

NB: The English text is an in-house translation.

Proposal by the Board of Directors of AcadeMedia AB (publ) on a directed issue of convertibles and approval of a long-term incentive program (Convertible program 2019/2023)

The Board of Directors of AcadeMedia AB (publ) proposes that the Annual General Meeting resolves on the implementation of a long-term incentive program for employees in the AcadeMedia Group, with the exception of the CEO and the Group Management, including the issue of convertible bonds ("Convertible Program 2019/2023") on the following main terms and conditions.

The Board of Directors proposes that the Annual General Meeting resolves that:

- the company shall issue convertible bonds in series 2019/2023 with a maximum nominal value of SEK 152,100,000;
- each convertible bond shall have a nominal value of SEK 5,000, or multiples thereof;
- the subscription price for each convertible bond shall be equal to its nominal value;
- with deviation from the shareholders' preferential right, the right to subscribe for the convertible bonds shall be granted to each employee, however not the CEO or members of the Group Management, who on 31 January 2019 (i) has an indefinite employment agreement with a company within the AcadeMedia Group, and (ii) has not given or been given notice of termination of employment;
- the convertible bonds of series 2019/2023 shall carry quarterly interest from 15 March 2019 equivalent to STIBOR 3M plus an interest margin established by an independent valuation institute in accordance with established valuation methods so that the market value of the convertibles corresponds to their nominal amount;
- the accrued interest shall be due for payment on 15 March, 15 June, 15 September and 15 December each year commencing on 15 June 2019 and on the maturity date for the convertible bonds. At conversion, the right to receive interest will cease for the period from the nearest preceding interest payment date;
- the conversion rate shall be 120 percent of the average volume weighted share price for the AcadeMedia ordinary share according to Nasdaq Stockholm's official share price list during the period 1 February 2019 up to and including 7 February 2019, but not lower than the share's quota value. In the absence of a buying rate for any of the days in question, the purchase rate quoted as the final rate shall be applied. A day when there is neither a buying rate nor a purchase rate available shall not be included in the calculation. If, at the time of conversion, the last paid price on Nasdaq Stockholm for the company's ordinary shares on the closing of the stock exchange on the trading day preceding the conversion exceeds 230 per cent of the volume-weighted average price for the company's ordinary share during the period 1 February 2019 up to and including 7 February 2019, the conversion price shall be

increased with an amount corresponding to the amount of said price which exceeds 230 per cent of said average price. The calculated conversion rate shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded upwards;

- the convertibles may be converted into new ordinary shares in AcadeMedia AB during four periods, during two weeks from the day after publication of the interim report for the period July 2021 – December 2021, during two weeks from the day after publication of the year end report for the period July 2021 – June 2022, during two weeks from the day after publication of the interim report for the period July 2022 – December 2022 and during two weeks from the day after publication of the year end report for the period July 2022 – June 2023. Should the above mentioned converting periods not be applicable, the convertibles may be converted into new ordinary shares in AcadeMedia AB during the period 1 March – 15 March 2022, the period 1 September – 15 September 2022, the period 1 March – 15 March 2023 and the period 1 September – 15 September 2023, respectively;
- the conversion rate shall be established by the company, or by an independent appraiser or auditor firm retained by the company, as soon as possible after the average price as referred to above has been established;
- subscription for the convertibles shall be made on a separate subscription list from the time the conversion rate is established in accordance with the above, however no later than 24 February 2019, with a right for the Board of Directors to extend the subscription period;
- payment for the convertibles shall be made from the time the conversion rate is established in accordance with the above, however no later than 15 March 2019, with a right for the Board of Directors to extend the payment period;
- the convertible bonds shall become due for redemption on 17 September 2023 to the extent that conversion has not occurred before then;
- the convertible bonds shall, in the event of bankruptcy or liquidation of the company, be ranked after the company's all other liabilities which are not expressly subordinated to or expressly ranking pari passu with the convertible bonds and pari passu with other convertible bonds issued on corresponding terms;
- a share obtained due to conversion shall entitle to dividend distribution for the first time on the record day for dividend distribution occurring next after the execution of the conversion; and
- applicable terms for recalculation and other the terms and conditions for the convertibles are set forth in "*Terms and conditions for convertible bonds series 2019/2023 in AcadeMedia AB (publ)*".

The subscription price of the convertibles shall correspond to market value according to established principles of valuation.

The Board of Directors or anyone appointed by the Board of Directors shall be authorised to make such minor changes to the resolution by the general meeting to issue convertible bonds as may be

deemed necessary in connection with registration at the Swedish Companies Registration Office (Sw: *Bolagsverket*) and Euroclear Sweden AB.

The reasons for deviation from the shareholders' preferential rights are that AcadeMedia AB wishes to introduce a convertible program intended for employees within the AcadeMedia Group, with the exception of the CEO and the Group Management, whereby these employees will be offered the opportunity to take part in a value increase of the company and the company's share. A personal long-term ownership among these employees is expected to promote the interest in the company's development and results, as well as in the company's share price development, and to increase motivation and a continued company loyalty over the coming years.

The company shall, in connection with the allocation of the convertible bonds to the participants in the program, and with certain exceptions, reserve a pre-emption right regarding the convertible bonds if the participant's indefinite employment agreement with a company within the group is terminated or if the participant wishes to transfer its convertible bonds before they can be converted.

