AcadeMedia AB (publ)

Interim report July 2022 – June 2023

- Net sales increased by 9.0 percent in the quarter and the number of students by 6.1 percent
- Continued strong development in the Higher Vocational Education
- The Board proposes a dividend of 1.75 SEK (1.75) per share

Year-end report 2022/23

Summary of the fourth quarter (April – June 2023)

- Net sales increased by 9.0 percent and amounted to SEK 4,199 million (3,851). Organic growth, including bolt-on acquisitions, was 7.2 percent.
- Operating profit (EBIT) amounted to SEK 404 million (337).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 333 million (279). Items affecting comparability amounted to SEK -23 million (-14).
- Net profit for the period amounted to SEK 205 million (164).
- Earnings per share was SEK 1.94 (1.55) after dilution. Adjusted for IFRS 16, earnings per share was SEK 2.19 (1.77) after dilution.
- The average number of children and students in preschool, compulsory school, and upper secondary school during the fourth quarter was 98,988 (93,308), representing an increase of 6.1 percent.
- The actual result, published in this report, is in line with the preliminary result published 19 July 2023.

Summary the full year (July 2022 – June 2023)

- Net sales increased by 8.4 percent to SEK 15,539 million (14,339). Organic growth, including bolt-on acquisitions, was 6.0 percent.
- Operating profit (EBIT) amounted to SEK 1,270 million (1,224).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 964 million (1,001). Items affecting comparability amounted to SEK -45 million (-64).
- Net profit for the period amounted to SEK 578 million (605).
- Diluted earnings per share was SEK 5.47 (5.72). Adjusted for IFRS 16, diluted earnings per share was SEK 6.39 (6.54).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the year was 97,916 (92,549), representing an increase of 5.8 percent.
- The Board proposes dividend of 1.75 SEK (1.75) per share.

Fourth quarter summary

	Fourth quarter			Full year		
SEK m	2022/23	2021/22	Change	2022/23	2021/22	Change
Net sales	4,199	3,851	9.0%	15,539	14,339	8.4%
Organic growth, %	7.2%	3.7%	3.5 p.p.	6.0%	5.2%	0.8 p.p.
Operating profit (EBIT)	404	337	19.9%	1,270	1,224	3.8%
EBIT margin, %	9.6%	8.8%	0.8 p.p.	8.2%	8.5%	-0.3 p.p.
Adjusted EBIT[1]	333	279	19.4%	964	1,001	-3.7%
Adjusted EBIT margin, %	7.9%	7.2%	0.7 p.p.	6.2%	7.0%	-0.8 p.p.
Profit for the period	205	164	25.0%	578	605	-4.5%
Earnings per share, diluted (SEK)	1.94	1.55	25.4%	5.47	5.72	-4.3%
Free cash flow	406	397	2.3%	792	922	-14.1%
Number of children and students[2]	98,988	93,308	6.1%	97,916	92,549	5.8%
Number of FTEs	14,642	14,022	4.4%	14,459	13,829	4.6%

[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 34-35.

CEO's comments

In the 2022/23 financial year, AcadeMedia showed continued strong growth and a stable economic development despite many societal challenges. Thanks to investments in capacity and quality, the number of children and students in the school segments increased by 5.8 percent and net sales grew by 8.4 percent. The organic sales growth was 6.0 percent. The international business continued to grow and accounted for 23 percent (20) of AcadeMedia's total net sales during the year.

Operating profit in the fourth quarter increased compared to last year as we are now seeing the results of previous actions and investments. Profitability in the Norwegian business improved as the cost increases of previous years have to some extent been compensated through the annual school voucher revision. In the Compulsory- and Upper Secondary School Segments, student numbers increased and tight cost control in a period of high inflation had a positive impact on profitability. In the Adult Education Segment, the number of participants in Municipal Adult Education continued to decline, while the Higher Vocational Education continues to perform well. We can summarise a year with continued high demand and stable economic development. This is a sign of strength that provides a very solid foundation for further progress.

Continued international expansion

For many years, AcadeMedia has maintained the strategy of offering all age groups – from young children to adults – a variety of programmes and pedagogical specialisations, a strategy that delivers a high degree of stability and flexibility. The same applies to our strategy of continuing to grow abroad, which enable us to make AcadeMedia even more robust. Today, 23 percent of our operations are located outside Sweden's borders: in Norway, Germany, and the Netherlands. The aim is to expand our international business and we have identified attractive opportunities, not only in countries where we are already established but also in other prioritised markets.

In Germany, new preschools are opening according to plan, and we now approach 100 units. After the fiscal year-end, our adult education business in Germany expanded through the acquisition of MediaDesign Academy, in Munich. Our current adult education programme, within FAWZ, is comparable to Sweden's Komvux vocational training. The MediaDesign Academy is more comparable to Sweden's Higher Vocational Education.

After the end of the reporting period, AcadeMedia acquired the Dutch company Winford consisting of ten compulsory- and upper secondary schools. As a result, we now operate in three of the four types of education in the Netherlands: preschool, compulsory school, and upper secondary school.

Adult education – leader in Higher Vocational Education

AcadeMedia's Higher Vocational Education (HVE) continues to develop well, with net sales increasing 10 percent over the financial year. We are the market leader and as labour shortages increase, investments in HVE will continue. Just as applications to universities and colleges are rising to record levels for autumn 2023, interest in retraining in HVE is high and the level of applications is good. We will continue to strengthen our position.

Participation volumes in Municipal Adult Education were stable in the fourth quarter, but still lower than last year.

Demand for labour in certain sectors such as industry and transport are high. To address this demand, the Swedish government has set up an inquiry to review how vocational training in Komvux can be made more effective and better adapted to the needs of both labour market and individuals. A well-functioning vocational training programme for adults plays a pivotal role in business' supply of skilled labour.

AcadeMedia is a market leader in Vocational training, and we see further good opportunities for growth and development, and thereby contribute to solving Sweden's labour market problems.

Long-term focus on grading and assessment has effect

One of the biggest challenges in all of Sweden's schools is the long-standing discrepancy between student´s grades and results in national tests. This has recently attracted much attention. AcadeMedia has focused on this issue for a long time. We have not only worked on our own organisation and governance, but also on addressing the underlying systemic failure, by setting out proposals that we believe would help solve the problem.

During the fiscal year, we commissioned an external party to review our work on grades and assessments in the Upper Secondary School Segment. The aim was to investigate whether there is pressure on teachers to award higher grades than is justified. One of the conclusions drawn by the external reviewers was that governance in AcadeMedia's upper secondary schools does not create undue pressure to award higher grades than the students' level of knowledge. The full report is published on our website.

In order to reduce the discrepancies, we have introduced a package of measures and placed great emphasis on increased equivalence in assessment and grading. We can conclude that the proportion of students who received a higher grade than their performance in the national tests fell during the past academic year. Read more on pages 12 and 13.

Enrolment figures indicate more than 100,000 children and students for the autumn.

Preliminary student numbers for autumn 2023 show an overall average growth of approximately five percent and we now exceed 100 000 (95,834) children and students at our three school segments. More than 16,000 of these are in the first year of upper secondary school.

Four anniversaries celebrated

Looking at the full year 2023, we can see that no less than four of our organisations celebrate their anniversaries. The oldest is our adult education programme Hermods, which was founded in 1898 by Hans Svensson Hermod in Malmö. His vision was that all Swedes, including those living in rural areas, should be able to take courses that suited them. That formulation is a bit dated, but the idea behind it can still be applied to AcadeMedia as a whole. We want everyone to be able to find an education with us that suits them. Other anniversaries include Vittra compulsory schools, and the upper secondary schools LBS Kreativa Gymnasiet and Rytmus, all of which are celebrating 30 years.

I would like to conclude by expressing my sincere thank you to the nearly 20,000 employees in AcadeMedia in Sweden, Norway, Germany and the Netherlands.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Development in the fourth quarter (April – June 2023)

The result is in line with the preliminary result published on 19 July 2023.

Volume development and net sales

Net sales in the fourth quarter increased by 9.0 percent to SEK 4,199 million (3,851). The acquisition of Sandviks AS and the German education provider FAWZ contributed with 2.0 percent. Organic growth, including bolt-on acquisitions, was 7.2 percent and changes in exchange rates impacted sales marginally by -0.2 percent. The average number of children and students, excluding the Adult Education Segment, increased by 6.1 percent to 98,988 (93,308).

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT was SEK 333 million (279) and adjusted EBIT margin 7.9 percent (7.2). Continued higher operating costs due to inflation were largely offset by the annual school voucher revision from January. In the quarter inflation increased operating costs, mainly electricity and food, about SEK 15 million. Rental costs increased, due to indexation, about SEK 35 million compared to the same period last year.

In Norway, profitability increases as previous years cost increases are now partially compensated by the annual school voucher revision. The Compulsory School and Upper Secondary School Segment showed good growth in the number of students and cost control. Continued declining volumes in parts of the Adult Education Segment affects profitability and margin. Acquisitions contributed with SEK 9 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 404 million (337) and EBIT margin 9.6 percent (8.8).

Items affecting comparability

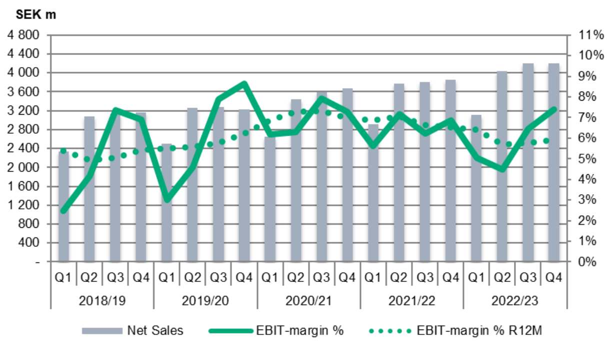
Items affecting comparability amounted to SEK -23 million (-14) and include restructuring expenses relating to the Upper Secondary School Segment. Three schools will merge with sister schools in the same region and four schools will gradually close. The changes will give our upper secondary school students better qualitative conditions through more efficient use of resources and increased attractiveness.

