

Press release 21 July 2017

IES will request that the Swedish Schools Inspectorate reassesses its decision regarding permission to open or expand certain schools.

In January 2017, Internationella Engelska Skolan (IES) submitted five applications to the Swedish Schools Inspectorate (Skolinspektionen) to establish and pursue primary and secondary school activities, F-9, in Huddinge (Länna), where a school opening is scheduled for 2018, as well as Österåker, Östersund, Skellefteå and Ekerö municipalities, with a possible start in 2019 at the earliest. Furthermore, applications have been submitted to expand the existing elementary school activities to include F-3 in Halmstad and Huddinge (Flemingsberg), starting early 2019.

Skolinspektionen has notified IES that permission currently will not be granted for the above applications. This decision does not affect ongoing operations at the existing 30 IES schools, it will also not affect the schools that will start during the autumn term of 2017 in Helsingborg, Landskrona, Södertälje and Årsta or the school in Sundbyberg, which is scheduled to start during the autumn term of 2018. All of these schools already have all the permits required.

The decision is based on shortcomings mentioned in connection with Skolinspektionen's regular supervision of IES as an operator of schools, conducted February-June 2017, and as IES communicated in a press release on 10 July. In its decisions regarding IES on an organisational level, Skolinspektionen requested that psychologists be used more in preventive student health, which is now being addressed. Skolinspektionen also decided that two of the 30 Principals within IES lack sufficient training in pedagogy. The two principals in question have undergone the Swedish program for the education of principals as well as education recommended by the Swedish Education Agency (Skolverket) to give them a complete educational insight. The highlighted problem will be resolved quickly, although IES does not agree with Skolinspektionen's assessment that the shortcoming remains. In addition Skolinspektionen considers that IES did not provide sufficient budgets for the after-school clubs for which permission was sought.

Ralph Riber, CEO of Internationella Engelska Skolan said: "We will now go through Skolinspektionen's grounds for rejecting these applications and have already begun work on remedying all deficiencies. As regards the budgets for afterschool clubs where applications for a permit have been submitted, we will provide supplementary information. It is our hope that Skolinspektionen will handle this additional information and our request for a review urgently."



In addition to the permits mentioned above, IES has eight approved permits for schools that have not yet been used. The permits relate to Malmö, Stockholm (Mariehäll), Stockholm (Spånga) and Sollentuna, for F-9, and in Haninge, Karlskrona, Luleå and Växjö, for 4-9. In addition, IES's has permits to extend the year levels at existing schools in Borås and Linköping to include F-3, and Sundsvall, where an extension of the school building is ongoing, grade 3.

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Internationella Engelska Skolan i Sverige Holdings II AB discloses the information provided herein pursuant to the EU's Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the above contact, on 21 July 2017 at 08:15 CET.



About Internationella Engelska Skolan

Internationella Engelska Skolan, IES, is one of the leading free school operators in Sweden with some 21,400 students in 30 schools in the academic year 2016/17. IES operates schools for students in grades 1-12. Its main focus is grade 4-9, what is often called "middle school". Within the compulsory school system in Sweden, IES is the leading independent actor, operating nine of the ten largest free schools. IES results on the national tests in grade 9 are far above average in Sweden.

Internationella Engelska Skolan was founded in 1993 and is in its 24th year of operation. It continues to be defined by three strong convictions, established by the founder, Mrs. Barbara Bergström:

- A safe and orderly environment, where teachers can teach and students learn.
- To command the English language—the key to the world.
- High academic expectations.

Up to half of the teaching in IES schools is performed in English, by native English speaking teachers. Over 700 teachers with qualified foreign teaching degrees are currently teaching in IES schools. They are mainly recruited from Canada, USA, UK and South Africa.

IES has shown a strong and consistent growth for a number of years. Average organic growth during the last ten years is 19 % per year. Turnover during the latest concluded operational year, 2015/16, was 1 807 MSEK (growth of 17 % from previous year). As of 31 March 2017, there were approximately 144,000 applications in the waiting list to secure a place for the forthcoming year.

Internationella Engelska Skolan has been listed on Nasdaq Stockholm Mid Cap with the ticker ENG since the end of September 2016. The largest shareholders of IES are TA Associates of the US, which has close affiliations to leading universities and foundations in the US, and IES's founder Barbara Bergström. Other major shareholders as of the end of April 2017 include Swedbank Robur fonder, investment company Öresund, Norron Asset Management, the Third Swedish National Pension Fund and AMF Försäkring & Fonder (owned jointly by LO, The Swedish Trade Union Confederation and the Confederation of Swedish Enterprise).