Principles for allotment

The allocation of the convertible bonds shall be effected by the Board in accordance with the below principles. A participant is entitled to subscribe for the Base Amount or a larger nominal amount up to the maximum amount set out below ("Larger Amount"). The participants can choose to subscribe for a lower nominal amount than the Base Amount, however not lower than SEK 5,000 or multiple thereof.

<u>Participants</u>	<u>Base Amount</u>	<u>Maximum Amount</u>
Educational directors (approx. 9 persons)	SEK 15,000 each	SEK 600,000 each
Senior operational managers (approx. 80 persons)	SEK 15,000 each	SEK 450,000 each
Other managers (approx. 440 persons)	SEK 15,000 each	SEK 300,000 each
Other participants (approx. 9,600 persons)	SEK 15,000 each	SEK 150,000 each

Regarding participants in other countries than Sweden, it is implied that, in the opinion of the Board, participation can take place with reasonable administrative and financial efforts.

Principles for allocation in case of oversubscription

In case subscription is made with an amount in total exceeding SEK 152,100,000 (or such lower amount as may be the result of a reduction in order to bring the maximum dilution to 3.0 percent in accordance with what is stated below), the total allocation shall be reduced to bring the maximum nominal amount to SEK 152,100,000 (or such lower amount as may be the result of a reduction in order to bring the maximum dilution to 3.0 percent). Such reduction and allocation will be made in accordance with the principles set forth below.

Allotment shall first be made to the subscribers with the Base Amount or the lower amount (minimum SEK 5,000) offered in accordance with the principles for allotment. Any remaining convertibles will be allocated between participants who have subscribed for a Larger Amount in equal rates of SEK 5,000 per person firstly within the lowest category according to the above until all participants within this category have received the number of convertibles corresponding to the Larger Amount that the respective participant has wished to subscribe for, thereafter the convertibles will be allocated in equal rates of SEK 5,000 per person within the second-lowest category according to the above until all participants within this category have received the number of convertibles corresponding to the Larger Amount that the respective participant has wished to subscribe for, etc. If the Base Amounts subscribed for in aggregate exceed the total nominal amount of the convertible bonds reduction will be made pro rata in proportion to the Base Amount subscribed for by each participant.

Dilution and effect on key ratios

The increase of AcadeMedia's share capital will at full subscription and conversion of the convertible bonds, respectively, based on a conversion price of SEK 57 (corresponding to 120 percent of SEK 47.50), amount to approximately SEK 2,668,400 based on a quota value of SEK 1 per share, which, at full conversion of the convertible bonds, corresponds to a dilution of approximately 2.5 percent of the share capital.

In case the conversion rate at the time of issue should, with the application of the above mentioned calculation principles and applicable stock exchange, be set at a value that would bring a dilution after full conversion of more than 3.0 percent of the share capital, the maximum amount of the loan shall be reduced to bring the maximum dilution to 3.0 percent (provided however that the maximum dilution may be larger than 3.0 percent due to a later recalculation of the conversion price as per the terms for the convertible bonds). This entails that AcadeMedia AB's share capital at full subscription and conversion of the convertible bonds may increase not more than SEK 3,163,916 (however, a later recalculation of the conversion price as per the terms for the convertible bonds may cause the maximum dilution to be larger than 3.0 percent and a larger increase of the share capital). The proposed convertibles will cause the earnings per share to change in direct opposite proportion to the change in the number of shares conversion results in (the dilution). Since the dilution of the share capital under the terms and conditions can never exceed 3.0 percent, the earnings per share can never decrease by more than 3.0 percent at full conversion.

Taking into account shares that may be issued in accordance with previously implemented incentive programs in the form of a share matching program and a warrant program in the company and in accordance with this proposal, the dilution effect is maximum 3.8 percent.

Preparation of the proposal

The convertible program has been prepared by the Remuneration Committee and the Board with advise from external experts. The proposal has been resolved upon by the Board. The CEO has not participated in the preparation of the proposal.

Costs for the convertible program

The convertible bonds will be issued at market value. The financial costs for the program therefore consist of the interest rate on the convertible bonds which cannot amount to more than the interest rate multiplied by the maximum amount SEK 152,100,000. At an interest rate on the convertible bonds of 3.85 percent, the interest rate costs are, at full subscription, estimated to amount to approximately MSEK 6 per year. The costs pertaining to fees and administration costs to external advisors and banks are estimated to amount to less than MSEK 1.5 during the course of the program. If the convertible bonds are converted, the effect on the accounts of the shares subscribed for will be accounted for against equity capital. In addition, the company may be charged minor costs for social security contributions for certain participants in other countries than Sweden which then will be accounted for in the income statement. The size of these depends on AcadeMedia's future share price and cannot be estimated. No social security contributions will be incurred for participants in Sweden. Other than that, the Convertible Program 2019/2023 is not expected to entail any significant costs for the company.

Other incentive programs

Please refer to the company's Annual Report 2016/2017, note 5, for a compilation of the company's other incentive programs. In addition to the programs described therein, there are no other incentive programs in AcadeMedia AB.

Majority requirements

A resolution according to the proposal of the Board of Directors must be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting in order to be valid.

Stockholm in October 2018
AcadeMedia AB (publ)
The Board of Directors