	Fourth quarter	
SEK m	2022/23	2021/22
Restructuring expenses (upp. sec)	-23	-
Fire, insurance compensation (comp)	-	6
Provision for lossmaking units (pre. NO)	-	-21
Total	**-23**	**-14**

Acquisitions, divestments, new establishments, and discontinued operation

No new units added in the quarter. During 2023/24 the plan is to open about 15 new preschools in Germany.

In the quarter, the Upper Secondary School Segment has completed a review of the unit portfolio and decisions have been made to merge three schools with sister schools and four schools will close. Furthermore, three preschools in Malmö, Sweden, will close.



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

Fourth 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	26,663	23,651	1,388	1,184	95	68	6.8%	5.7%	95	47	6.8%	4.0%
Compulsory School	28,911	28,052	1,029	954	88	80	8.6%	8.4%	88	86	8.6%	9.0%
Upper Secondary School	43,413	41,605	1,383	1,284	160	130	11.6%	10.1%	137	130	9.9%	10.1%
Adult Education	-[1]	-[1]	397	429	20	37	5.0%	8.6%	20	37	5.0%	8.6%
Group adj. Parent company	-	-	-	-	-30	-35	-	-	-30	-35	-	-
Impact from IFRS 16[2]	-	-	-	-	-	-	-	-	94	72	-	-
Total	**98,988**	**93,308**	**4,199**	**3,851**	**333**	**279**	**7.9%**	**7.2%**	**404**	**337**	**9.6%**	**8.8%**

[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 for the full year (July 2022 – June 2023)

Volume development and net sales

Net sales increased by 8.4 percent to SEK 15,539 million (14,339). The acquisition of Sandviks AS and FAWZ contributed 1.9 percent. Organic growth, including bolt-on acquisitions, was 6.0 percent and changes in exchange rates impacted sales by 0.5 percent. The average number of children and students, excluding the Adult Education Segment, increased by 5.8 percent to 97,916 (92,549)

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT for the year decreased to SEK 964 million (1,001) and adjusted EBIT margin was 6.2 percent (7.0). The decline in operating profit was an effect of lower volumes in parts of the Adult Education Segment. In the Swedish school segments, increased operating costs, mainly electricity and food, about SEK 70 million and lower capacity utilisation due to expansion is offset by good cost control. Rental costs increased due to indexation, about SEK 70 million compared to the same period last year.

The Preschool segment is affected by higher operating costs due to inflation and lower pension contribution in Norway, about SEK 20 million, during the first half year. Higher capacity utilisation in the Swedish and Norwegian preschools dampened the effect as well as increased school vouchers in Norway, which somewhat compensates for previous years' cost increases. Acquisitions contributed with SEK 15 million during the year.

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

Operating profit (EBIT) was SEK 1,270 million (1,224) and EBIT margin 8.2 percent (8.5).

Items affecting comparability

Items affecting comparability amounted to SEK -45 million (-64) and include transaction and integration expenses relating to the FAWZ acquisition, restructuring expenses relating to the Compulsory School and the Upper Secondary School segments, 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.

	Full year	
SEK m	2022/23	2021/22
Transaction expenses (FAWZ)	-11	-
Restructuring expenses (Comp.)	-13	-
Restructuring expenses (upp. Sec)	-23	-15
Fire 2023 (Comp.)	-6	-
Fire, insurance compensation (Comp.)	+9	+24
Fire 2021 (Comp.)	-	-42
VAT- (Adult education)	-	-11
Provision for lossmaking units (Norway)	-	-21
Total	**-45**	**-64**

Acquisitions, divestments, new establishments, and discontinued operation

Net, 27 new units were added during the year, 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, one preschool opened and one compulsory school was acquired in Sweden. The fiscal year was 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.

Full year 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	25,163	22,413	4,983	4,180	194	163	3.9%	3.9%	182	142	3.7%	3.4%
Compulsory School	28,641	27,896	3,769	3,543	271	271	7.2%	7.6%	260	253	6.9%	7.1%
Upper Secondary School	44,112	42,240	5,154	4,807	457	450	8.9%	9.4%	434	435	8.4%	9.0%
Adult Education	-[1]	-[1]	1,628	1,804	126	214	7.7%	11.9%	126	203	7.7%	11.3%
Group adj. Parent company	-	-	5	4	-83	-97	-	-	-83	-97	-	-
Impact from IFRS 16[2]	-	-	-	-	-	-	-	-	350	288	-	-
Total	**97,916**	**92,549**	**15,539**	**14,339**	**964**	**1,001**	**6.2%**	**7.0%**	**1,270**	**1,224**	**8.2%**	**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

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	**2022/23**	2021/22
Cash flow from operating activities before changes in working capital	**378**	**408**	**1,044**	**1,192**
Cash flow from changes in working capital	96	109	31	33
Cash flow from operating activities	**474**	**517**	**1,075**	**1,225**
Investments related to existing operations[1]	-68	-120	-283	-303
Investments related to expansion[2]	-6	-97	-198	-234
Cash flow from investing activities	**-74**	**-217**	**-481**	**-536**
Cash flow from financing activities	**-317**	**-131**	**-770**	**-530**
CASH FLOW FOR THE PERIOD	**84**	**169**	**-176**	**158**
Free cash flow[3]	**406**	**397**	**792**	**922**

Cash flow from operating activities for the quarter amounted to SEK 474 million (517). The decrease compared to last year was due to lower profit and a slightly less positive effect from net working capital development, SEK 96 million (109).

Investments in existing operations[1] were lower compared to last year and amounted to SEK -68 million (-120) contributing to a free cash flow[3] of SEK 406 million (397). Last year included, among other things, investments in Campus of SEK -44 million. Expansion investments[2] in the period were SEK -6 million (-97). Cash flow from investing activities amounted to SEK -74 million (-217). Cash flow from financing activities totalled SEK -317 million (-131). All in all, cash flow for the fourth quarter amounted to SEK 84 million (169).

For the full year, cash flow from operating activities decreased to SEK 1,075 million (1,225). The decline was due to lower profit. The net working capital development was in line with last year SEK 31 million (33). Paid tax for the year amounted to SEK 276 million (179), where paid tax previous year was lower due to a positive adjustment of final tax in Norway and Sweden of SEK 45 million while the current year had higher paid tax following higher preliminary tax in Sweden, about SEK 55 million.

Investments in existing operations[1] were somewhat lower compared to last year and amounted to SEK -283 million (-303) contributing to a free cash flow[3] of SEK 792 million (922). Expansion investments[2] in the period were SEK -198 million (-234), 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 -481 million (-536). Cash flow from financing activities totalled SEK -770 million (-530) of which dividend to shareholders SEK -185 million (-185) and amortization of loan in connection with the loan rearrangement SEK -300 million. All in all, cash flow from the 2022/23 fiscal year amounted to SEK -176 million (158).

[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.

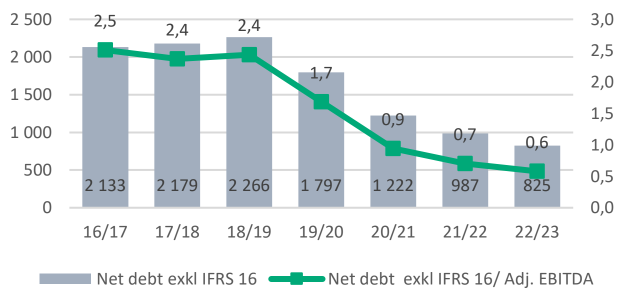
[3] Free cash flow before expansion investments consists of the cash flow from operating activities less investments in existing operations.

Financial position[1]

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.

	Including IFRS 16		Excluding IFRS 16	
SEK m	**2023-06-30**	2022-06-30	**2023-06-30**	2022-06-30
Net debt	10,142	9,460	825	987
Property-related leasing liabilities	9,317	8,474	-	-
Net debt/ adjusted EBITDA	3.1	3.1	0.6	0.7
Debt ratio (%)	53.5%	53.4%	8.0%	10.1%
Equity/asset-ratio (%)	-	-	57.9%	55.3%
Buildings[2]	1,170	1,057	1,170	1,057

Consolidated interest-bearing net debt[1] including property-related leasing liabilities amounted to SEK 10,142 million (9,460), of which property-related leasing liabilities amounts to SEK 9,317 million (8,474). 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 543 million (441) following the increased leasing liabilities and increased interest rates. Interest expenses related to property-related leasing liabilities amounted to SEK 469 million (401), an effect of increased leasing liability and a higher marginal borrowing rate.



Consolidated interest-bearing net debt[1] excluding property-related leasing liabilities amounted to SEK 825 million (987) as of 30 June 2023. The decrease in net debt over the past 12 months is mainly due to a stronger cashflow. Exchange rate effects increased the net debt with SEK 8 million. In the beginning of the fiscal 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, due to amortisation and a weaker Norwegian krona. In total, the property loans amounted to SEK 727 million (750), of which the negative currency effect amounted to SEK 16 million. The acquisition of FAWZ increased the property loans by SEK 19 million compared to last year. During the same period, buildings increased by SEK 113 million to SEK 1,170 million (1,057) primarily an effect of the acquisition of FAWZ including buildings of SEK 119 million.

Net debt in relation to adjusted EBITDA[1] (rolling 12 months) amounted to 0.6 (0.7), 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 3.1 (3.1).

Impairment test

During the fourth quarter, an impairment test regarding goodwill and other intangible assets with indefinite life was performed on the group's cash generating units based on long term business plans. All cash generating units had a recoverable amount exceeding its book value. Therefore, no impairment of goodwill was reported. For more information on significant assessments and assumptions, see Note 1 on page 21.

