRS 16 average non-current and current lease liabilities ¹	8,666	7,654	8,666	7,654	7,951	7,321	3,607	-
= Return on capital employed excluding IFRS 16², %	11.1%	12.7%	11.1%	12.7%	12.6%	12.6%	10.0%	8.7%
Return on equity %, 12 months								
Profit/loss after tax	536	622	536	622	605	599	431	431
- IFRS 16 profit/loss after tax	-94	-86	-94	-86	-88	-95	-117	-
divided by								
Average equity	5,776	5,389	5,776	5,389	5,531	5,047	4,690	4,426
- IFRS 16 average equity ¹	-324	-234	-324	-234	-256	-165	-59	-
= Return on equity², %	10.3%	12.6%	10.3%	12.6%	12.0%	13.3%	11.6%	9.7%
Debt ratio, incl IFRS 16								
Net debt incl IFRS 16	10,678	9,149	10,678	9,149	9,460	8,650	9,011	-
divided by								
Total assets	20,088	18,274	20,088	18,274	18,864	17,401	16,500	-
-cash and cash equivalents	872	976	872	976	1,137	966	528	-
=Debt ratio incl IFRS 16	56%	53%	56%	53%	53%	53%	56%	-
Debt ratio, excl IFRS 16								
Net debt excl IFRS 16	1,191	1,303	1,191	1,303	987	1,222	1,797	-
divided by								
Total assets	11,216	10,894	11,216	10,894	10,951	10,353	9,551	-
-cash and cash equivalents	872	976	872	976	1,137	966	528	-
=Debt ratio excl IFRS 16	12%	13%	12%	13%	10%	13%	20%	-

SEK million, unless otherwise stated	2022/23			2021/22				2019/20			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio											
Adjusted operating profit EBIT (12 months)	910	898	958	1,001	1,003	1,018	980	939	936	881	806
+ Interest income (12 months)	6	3	1	1	0	0	0	0	0	0	0
+ Other financial income (12 months)	9	9	3	0	-0	3	3	3	3	4	4
divided by											
Interest expense (12 months)	-501	-470	-449	-432	-421	-409	-402	-399	-403	-404	-404
- Interest expense (12 months) IFRS 16 ¹	-448	-428	-412	-401	-390	-378	-370	-365	-363	-363	-360
= Interest coverage ratio (excl. IFRS 16)	17.7	21.8	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 ⁴
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 ⁵	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.

⁴ According to ESMA guidelines on performance measures, each performance measure must be motivated.

⁵ 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.
Net debt/ Adjusted EBITDA (incl. IFRS 16)	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months, including the effect of 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 leased liabilities
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.
Debt ratio (including IFRS 16)	Net debt in percent of total assets less cash and cash equivalents. Including effects of IFRS 16	Debt ratio including IFRS 16 shows what proportion of the company's total assets (excluding cash and cash equivalents) is financed with borrowed capital and lease liabilities. The measure shows the company's financial position with consideration of leasing commitments.
Debt ratio (excluding IFRS 16)	Net debt in percent of total assets less cash and cash equivalents. Excluding effects of IFRS 16.	Debt ratio excluding IFRS 16 shows what proportion of the company's total assets (excluding cash and cash equivalents) is financed with borrowed capital. The measure shows the company's financial position.
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.

