

Press release, 15 February 2018

IES will not receive central government subsidy for homework support for the calendar year 2018

The Swedish National Agency for Education has decided that Internationella Engelska Skolan i Sverige Holdings II AB ("Internationella Engelska Skolan" or "IES") (through its subsidiary Internationella Engelska Skolan i Sverige AB as principal) will not receive central government subsidy for homework support for the calendar year 2018. In the application to the Swedish National Agency for Education, IES had applied for homework support for 42,925 teaching hours for 23,264 students calendar year 2018.

In June 2017, IES received 21 MSEK in central government subsidy for homework support for the calendar year 2017. Half of the amount was recognized in the fourth quarter of IES financial year 2016/17 and the remainder in the first and second quarter 2017/18. The corresponding subsidy for the calendar year 2016 amounted to 18.2 MSEK, whereof half of the amount was recognized in the fourth quarter of IES financial year 2015/16 and the remainder in the first and second quarter 2016/17.

The Swedish National Agency for Education's explanation for the decision not to award IES the government subsidy for homework support for the calendar year 2018 is that school principals with low educational results have been prioritized.

For more information, please contact:

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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. The information was submitted for publication, through the agency of the above contact, on 15 February 2018 at 08:00 p.m. CET.



About Internationella Engelska Skolan

Internationella Engelska Skolan, IES, is one of the leading free school operators in Sweden with some 24,000 students in 34 schools at the beginning of the academic year 2017/18. IES operates schools for students in grades F-12. Its main focus is grades 4-9, what is often called "middle school." Within the compulsory school system in Sweden, IES is the leading independent operator, with nine of the ten largest free schools. IES's 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 25th year of operation. Throughout this period, its schools have been defined by the three core convictions of its founder, Mrs. Barbara Bergström:

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

Up to half of the teaching in IES schools is 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's student base is in high growth. Over the past ten years, total operating income has increased organically by an average of 19% per year. In the most recent financial year 2016/17, which concluded on 30 June 2017, total operating income was MSEK 2,043.3, an increase of some 13% year on year. As of 30 September 2017, there were approximately 154,000 applications in the waiting list to secure a place for the current and forthcoming years.

Internationella Engelska Skolan has been listed on Nasdaq Stockholm Mid Cap, with the ticker ENG, since the end of September 2016. The largest (indirect) 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 September 2017 include Swedbank Robur fonder, investment company Öresund, 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).