[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 30 June 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 12.7 percent to 26,663 (23,651) in the fourth quarter.
- Sales increased by 17.3 percent and amounted to SEK 1,388 million (1,184), positively affected by acquisitions. Organic growth increased by 11.5 percent.
- Adjusted operating profit (adj. EBIT) increased to SEK 95 million (68).

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 fourth quarter

The average number of children increased by 12.7 percent compared with the previous year and amounted to 26,663 (23,651). The increase was mainly driven by acquisition and new openings in the Netherlands and Germany. Sales increased by 17.3 percent and amounted to SEK 1,388 million (1,184). The acquisitions, Sandviks and FAWZ, contributed with 6.6 percentage points. The organic growth was 11.5 percent. The currency effect was SEK -9 million, corresponding -0.8 percent.

Adjusted operating profit (EBIT) increased to SEK 95 million (68) and the margin was 6.8 percent (5.7). The increased profit was primarily an effect of increased school vouchers in Norway that somewhat compensates for previous years' cost increases and the acquisition of FAWZ. Continued higher cost level due to inflation as well as rental costs increase due to indexation affected the segment negatively by approximately SEK 15 million, partially offset by higher capacity utilization in Norway and Sweden. As of January, the Norwegian business was affected by higher pension costs, 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 95 million (47) corresponding to an EBIT margin of 6.8 percent (4.0). Previous year included a provision for lossmaking units in Norway.

Outcome for the year

The average number of children during the year increased by 12.3 percent to 25,163 (22,413). Net sales increased by 19.2 percent and amounted to SEK 4,983 million (4,180). The acquisitions, Sandviks and FAWZ, and positive currency effects contributed 6.6 and 1.7 percent, respectively. The organic growth was 10.9 percent.

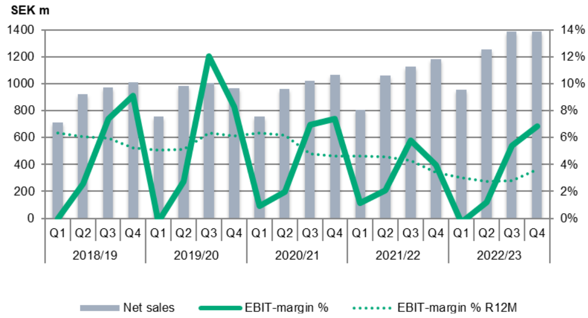
Adjusted operating profit for the year was SEK 194 million (163), and the margin 3.9 percent (3.9). The increase in profit was mainly due to the acquisitions and increased school voucher in Norway that somewhat compensates for previous years' cost increases. Inflation and increased operating costs, about SEK 30 million, as well as increased rental costs due to indexation, about SEK 15 million, was offset by increased school vouchers and higher capacity utilisation in Sweden and Norway. Furthermore, higher salary expenses and lower pension supplement in Norway during the first six months, total SEK 22 million, affected the operating profit negatively.

Non-recurring items, SEK -11 million (-21), include transaction and integration costs for the acquisition of FAWZ. Operating income (EBIT) was higher compared to last year and amounted to SEK 182 million (142) and the EBIT margin was of 3.7 percent (3.4).

Operational changes

No new units added in the quarter. Net, the number of units have increased by 25 during the year.

During next year, the plan is to open about 15 new preschools in Germany of which 6 in the first quarter. Also, the acquisitions Winford College in Netherlands and MediaDesign Academy in Germany will be included in the segment as of next year. In Sweden, three preschools with about 200 children will close.



Financial overview[1]

SEK m	Fourth quarter 2022/23	2021/22	Change	Full year 2022/23	2021/22	Change
Net sales	1,388	1,184	17.3%	4,983	4,180	19.2%
Operating profit (EBIT)	95	47	102.1%	182	142	28.2%
EBIT margin, %	6.8%	4.0%	2.8 p.p.	3.7%	3.4%	0.3 p.p.
Items affecting comparability	-	-21	n.a.	-11	-21	n.a.
Adjusted operating profit (adj. EBIT)	95	68	39.7%	194	163	19.0%
Adjusted EBIT margin, %	6.8%	5.7%	1.1 p.p.	3.9%	3.9%	0.0 p.p.
Number of children and students	26,663	23,651	12.7%	25,163	22,413	12.3%
Number of units	317	292	8.6%	312	286	9.1%

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 34-35.

Compulsory School

- The number of students increased by 3.1 percent to 28,911 (28,052) in the fourth quarter.
- Sales increased by 7.9 percent to SEK 1,029 million (954).
- Adjusted operating profit (EBIT) increased to SEK 88 million (80).

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 fourth quarter

The average number of students increased by 3.1 percent compared with the previous year and amounted to 28,911 (28,052). The increase was 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 7.9 percent and amounted to SEK 1,029 million (954), 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). Retroactive adjustment of school voucher and subsidies, with costs taken in previous periods, amounted to about SEK 5 million in the quarter and contributed to the increase.

Adjusted operating profit was SEK 88 million (80) and the margin 8.6 percent (8.4). The profit was affected by the general higher cost level, somewhat offset by good cost control. Energy and meal costs increased by about SEK 5 million and rental costs increased just over SEK 10 million. Continued initiatives to strengthen student health at our schools, also contributed to higher costs.

Operating income (EBIT) was SEK 88 million (86) corresponding to an EBIT margin of 8.6 percent (9.0).

Outcome for the year

The average number of students increased by 2.7 percent and amounted to 28,641 (27,896). Net sales increased by 6.4 percent and amounted to SEK 3,769 million (3,543) following the volume increase and also the annual adjustment of school vouchers and increased government grants.

Adjusted operating profit was in line with last year, SEK 271 million (271). The result was affected by the general higher cost level where energy and meal costs increased by about SEK 20 million. Indexation of rental costs had a negative impact of just over SEK 20 million. Initiatives to strengthen student health at our schools also contributed to the cost increase. The newly opened unit has a temporary negative effect on the results until the utilization has increased.

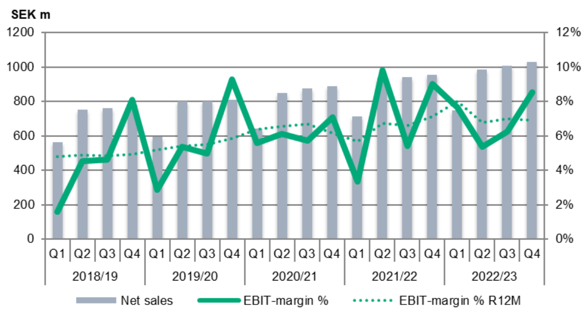
Items affecting comparability was SEK -10 million (-18) and include restructuring expenses and insurance compensation relating to fire in July 2021, insurance case settled, and costs related to a fire in January 2023 where insurance compensation is expected to cover the main part of the costs.

Operating profit (EBIT) amounted to SEK 260 million (253), and the operating margin was 6.9 percent (7.1).

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 overview[1]

	Fourth quarter			Full year		
SEK m	**2022/23**	2021/22	Change	**2022/23**	2021/22	Change
Net sales	1,029	954	7.9%	3,769	3,543	6.4%
Operating profit (EBIT)	88	86	2.3%	260	253	2.8%
EBIT margin, %	8.6%	9.0%	-0.4 p.p.	6.9%	7.1%	-0.2 p.p.
Items affecting comparability	-	6	n.a.	-10	-18	n.a.
Adjusted operating profit (adj. EBIT)	88	80	10.0%	271	271	-
Adjusted EBIT margin, %	8.6%	8.4%	0.2 p.p.	7.2%	7.6%	-0.4 p.p.
Number of children and students	28,911	28,052	3.1%	28,641	27,896	2.7%
Number of units	117	116	0.9%	117	116	0.9%

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 34-35.

Upper Secondary School

- The number of students increased by 4.3 percent in the fourth quarter, amounting to 43,413 (41,605).
- Sales increased 7.7 percent to SEK 1,383 million (1,284).
- Adjusted operating profit increased to SEK 160 million (130).

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 fourth quarter

The number of students increased by 4.3 percent compared with the previous year, amounting to 43,413 (41,605). The growth was mainly attributable to 24 new units that have opened since 2017 enrolling new students. In total, these 24 new units have admitted more than 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 7.7 percent to SEK 1,383 million (1,284), following increased number of students, the annual school voucher revision 3.9 percent (2.3) and about SEK 10 million in retroactive adjustment of school voucher fees.

Adjusted operating profit was SEK 160 million (130), representing a margin of 11.6 percent (10.1). The general higher cost level still has a negative effect and increased rental costs due to indexation increase costs about SEK 20 million in the quarter. However, increase in the number of students and good cost control with lower central costs offset the negative effect. Expansion through new openings and Campus decreased the capacity utilisation to 82.9 percent (85.8).

Operating profit (EBIT) amounted to SEK 137 million (130) and the margin was 9.9 percent (10.1). Operating profit was negatively affected by restructuring costs of SEK 23 million (-).

Outcome for the year

The number of students increased by 4.4 percent amounting to 44,112 (42,240) and net sales increased by 7.2 percent to SEK 5,154 million (4,807). The growth was attributable to expansion and higher school vouchers per student.

Adjusted operating profit was SEK 457 million (450), representing a margin of 8.9 percent (9.4). Profit and margin were affected by general higher cost level, just over SEK 20 million, increased rental costs about SEK 40 million and lower capacity utilisation due to expansion.

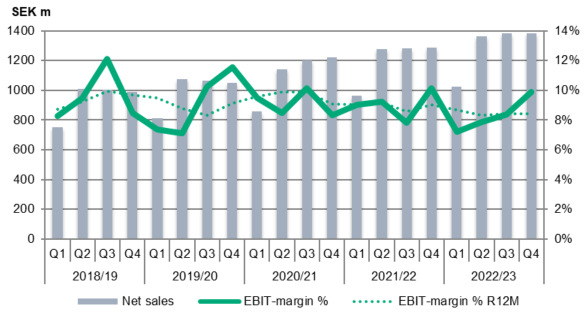
Items affecting comparability amounted to SEK -23 million (-15) and comprise of restructuring costs after performed review of the unit portfolio. Operating profit (EBIT) was SEK 434 million (435) and the margin was 8.4 percent (9.0).

