

Press Release, Friday, April 27, 2018

The investigation regarding Hermods Swedish language training (sfi) for City of Malmö completed

AcadeMedia announced on March 19 that the company had initiated an externally led independent investigation of its subsidiary Hermods' Swedish language training (sfi) in Malmö, after an internal review had found that the reported information to the City of Malmö on the teacher certification levels was faulty. The report is now completed and confirms the initial picture.

On March 19th and 21st 2018, AcadeMedia announced that an internal review had found that the reported information to the City of Malmö on teacher certification levels was faulty and that this could result in a price reduction. Experts from the audit firm PwC were commissioned to investigate what had happened and to suggest appropriate corrective measures. Three managers that had been aware of the faulty reporting were removed from their positions. AcadeMedia has now received the report and made an initial analysis.

The external investigation confirms AcadeMedia's initial assessment. Hermods in Malmö has submitted faulty information regarding which teachers have educated the participants and that several managers were aware of this. Hermods also failed to ensure that adequate processes were in place to ensure compliance with the contractual obligations. Several corrective measures will now be put in place at the recommendation of PwC.

As previously communicated, the City of Malmö on March 12th made a demand for a price reduction of at least SEK 4.7 million for the period of August to October 2017. AcadeMedia continues to estimate that the size of the price reduction could be material but this will depend on various factors in the contract. It has also been communicated that the Hermods sfi-contract with the City of Malmö has had a total turnover of slightly more than SEK 100 million during the period from initiation in August 2014 until February 2018.

For more information, please contact:

Paula Hammerskog, Director of Communications

Telephone: +46 733 34 87 50

E-mail: paula.hammerskog@academedia.se

Eola Änggård Runsten, CFO

Telephone: +46 8 794 4240

E-mail: eola.runsten@academedia.se

About AcadeMedia

AcadeMedia creates opportunities for people to develop. The 15,600 employees at our 640 preschools, compulsory schools, upper secondary schools and adult education centres share a common focus on quality and development. Our 173,000 children and students are provided with a high quality education, giving them the best conditions to attain both learning objectives and their full potential as individuals. AcadeMedia is Northern Europe's largest education company, with locations/facilities/presence in Sweden, Norway and Germany. Our size gives us the capacity to be a robust, long term partner to the communities we serve. More information about AcadeMedia is available on www.academedia.se.