Operational changes

At the start of the autumn term 2022, three new upper secondary schools opened with almost 350 students. Number of units during the year has been affected by one closed unit and two units merged.

A review of the unit portfolio in the quarter led to the decision to merge three schools with sister schools in the same region to create larger units with more efficient usage of resources. Furthermore, four schools will gradually close. The changes are made to achieve better quality through better financial stability and increased attractiveness.

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



Financial overview[1]

	Fourth quarter			Full year		
SEK m	**2022/23**	2021/22	Change	**2022/23**	2021/22	Change
Net sales	1,383	1,284	7.7%	5,154	4,807	7.2%
Operating profit (EBIT)	137	130	5.4%	434	435	-0.2%
EBIT margin, %	9.9%	10.1%	-0.2 p.p.	8.4%	9.0%	-0.6 p.p.
Items affecting comparability	-23	-	n.a.	-23	-15	n.a.
Adjusted operating profit (adj. EBIT)	160	130	23.1%	457	450	1.6%
Adjusted EBIT margin, %	11.6%	10.1%	1.5 p.p.	8.9%	9.4%	-0.5 p.p.
Number of children and students	43,413	41,605	4.3%	44,112	42,240	4.4%
Number of units	152	151	0.7%	152	151	0.7%

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 34-35.

Adult Education

- Sales decreased 7.5 percent to SEK 397 million (429).
- Operating profit (EBIT) was SEK 20 million (37).

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 (46 percent of sales in the quarter), Higher Vocational Education (40) and Labour Market Services (9).

Outcome for the fourth quarter

Net sales decreased by 7.5 percent and amounted to SEK 397 million (429). The decrease is mainly attributable to Municipal Adult Education, to some extent mitigated by higher volumes in Higher Vocational Education and Labour Market Services.

The number of participants in the **Higher Vocational Education** remain at high levels compared to last year and net sales increased by 7 percent compared to last year. Operating profit and margin decreased somewhat due to cost inflation and as capacity utilisation and the proportion of students who completed their education somewhat declined.

The strong labour market continued to impact the **Municipal Adult Education,** compared to last year, and net sales decreased by 22 percent. However, volumes are still in line with the previous quarter. Efforts to adjust the business capacity are now fully executed.

The **Labour Market Services** business increased net sales by 25 percent compared to last year. The volumes within the matching contracts are still far below the Swedish Public Employment Service's forecast and yet another contract change, from KROM to "Rusta och matcha 2", temporarily affects volumes negatively.

Operating profit (EBIT) decreased to SEK 20 million (37), corresponding to a margin of 5.0 percent (8.6). The lower earnings were mainly related to further volume decreases in the Municipal Adult Education but also, to some extent, Higher Vocational Education where capacity utilisation and the proportion of students who completed their studies decreased slightly.

Our assessment is that the volumes in the Municipal Adult Education business will continue to be low during the beginning of next year. The volumes in Higher Vocational Education are expected to increase because of more awarded educational places and good application level. The development of the economy can have a positive effect.

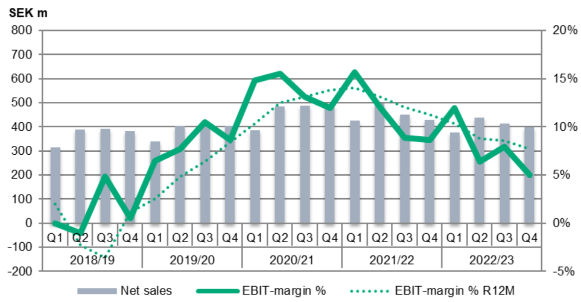
Outcome for the year

Net sales decreased by 9.8 percent and amounted to SEK 1,628 million (1,804). Adjusted operating profit was SEK 126 million (214), corresponding to a margin of 7.7 percent (11.9). Operating profit decreased to SEK 126 million (203) and the margin was 7.7 percent (11.3). The decline was mainly due to lower volumes in the Municipal Adult Education business.

Operational changes and market development

The outlook on the labour market has continued to withstand the recession and in June the unemployment rate was 6.2 percent (6.6 last year). However, the number of people receiving notice of employment termination has slightly increased. The employment agency's labour market forecast points to lower unemployment for 2023 compared to 2022, 6.4 percent and 6.8 percent respectively, and a slight increase between 2023 and 2024.

In the quarter, the final report of the "YH investigation" was presented. It is proposed that the Higher Vocational Education should expand and that the number of education places should increase by 17,700 during the period 2024–2033. This corresponds to about 35 percent in total and three percent per year.



Financial overview[1]

	Fourth quarter			Full year		
SEK m	**2022/23**	2021/22	Change	**2022/23**	2021/22	Change
Net sales	397	429	-7.5%	1,628	1,804	-9.8%
Operating profit (EBIT)	20	37	-45.9%	126	203	-37.9%
EBIT margin, %	5.0%	8.6%	-3.6 p.p.	7.7%	11.3%	-3.6 p.p.
Items affecting comparability	-	-	n.a.	-	-11	n.a.
Adjusted operating profit (adj. EBIT)	20	37	-45.9%	126	214	-41.1%
Adjusted EBIT margin, %	5.0%	8.6%	-3.6 p.p.	7.7%	11.9%	-4.2 p.p.

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 34-35.*

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

Ongoing analysis of the year's quality results

Aggregate analyses of the past academic year's quality results are ongoing and will be presented in the quality reports prepared at unit and principal organiser level as well as in AcadeMedias annual quality report. AcadeMedia's annual and sustainability report for the 2022/23 fiscal year will be published in October 2023.

Quality results for the fourth quarter

Preschool

In June, results were compiled from Swedish preschools' internal assessments of how well the national curriculum was met[1].The areas where the preschools' teaching reach the highest scores in the 20220/23 academic year are Language and communication 5.9 (5.9) and Norms and values 5.7 (5.8), followed by Creation 5.7 (5.7), Game 5.7 (5.7) and Children's participation and influence 5.7 (5.7). The lowest score was noted for the area Mathematics 5.3 (5.5).

No new quality result follow-ups have been carried out in the international pre-schools during the fourth quarter.

Compulsory School

In connection with the year-end in June the grades for AcadeMedia's compulsory schools have been compiled. The results that can currently be reported are preliminary and there are no national averages to compare with yet.

AcadeMedia's internal compilation of grades[2] for the 2022/23 academic year show that the proportion of students with passing grades in all subjects decreased to 80.2 percent (80.6). The average grades for AcadeMedia's compulsory schools decreased to 242.4 (243.5). Meanwhile, the percentage of students eligible for upper secondary school improved and amounted to 90.1 percent (89.8). The grades in AcadeMedia's compulsory schools continue to be higher than the latest published national averages.

During the academic year 2022/23, a group-wide investment in increased equivalence is assessment and grading has been carried out. The grade compilation shows that the percentage of students who received a higher grade than what they performed in the national exams has dropped significantly during the past academic year. National comparative figures for compulsory school will be presented by the Swedish National Agency for Education during September-November.

Upper Secondary School

The internal compilation of grades for AcadeMedia's upper secondary schools show that the percentage of students who graduated decreased to 88.2 percent (90.1). The average final grades for students who graduated with full diplomas was preliminary 14.1 points (14.2). The results for upper secondary schools were below the latest national average however the variation among AcadeMedia's upper secondary school operations is large.

During the academic year 2022/23, a group-wide investment in increased equivalence is assessment and grading has been carried out. Even for the upper secondary schools, the grade compilation shows that the percentage of students who received a higher grade than what they performed in the national exams has dropped significantly during the past academic year. National comparative figures for upper secondary schools will be presented by the Swedish National Agency for Education during September-November.

Adult Education

No new quality result follow-ups have been carried out in the Adult Education segment during the fourth quarter.

[1] Assessment scale is five-point (0, 2, 4, 6 and 8) where the value 8 refers to the highest possible quality the value 4 indicates that the goal fulfilment is acceptable in relation to the requirements in the guiding documents.

[2] The results presented in last year's Year-end report was based on preliminary internal compilations, why some changes of the results can be noted. This applies to all three measures presented.

Investigation of AcadeMedia's governance for equal assessment and grading

During the year 2022/23, AcadeMedia has had an external party, the independent analysis company Ramboll, review the work with grades and assessment within the upper secondary schools. The purpose has been to investigate whether there is any form of pressure on teachers to give higher grades than is justified based on the students' level of knowledge.

The investigation was conducted using a combination of qualitative and quantitative data collection. Interviews were conducted through the management levels (CEO, Head of segment, education directors, school managers, principals, and teachers).

The external investigation concluded, among other things, that:

- The steering within AcadeMedia's upper secondary schools, does not lead to undue pressure to set grades higher than the students' level of knowledge
- The method for assessing students' knowledge varies within the business
- There is confidence that an increased focus on equal assessment and grading will have positive effects
- the school's compensatory assignment and the view on the usefulness of the national tests is a partial explanation for systematic deviations where they occur

The AcadeMedia group's work for greater equality in assessment and grading continues during this year with undiminished strength. The starting point is the action program launched in 2022/23 containing among other things:

- stricter guidelines for the work with grading and assessment to underline the importance of joint assessment and cooperation regarding grading within and between schools.
- extensive support material for principals and teachers regarding the work with assessment and grading
- further development of mandatory training for principals and teachers
- review of overall objectives and system for reporting and follow-up of grading

More information regarding AcadeMedia's work with grading and assessment can be found here (in Swedish): https://academedia.se/nyheter/extern-granskning-av-academedias-arbete-med-betygssattning/

Employees

The average number of full-time employees in the quarter was 14,642 (14,022) which represents an increase of 4.4 percent. The proportion of women in the Swedish operation was 67.2 percent (67.0) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 21.0 percent aggregated over the 12-month July - June period, compared with 17.8 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 4.4 percent (5.1) during the year.

Parent Company

Net sales during the year amounted to SEK 16 million (7). Operating profit (EBIT) amounted to SEK -16 million (-17) and profit after tax was SEK 3 million (7). The Parent Company's assets essentially consist of participations in Group companies and intercompany receivables. Operations are financed by equity, debt, and intra group loans. Equity in the Parent Company as of 30 June 2023 was SEK 2,237 million (2,418). The Parent Company's interest-bearing debt as of 30 June 2023 was SEK 249 million (658).

Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 30 June 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 30 June 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 AcadeMedia AB (publ) 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.

Changes in the Executive Management Team

Katarina Wilson will, from 1 July 2023, assume her new position as deputy CEO and COO with responsibility for the operational activities, as well as the support functions IT, property, and market. Katarina Wilson has worked within AcadeMedia since 2016, most recently as CFO.

Jimmy Kjellström, who was acting head of the Upper Secondary School Segment, has taken the position permanently. Jimmy Kjellström has worked within AcadeMedia's operations since 2000

Hanna Clausén will, from 1 July 2023, assume the position as acting CFO. Hanna Clausén has worked within AcadeMedia since 2014, most recently as head of Group Accounting and Head of Investor relations. Recruitment process of a permanent CFO is initiated.

Karl Sandlund, COO, left for a new assignment outside of AcadeMedia.

Significant events after the end of the reporting period

Acquisition of Winford College in The Netherlands
After the end of the reporting period, Winford College in the Netherlands was acquired. The business comprises 10 compulsory- and upper secondary schools with about 600 students and 100 employees. The acquisition is a further step in our strategy to grow abroad. For the fiscal year 2022/23 net sales was EUR 13.6 million and EBITDA EUR 2.0 million.

Acquisition of MediaDesign Academy gGmbH
After the end of the reporting period, the adult education company MediaDesign Academy gGmbH in Germany was acquired. The business comprises of upper secondary and post upper secondary education in media and design. For the fiscal year 2022/23 net sales was EUR 1.9 million and EBITDA EUR 0.3 million.

Publication of preliminary results for the fourth quarter 2022/23. On Wednesday 19 July, AcadeMedia published the group's preliminary results for the fourth quarter 2022/23. The actual result, published in this report, was in line with the preliminary result.

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

As communicated in the third quarter interim report 2022/23 AcadeMedia's Norwegian subsidiary Espira has 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. 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.

Dividend proposed

Aligned with AcadeMedia's dividend policy the Board of Directors proposes an ordinary dividend of SEK 1.75 per share (1.75) for the fiscal year 2022/23. This corresponds to SEK 185 million (185), 27 percent (27) of the profit for the period excluding IFRS 16 and 32 percent (31) of the profit for the period including IFRS 16.

Annual General Meeting 2023

AcadeMedia's Annual General Meeting 2023 will take place on Thursday, November 30, 2023, in Stockholm.

Shareholders who want a matter brought before the Annual General Meeting 2023 can do so by e-mail to bolagsstamma@academedia.se. Proposals shall be submitted to the company no later than 12 October 2023, to give the company time to include the matter in the notice and the agenda for the Annual General Meeting.

Shareholders who wish to submit proposals to the Nomination Committee for the Annual General Meeting 2023 can do so by sending an e-mail to valberedning@academedia.se. Proposals should be submitted to the Nomination Committee no later than 12 October 2023 to ensure time for the Nomination committee to take the proposal into consideration.

Calendar

30 August 2023	Year-end report 2022/23
25 October 2023	Interim report, first quarter
25 October 2023	Annual report 2022/23
30 November 2023	Annual General Meeting 2023
1 February 2024	Interim report, second quarter
3 May 2024	Interim report, third quarter

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

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

Stockholm 30 August 2023

Marcus Strömberg
Chief Executive Officer

AcadeMedia AB (publ)

Corp. reg. no. 556846-0231
Box 213, 101 24 Stockholm
tel. +46-8-794 42 00

www.academedia.se

For more information, please contact:

Marcus Strömberg, President and CEO
Telephone: +46-8-794 42 00
E-mail: marcus.stromberg@academedia.se

Katarina Wilson, deputy CEO and COO
Telephone: +46-8-794 42 91
E-mail: katarina.wilson@academedia.se

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 30 August 2023.

Consolidated income statement

		Fourth quarter		Full year	
SEK m	Not	**2022/23**	2021/22	**2022/23**	2021/22
Net Sales	3	**4,199**	**3,851**	**15,539**	**14,339**
Cost of services		-362	-321	-1,435	-1,274
Other external expenses		-438	-432	-1,569	-1,373
Personnel expenses		-2,477	-2,296	-9,296	-8,648
Depreciation/amortization		-495	-450	-1,924	-1,755
Items affecting comparability [1)]		-23	-14	-45	-64
TOTAL OPERATING EXPENSES		**-3,794**	**-3,514**	**-14,269**	**-13,115**
OPERATING INCOME (EBIT)		**404**	**337**	**1,270**	**1,224**
Financial income		19	0	33	1
Financial expenses	6	-145	-114	-543	-441
Net financial items		**-126**	**-114**	**-511**	**-441**
INCOME BEFORE TAX		**279**	**223**	**759**	**784**
Tax		-74	-59	-181	-179
PROFIT FOR THE PERIOD		**205**	**164**	**578**	**605**
Profit for the period attributable to:					
Owners of the parent company		205	164	578	605
Basic earnings per share (SEK)		1.94	1.55	5.47	5.73
Diluted earnings per share (SEK)		1.94	1.55	5.47	5.72
Earnings per share based on number of shares outstanding (SEK)		1.94	1.55	5.47	5.73

[1] *Items affecting comparability are specified on page 4. Key performance indicator definitions are on pages 34 to 35.*
Please see note 2 for information on how application of IFRS 16 impact the financial reports.

Consolidated statement of comprehensive income

		Fourth quarter		Full year	
SEK m	Not	**2022/23**	2021/22	**2022/23**	2021/22
PROFIT FOR THE PERIOD		**205**	**164**	**578**	**605**
Other comprehensive income					
Items that will not be reclassified to profit/loss					
Actuarial gains and losses		8	-40	-31	-6
Deferred tax relating to actuarial gains and losses		-2	9	7	1
		6	**-32**	**-24**	**-4**
Items that may be reclassified to profit/loss					
Translation differences		17	-22	5	35
Other comprehensive income for the period		**23**	**-54**	**-19**	**31**
COMPREHENSIVE INCOME FOR THE PERIOD		**228**	**110**	**559**	**636**
Comprehensive income for the period attributable to:					
Owners of the parent company		228	110	559	636

Consolidated statement of financial position in summary

SEK m	Not	30 June 2023	30 June 2022
ASSETS			
Intangible non-current assets		6,695	6,597
Buildings		1,170	1,057
Right-of-use assets		9,119	8,367
Other property, plant, and equipment		1,035	924
Other non-current assets		92	79
Total non-current assets		**18,111**	**17,024**
Current receivables		840	704
Cash and cash equivalents[1]		967	1,137
Total current assets		**1,807**	**1,840**
TOTAL ASSETS		**19,918**	**18,864**
EQUITY AND LIABILITIES			
Total equity		**6,134**	**5,758**
Non-current liabilities to credit institutions[2]		1,424	722
Long-term lease liabilities		8,203	7,464
Provisions and other non-current liabilities		180	212
Total non-current liabilities		**9,807**	**8,397**
Current interest-bearing liabilities		167	1,207
Short-term lease liabilities		1,309	1,180
Other current liabilities		2,501	2,323
Total current liabilities		**3,977**	**4,709**
TOTAL EQUITY AND LIABILITIES		**19,918**	**18,864**

[1] *Cash includes Cash restricted for payroll tax withholdings with SEK 36 million (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 – Jun 2022/23	Jul – Jun 2021/22
Opening balance	**5,758**	**5,305**
Profit for the period	578	605
Other comprehensive income for the period	-19	31
Consolidated statement of comprehensive income	**559**	**636**
Dividend paid	-185	-185
Other transactions with owners[1]	2	2
Closing balance	**6,134**	**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

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	**2022/23**	2021/22
Operating profit (EBIT)	404	337	1,270	1,224
Depreciation/amortization	495	450	1,924	1,755
Adjustment for other non-cash items	-11	62	-57	37
Tax paid	-32	-22	-276	-179
Cash flow from operating activities before changes in working capital	**856**	**828**	**2,860**	**2,838**
Cash flow from changes in working capital	81	76	35	-7
Cash flow from operating activities	**937**	**904**	**2,895**	**2,831**
Acquisition of subsidiaries	0	-128	-169	-181
Investments in buildings	-6	0	-41	-20
Leasehold improvements	-34	-69	-109	-148
Investments in equipment	-31	-49	-167	-152
Investments in intangible non-current assets	-3	-2	-7	-2
Divestment of fixed assets	-	-	12	-
Investments in non-current financial assets	-	31	-0	-33
Cash flow from investing activities	**-74**	**-217**	**-481**	**-536**
Interest received (+) and paid (-)	-17	-9	-54	-30
Interest paid, lease liabilities	-124	-103	-477	-407
Dividend paid	-	-	-185	-185
New share issue	-	-	2	2
Increase (+)/decrease (-) of interest-bearing liabilities	-262	-85	-373	-171
Repayment of lease liabilities	-376	-322	-1,504	-1,346
Cash flow from financing activities	**-779**	**-518**	**-2,590**	**-2,136**
CASH FLOW FOR THE PERIOD	**83**	**169**	**-177**	**158**
Cash and cash equivalents at beginning of period	872	976	1,137	966
Exchange-rate differences in cash and cash equivalents	12	-9	7	12
Cash and cash equivalents at end of period	**967**	**1,137**	**967**	**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.

Significant assessments and assumptions relating to impartment testing of goodwill

Significant assessments and assumptions are described in detail in AcadeMedia AB's Annual Report. Below are the most important areas where assessments and assumptions have been made and which are deemed to have the greatest impact on the group's impairment test of goodwill.

AcadeMedia annually tests, or when there is an indication of a decline in value, whether there is any need to write down goodwill. For these calculations, certain assumptions and estimates must be made regarding future revenue, cost level, margin, capital employed and required return on capital. The business is also affected by the regulations that exist in each country and what compensation levels exist. There is a continuous debate about the development and design of the school system and the framework for the independent schools in the countries where AcadeMedia operates. Acquisitions completed within the last 12 months have not been tested.

The German preschools has, since the pandemic, had a lower operating result and margin. This is an effect of lower capacity utilisation due to staff shortages in certain units and partly because the remuneration levels have not increased in line with the inflation. In this year’s impartment testing of goodwill, we assume that the efforts made will give a positive effect on the capacity utilisation, and that the remuneration, with about two years lag, will reflect the higher cost levels.

The test shows that there is no need for impairment. New rules, assessments, and assumptions can result in a Goodwill impairment.

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

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

Consolidated income statement

	Fourth quarter 22/23			Full year 22/23			Full year 21/22		
SEK m		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Net Sales	**4,199**	**-**	**4,199**	**15,539**	**-**	**15,539**	**14,339**	**-**	**14,339**
Cost of services	-362	-	-362	-1,435	-	-1,435	-1,274	-	-1,274
Other external expenses	-438	477	-915	-1,569	1,816	-3,385	-1,373	1,646	-3,019
Personnel expenses	-2,477	-	-2,477	-9,296	-	-9,296	-8,648	-	-8,648
Depreciation/amortization	-495	-383	-111	-1,924	-1,467	-458	-1,755	-1,358	-398
Items affecting comparability	-23	-	-23	-45	-	-45	-64	-	-64
TOTAL OPERATING EXPENSES	**-3,794**	94	**-3,888**	**-14,269**	350	**-14,619**	**-13,115**	288	**-13,403**
OPERATING INCOME	**404**	**94**	**310**	**1,270**	**350**	**920**	**1,224**	**288**	**936**
Financial income	19	-	19	33	-	33	1	-	1
Financial expenses	-145	-122	-22	-543	-469	-74	-441	-401	-41
Net financial items	**-126**	**-122**	**-3**	**-511**	**-469**	**-42**	**-441**	**-401**	**-40**
INCOME BEFORE TAX	**279**	**-28**	**307**	**759**	**-119**	**878**	**784**	**-112**	**896**
Tax	-74	2	-76	-181	22	-203	-179	25	-204
PROFIT FOR THE PERIOD	**205**	**-26**	**231**	**578**	**-97**	**675**	**605**	**-88**	**692**
Other comprehensive income for the period	**23**	**-**	**23**	**-19**	**-**	**-19**	**31**	**-**	**31**
COMPREHENSIVE INCOME FOR THE PERIOD	**228**	**-26**	**254**	**559**	**-97**	**656**	**636**	**-88**	**723**
Earnings per share basic (SEK)	1.94	-0.25	2.19	5.47	-0.92	6.39	5.73	-0.83	6.56
Earnings per share basic/diluted (SEK)	1.94	-0.25	2.19	5.47	-0.92	6.39	5.72	-0.83	6.54
Earnings per share based on number of shares outstanding (SEK)	1.94	-0.25	2.19	5.47	-0.92	6.39	5.73	-0.83	6.56

Consolidated statement of financial position in summary

SEK m	30 Jun 2023	IFRS 16 effect	Excl. IFRS 16	30 Jun 2022	IFRS 16 effect	Excl. IFRS 16
ASSETS						
Intangible non-current assets	6,695	-	6,695	6,597	-	6,597
Buildings	1,170	-	1,170	1,057	-	1,057
Right-of-use assets	9,119	8,928	191	8,367	8,199	167
Other property, plant, and equipment	1,035	-	1,035	924	-	924
Other non-current assets	92	27	65	79	10	70
Total non-current assets	**18,111**	**8,956**	**9,155**	**17,024**	**8,209**	**8,815**
Current receivables	840	-327	1,167	704	-295	999
Cash and cash equivalents	967	-	967	1,137	-	1,137
Total current assets	**1,807**	**-327**	**2,133**	**1,840**	**-295**	**2,135**
TOTAL ASSETS	**19,918**	**8,629**	**11,289**	**18,864**	**7,914**	**10,951**
EQUITY AND LIABILITIES						
Total equity	**6,134**	**-397**	**6,531**	**5,758**	**-300**	**6,058**
Non-current liabilities to credit institutions	1,424	-	1,424	722	-	722
Long-term lease liabilities	8,203	8,123	80	7,464	7,402	62
Provisions and other non-current liabilities	180	-122	302	212	-118	330
Total non-current liabilities	**9,807**	**8,001**	**1,806**	**8,397**	**7,284**	**1,113**
Current interest-bearing liabilities	167	-	167	1,207	-	1,207
Short-term lease liabilities	1,309	1,195	114	1,180	1,071	108
Other current liabilities	2,501	-170	2,671	2,323	-142	2,465
Total current liabilities	**3,977**	**1,025**	**2,952**	**4,709**	**929**	**3,780**
TOTAL EQUITY AND LIABILITIES	**19,918**	**8,629**	**11,289**	**18,864**	**7,914**	**10,951**

Consolidated cash flow statement

SEK m	Fourth quarter 22/23	IFRS 16 effect	Excl. IFRS 16	Full year 22/23	IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	404	94	310	1,270	350	920
Depreciation/amortization	495	383	111	1,924	1,467	458
Adjustment for other non-cash items	-11	-	-11	-57	-1	-57
Tax paid	-32	-	-32	-276	-	-276
Cash flow from operating activities before changes in working capital	**856**	**477**	**378**	**2,860**	**1,816**	**1,044**
Cash flow from changes in working capital	81	-15	96	35	4	31
Cash flow from operating activities	**937**	**462**	**474**	**2,895**	**1,820**	**1,075**
Cash flow from investing activities	**-74**	**-**	**-74**	**-481**	**-**	**-481**
Cash flow from financing activities	**-779**	**-462**	**-317**	**-2,590**	**-1,820**	**-770**
CASH FLOW FOR THE PERIOD	**83**	**-**	**84**	**-177**	**-**	**-176**

NOTE 3: REVENUE

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	**2022/23**	2021/22
Education-related income	4,048	3,708	14,950	13,885
State subsidies	73	67	272	243
Products	23	15	101	15
Other income	55	61	216	196
Net Sales	**4,199**	**3,851**	**15,539**	**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.

Products comprise products and services for the education market.

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 full year, 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 Owiebowie	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. No part of this years' additional goodwill 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	**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	**Total**
Intangible non-current assets	15	4	20
Property, plant, and equipment	-	172	172
Right-of-use assets	-	169	169
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	-	-169	-169
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	290
Adjusted operating profit (adj. EBIT)	19
Operating profit (EBIT)	2

If the units had been included in consolidated profit from July 1, 2022 the contribution would have been (SEK m)	**Total**
Net sales	426
Adjusted operating profit (adj. EBIT)	24
Operating profit (EBIT)	5

NOTE 6: FINANCIAL INCOME AND EXPENSES

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	2022/23	2021/22
Financial income				
Interest income	4	0	9	1
Exchange rate gains	15	-	24	0
Interest income and similar items	**19**	**0**	**33**	**1**
Financial expenses				
Interest expense	-18	-7	-56	-25
Borrowing costs [1]	-0	-2	-1	-4
Interest expense on the lease liability	-124	-103	-477	-407
Exchange rate losses	-	-2	-2	-2
Other	-2	-1	-7	-3
Interest expense and similar items	**-145**	**-114**	**-543**	**-441**
Interest expense on the lease liability properties	*-122*	*-102*	*-469*	*-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: TAX EXPENSES

The tax expense for the year amounted to SEK 181 (179) million, corresponding to an effective tax rate of 23.9 percent (22.8). The increase is, among other things, a consequence of higher non-deductible costs, reported losses where no deferred tax asset is reported, and higher standard income for accrual fund.

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.

NOT 9: LEASING COMMITMENTS

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered into leasing contracts which have not yet commenced. The total commitment for these contracts as per 30 June 2023 amounts to SEK 1,706 million (2,084).

Parent company – financial reports

Parent company income statement in summary

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	**2022/23**	2021/22
Net sales	**1**	**1**	**16**	**7**
Operating expenses	**-8**	**-8**	**-31**	**-24**
OPERATING PROFIT	**-6**	**-7**	**-16**	**-17**
Interest income and similar items	43	6	116	20
Interest expense and similar items	-44	-5	-112	-16
Net financial items	**-2**	**1**	**4**	**4**
Year-end appropriations	15	20	15	20
PROFIT BEFORE TAX	**7**	**14**	**3**	**8**
Tax	-1	-2	-1	-1
PROFIT FOR THE PERIOD	**6**	**12**	**3**	**7**

Parent company other comprehensive income

	Fourth quarter		Full year	
SEK m	**2022/23**	2021/22	**2022/23**	2021/22
Profit for the period	**6**	**12**	**3**	**7**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
COMPREHENSIVE INCOME FOR THE PERIOD	**6**	**12**	**3**	**7**

Parent company balance sheet in summary

SEK m	**30 June 2023**	30 June 2022
ASSETS		
Participations in Group companies	3,261	3,261
Total non-current assets	**3,261**	**3,261**
Current receivables	4,191	3,178
Cash and cash equivalents	427	841
Total current assets	**4,618**	**4,020**
TOTAL ASSETS	**7,879**	**7,281**
EQUITY AND LIABILITIES		
Restricted equity	106	106
Non-restricted equity	2,132	2,312
Total equity	**2,237**	**2,418**
Non-current liabilities	114	19
Current liabilities	**5,542**	**4,844**
TOTAL EQUITY AND LIABILITIES	**7,879**	**7,281**

Parent company statement of changes in equity

SEK m	Jul -Jun 2022/23	Jul -Jun 2021/22
Opening balance	**2,418**	**2,593**
Profit for the period	3	7
Other comprehensive income for the period	-	-
Total profit for the period	**3**	**7**
Dividend	-185	-185
Other transactions with owners[1]	2	2
Closing balance	**2,237**	**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	Fourth quarter		Full year					
	2022/23	2021/22	**2022/23**	2021/22	2020/21	2019/20	2018/19[1]	2017/18[1]
PROFIT/LOSS ITEMS								
Net sales	4,199	3,851	15,539	14,339	13,340	12,271	11,715	10,810
Items affecting comparability	-23	-14	-45	-64	-7	36	1	-48
EBITDA	899	787	3,194	2,980	2,754	2,486	931	872
Depreciation/amortization	-495	-450	-1,924	-1,755	-1,580	-1,513	-296	-250
Operating profit/loss (EBIT)	404	337	1,270	1,224	1,174	973	635	622
Net financial items	-126	-114	-511	-441	-402	-417	-69	-68
Profit/loss for the period before tax	279	223	759	784	772	556	566	555
Profit/loss for the period after tax	205	164	578	605	599	431	431	430
BALANCE SHEET ITEMS								
Non-current assets	18,111	17,024	18,111	17,024	15,773	15,262	8,218	7,823
Current receivables and inventories	840	704	840	704	662	710	976	860
Cash and cash equivalents	967	1,137	967	1,137	966	528	527	699
Non-current interest-bearing liabilities	1,430	747	1,430	747	1,850	1,914	2,205	2,209
Long-term lease liabilities	8,203	7,464	8,203	7,464	6,495	6,346	-	-
Non-current non-interest-bearing liabilities	175	187	175	187	162	207	305	135
Current interest-bearing liabilities	167	1,207	167	1,207	195	270	592	673
Short-term lease liabilities	1,309	1,180	1,309	1,180	1,077	1,010	-	-
Current non-interest-bearing liabilities	2,501	2,323	2,501	2,323	2,319	1,965	2,030	2,103
Equity	6,134	5,758	6,134	5,758	5,305	4,790	4,589	4,262
Total assets	19,918	18,864	19,918	18,864	17,401	16,500	9,720	9,383
Capital employed	8,322	8,181	8,322	8,181	7,705	7,232	7,386	7,144
Net debt including IFRS 16	10,142	9,460	10,142	9,460	8,650	9,011	2,266	2,179
Net debt, excluding IFRS 16	825	987	825	987	1,222	1,797	2,266	2,179
Property adjusted net debt	97	237	97	237	526	1,138	1,533	1,528
KEY RATIOS								
Net sales, SEK m	4,199	3,851	15,539	14,339	13,340	12,271	11,715	10,810
Organic growth incl. Bolt-on acquisitions, %	7.2%	3.7%	6.0%	5.2%	8.1%	5.4%	4.4%	5.8%
Acquired growth, larger acquisitions, %	2.0%	0.4%	1.9%	1.6%	1.6%	-	3.2%	7.9%
Change in currency, %	-0.2%	0.8%	0.5%	0.8%	-1.1%	-0.7%	0.8%	-0.1%
Operating margin (EBIT), %	9.6%	8.8%	8.2%	8.5%	8.8%	7.9%	5.4%	5.8%
Adjusted EBIT, SEK m	333	279	964	1,001	939	728	634	670
Adjusted EBIT margin, %	7.9%	7.2%	6.2%	7.0%	7.0%	5.9%	5.4%	6.2%
Adjusted EBITDA, SEK m	445	382	1,422	1,398	1,295	1,066	930	920
Adjusted EBITDA margin, %	10.6%	9.9%	9.2%	9.7%	9.7%	8.7%	7.9%	8.5%
Return on capital employed, %, (12 months)	11.8%	12.6%	11.8%	12.6%	12.6%	10.0%	8.7%	10.1%
Return on equity, % (12 months)	10.7%	12.0%	10.7%	12.0%	13.3%	11.6%	9.7%	11.2%
Equity/assets ratio, %	57.9%	55.3%	57.9%	55.3%	53.3%	51.4%	47.2%	45.4%
Interest coverage ratio, times	15.6	31.6	15.6	31.6	27.9	15.9	12.5	10.9
Net debt/Adjusted EBITDA (12 m) incl IFRS 16	3.1	3.1	3.1	3.1	3.1	3.7	-	-
Net debt/Adjusted EBITDA (12 m)	0.6	0.7	0.6	0.7	0.9	1.7	2.4	2.4
Debt ratio, incl IFRS 16	53.5%	53.4%	53.5%	53.4%	52.6%	56.4%	-	-
Debt ratio, excl. IFRS 16	8.0%	10.1%	8.0%	10.1%	13.0%	19.9%	-	-
Free cash flow	406	397	792	922	1,117	805	356	688
Cash flow from investing activities	-74	-217	-481	-536	-437	-375	-559	-970
Number of full-time employees	14,642	14,022	14,459	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 34 to 35.

Quarterly data, Group

Quarterly data	2022/23				2021/22			
SEK million, unless otherwise stated	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4,199	4,195	4,041	3,104	3,851	3,802	3,774	2,911
EBITDA	**899**	**868**	**740**	**687**	**787**	**760**	**778**	**655**
Depreciation/amortization	*-68*	*-74*	*-73*	*-67*	*-62*	*-59*	*-58*	*-58*
Depreciation/amortization related to acquisitions	*-6*	*-6*	*-6*	*-6*	*-5*	*-4*	*-5*	*-4*
Depreciation/amortization related to right-of-use assets	*-421*	*-427*	*-395*	*-376*	*-383*	*-384*	*-373*	*-359*
Depreciation/amortization	-495	-507	-474	-448	-450	-447	-436	-421
Items affecting comparability	-23	-6	-21	6	-14	-27	7	-30
Operating income (EBIT)	**404**	**361**	**266**	**239**	**337**	**313**	**342**	**233**
Total financial items	-126	-144	-122	-120	-114	-113	-108	-106
Income before taxes	**279**	**217**	**144**	**119**	**223**	**200**	**234**	**127**
Tax for the current period	-74	-47	-35	-25	-59	-44	-48	-27
Profit/loss for the period	**205**	**170**	**109**	**94**	**164**	**155**	**186**	**100**
Number of children/students, schools	98,988	99,076	97,767	95,834	93,308	93,092	92,363	91,431
Number of full-time employees	14,642	14,702	14,510	13,982	14,022	13,904	13,847	13,543
Number of education units	586	586	580	571	559	556	552	545
Key ratios								
Operating margin (EBIT), %	9.6%	8.6%	6.6%	7.7%	8.8%	8.2%	9.1%	8.0%
Adjusted EBIT	333	277	203	151	279	264	263	194
Adjusted EBIT, %	7.9%	6.6%	5.0%	4.9%	7.2%	6.9%	7.0%	6.7%
Adjusted EBITDA	445	398	323	256	382	367	365	284
Adjusted EBITDA, %	10.6%	9.5%	8.0%	8.2%	9.9%	9.7%	9.7%	9.8%
Net margin, %	4.9%	4.1%	2.7%	3.0%	4.3%	4.1%	4.9%	3.4%
Return on equity, % (12 months) [1]	10.7%	10.3%	10.4%	11.6%	12.0%	12.6%	13.9%	13.1%
Return on capital employed, % (12 Months) [1]	11.8%	11.1%	11.1%	11.8%	12.6%	12.7%	13.2%	12.8%
Equity/assets ratio, %[1]	57.9%	56.0%	54.8%	54.3%	55.3%	54.4%	53.0%	53.5%
Net debt/Adjusted EBITDA (12 months) [1]	0.6	0.9	1.0	1.0	0.7	0.9	0.9	1.1
Interest coverage ratio[1]	15.6	17.7	21.8	26.4	31.6	32.3	33.0	31.0
Other								
Free cash flow	406	168	282	-64	397	19	606	-99
Cash flow from operating activities	474	223	354	24	517	59	675	-26
Cash flow from investing activities	-74	-91	-146	-170	-217	-93	-120	-106

[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			
Preschool (SE, NO, DE, NL)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	26,663	26,446	24,842	22,702	23,651	23,020	21,982	20,999
Net sales	1,388	1,386	1,252	956	1,184	1,128	1,061	808
of which Sweden	386	376	363	274	365	351	339	253
of which Norway preschool	605	619	553	417	582	574	520	377
of which Germany	355	349	293	231	215	203	201	178
of which Netherlands	19	18	15	8	8	-	-	-
of which Sandviks	23	24	28	27	15	-	-	-
EBITDA	118	105	46	24	73	91	45	33
EBITDA margin, %	8.5%	7.6%	3.7%	2.5%	6.2%	8.1%	4.2%	4.1%
Depreciation/amortization	-23	-30	-31	-27	-26	-26	-23	-24
Operating profit/loss (EBIT)	95	75	15	-3	47	65	22	9
EBIT margin, %	6.8%	5.4%	1.2%	-0.3%	4.0%	5.8%	2.1%	1.1%
Items affecting comparability	-	-	-11	-	-21	-	-	-
Adjusted operating profit/loss (EBIT)	95	76	26	-3	68	65	22	9
Adjusted EBIT margin, %	6.8%	5.5%	2.1%	-0.3%	5.7%	5.8%	2.1%	1.1%
Number of preschool units	317	317	312	303	292	289	285	278

SEK million, unless otherwise stated	2022/23				2021/22			
Compulsory School	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	28,911	28,715	28,520	28,416	28,052	27,965	27,867	27,697
Net sales	1,029	1,008	986	746	954	940	937	713
EBITDA	111	87	76	78	108	72	113	43
EBITDA margin, %	10.8%	8.6%	7.7%	10.5%	11.3%	7.7%	12.1%	6.0%
Depreciation/amortization	-24	-24	-24	-22	-21	-21	-21	-18
Operating profit/loss (EBIT)	88	63	53	57	86	51	92	24
EBIT margin, %	8.6%	6.3%	5.4%	7.6%	9.0%	5.4%	9.8%	3.4%
Items affecting comparability	-	-6	-10	6	6	-12	18	-30
Adjusted operating profit/loss (EBIT)	88	69	63	51	80	63	74	54
Adjusted EBIT margin, %	8.6%	6.8%	6.4%	6.8%	8.4%	6.7%	7.9%	7.6%
Number of education units	117	117	116	116	116	116	116	116

SEK million, unless otherwise stated	2022/23				2021/22			
Upper Secondary School	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	43,413	43,915	44,405	44,716	41,605	42,106	42,513	42,735
Net sales	1,383	1,385	1,361	1,025	1,284	1,280	1,278	964
EBITDA	195	176	166	124	180	153	168	129
EBITDA margin, %	14.1%	12.7%	12.2%	12.1%	14.0%	12.0%	13.1%	13.4%
Depreciation/amortization	-58	-60	-59	-50	-50	-53	-51	-41
Operating profit/loss (EBIT)	137	116	107	74	130	100	118	87
EBIT margin, %	9.9%	8.4%	7.9%	7.2%	10.1%	7.8%	9.2%	9.0%
Items affecting comparability	-23	-	-	-	-	-15	-	-
Adjusted operating profit/loss (EBIT)	160	116	107	74	130	115	118	87
Adjusted EBIT margin, %	11.6%	8.4%	7.9%	7.2%	10.1%	9.0%	9.2%	9.0%
Number of education units	152	152	152	152	151	151	151	151

SEK million, unless otherwise stated	2022/23				2021/22			
Adult Education	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales	397	415	438	377	429	450	498	427
EBITDA	26	39	33	49	41	44	64	71
EBITDA margin, %	6.5%	9.4%	7.5%	13.0%	9.6%	9.8%	12.9%	16.6%
Depreciation/amortization	-6	-6	-6	-5	-5	-4	-4	-4
Operating profit/loss (EBIT)	20	33	28	45	37	40	60	67
EBIT margin, %	5.0%	8.0%	6.4%	11.9%	8.6%	8.9%	12.0%	15.7%
Items affecting comparability	-	-	-	-	-	-	-11	-
Adjusted operating profit/loss (EBIT)	20	33	28	45	37	40	71	67
Adjusted EBIT margin, %	5.0%	8.0%	6.4%	11.9%	8.6%	8.9%	14.3%	15.7%

SEK million, unless otherwise stated	2022/23				2021/22			
Group-OH and adjustments	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales	0	1	4	0	0	4	0	0
EBITDA	449	460	419	410	386	400	388	380
Depreciation/amortization	-384	-387	-355	-344	-349	-342	-337	-333
Operating profit/loss (EBIT)	64	73	64	66	37	57	51	46
Items affecting comparability	-	-	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	-30	-16	-20	-16	-35	-18	-21	-23

SEK million, unless otherwise stated	2022/23				2021/22			
Group	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	98,988	99,076	97,767	95,834	93,308	93,092	92,363	91,431
Net sales	4,199	4,195	4,041	3,104	3,851	3,802	3,774	2,911
EBITDA	899	868	740	687	787	760	778	655
EBITDA margin, %	21.4%	20.7%	18.3%	22.1%	20.4%	20.0%	20.6%	22.5%
Depreciation/amortization	-495	-507	-474	-448	-450	-447	-436	-421
Operating profit/loss (EBIT)	404	361	266	239	337	313	342	233
EBIT margin, %	9.6%	8.6%	6.6%	7.7%	8.8%	8.2%	9.1%	8.0%
Items affecting comparability	-23	-6	-21	6	-14	-27	7	-30
Effect of IFRS 16 on operating profit	94	90	84	82	72	75	72	69
Adjusted operating profit/loss (EBIT)	333	277	203	151	279	264	263	194
Adjusted EBIT margin, %	7.9%	6.6%	5.0%	4.9%	7.2%	6.9%	7.0%	6.7%
Net financial items	-126	-144	-122	-120	-114	-113	-108	-106
Profit/loss after financial items	**279**	**217**	**144**	**119**	**223**	**200**	**234**	**127**
Tax	-74	-47	-35	-25	-59	-44	-48	-27
Profit/loss for the period	**205**	**170**	**109**	**94**	**164**	**155**	**186**	**100**
Number of full-time employees (period)	14,642	14,702	14,510	13,982	14,022	13,904	13,847	13,543
Number of units	586	586	580	571	559	556	552	545

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	Fourth quarter		Full year				
	2022/23	2021/22	**2022/23**	2021/22	2020/21	2019/20	2018/19[2]
Adjusted operating profit							
Operating profit	404	337	1,270	1,224	1,174	973	635
- Items affecting comparability	-23	-14	-45	-64	-7	36	1
- IFRS 16 impact	94	72	350	288	243	209	-
= Adjusted operating profit	**333**	**279**	**964**	**1,001**	**939**	**728**	**634**
Adjusted EBIT margin							
Adjusted operating profit	333	279	964	1,001	939	728	634
Divided by /Net sales	4,199	3,851	15,539	14,339	13,340	12,271	11,715
= Adjusted EBIT margin	**7.9%**	**7.2%**	**6.2%**	**7.0%**	**7.0%**	**5.9%**	**5.4%**
Adjusted EBITDA							
Adjusted operating profit	333	279	964	1,001	939	728	634
- Depreciation excluding depreciation relating to property rental agreements	-111	-103	-458	-398	-357	-338	-296
= Adjusted EBITDA	**445**	**382**	**1,422**	**1,398**	**1,295**	**1,066**	**930**
Net debt							
Non-current interest-bearing liabilities	9,633	8,211	9,633	8,211	8,344	8,260	2,205
+ Current interest-bearing liabilities	1,476	2,386	1,476	2,386	1,272	1,279	592
- Interest-bearing receivables	-	-	-	-	-	-	4
- Cash and cash equivalents	967	1,137	967	1,137	966	528	527
= Net debt including IFRS 16	10,142	**9,460**	10,142	**9,460**	**8,650**	**9,011**	**2,266**
- IFRS 16 Non-current and current lease liabilities[1]	9,317	8,474	9,317	8,474	7,428	7,214	-
= Net debt excluding IFRS 16[2]	825	**987**	825	**987**	**1,222**	**1,797**	**2,266**
Property-adjusted net debt							
Net debt (as described above)	825	987	825	987	1,222	1,797	2,266
- non-current property loans	698	722	698	722	671	597	644
- current property loans	30	28	30	28	25	62	89
= Property adjusted net debt excluding IFRS 16[2]	97	**237**	97	**237**	**526**	**1,138**	**1,533**
Return on capital employed %, 12 months							
Adjusted EBIT	964	1,001	964	1,001	939	728	634
+ Interest income	9	1	9	1	0	0	1
divided by							
Average equity	5,946	5,531	5,946	5,531	5,047	4,690	4,426
+ average non-current interest-bearing liabilities	8,922	8,277	8,922	8,277	8,302	5,232	2,207
+ average current interest-bearing liabilities	1,931	1,829	1,931	1,829	1,276	935	632
- IFRS 16 average equity[1]	-349	-256	-349	-256	-165	-59	-
- IFRS 16 average non-current and current lease liabilities[1]	8,896	7,951	8,896	7,951	7,321	3,607	-
= Return on capital employed excluding IFRS 16[2], %	11.8%	**12.6%**	11.8%	**12.6%**	**12.6%**	**10.0%**	**8.7%**
Return on equity %, 12 months							
Profit/loss after tax	578	605	578	605	599	431	431
- IFRS 16 profit/loss after tax	-97	-88	-97	-88	-95	-117	-
divided by							
Average equity	5,946	5,531	5,946	5,531	5,047	4,690	4,426
- IFRS 16 average equity[1]	-349	-256	-349	-256	-165	-59	-
= Return on equity[2], %	10.7%	**12.0%**	10.7%	**12.0%**	**13.3%**	**11.6%**	**9.7%**
Debt ratio, incl IFRS 16							
Net debt incl IFRS 16	10,142	9,460	10,142	9,460	8,650	9,011	-
divided by							
Total assets	19,918	18,864	19,918	18,864	17,401	16,500	-
-cash and cash equivalents	967	1,137	967	1,137	966	528	-
=Debt ratio incl IFRS 16	53.5%	53.4%	53.5%	53.4%	52.6%	56.4%	-
Debt ratio, excl IFRS 16							
Net debt excl IFRS 16	825	987	825	987	1,222	1,797	-
divided by							
Total assets	11,289	10,951	11,289	10,951	10,353	9,551	-
-cash and cash equivalents	967	1,137	967	1,137	966	528	-
=Debt ratio excl IFRS 16	8.0%	10.1%	8.0%	10.1%	13.0%	19.9%	-

	2022/23				2021/22			
SEK million, unless otherwise stated	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Interest coverage ratio								
Adjusted operating profit EBIT (12 months)	964	910	898	958	1,001	1,003	1,018	980
+ Interest income (12 months)	9	6	3	1	1	0	0	0
+ Other financial income (12 months)	24	9	9	3	0	-0	3	3
divided by								
Interest expense (12 months)	-533	-501	-470	-449	-432	-421	-409	-402
- Interest expense (12 months) IFRS 16[1]	-469	-448	-428	-412	-401	-390	-378	-370
= Interest coverage ratio (excl. IFRS 16)	**15.6**	**17.7**	**21.8**	**26.4**	**31.6**	**32.3**	**33.0**	**31.0**

[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.