

Press Release 1st April 2019

Acquisition of Colegio Internacional de Valladolid

Internationella Engelska Skolan i Sverige Holdings II AB ("Internationella Engelska Skolan" or "IES") has as of 1 April 2019 through its wholly owned Spanish subsidiary International Education Partnership S.L ("IEP") acquired 99.4% of the shares in Colegio Internacional de Valladolid, a fee-paying private school in Valladolid, Spain.

The purchase price (enterprise value) for the operations amounts to approximately KEUR 800. The acquisition is financed through an equity contribution from IEP of KEUR 280. The building is not part of the acquisition and will be rented as opposed to IEP's other schools. EBITDA for the school in the financial year 2018/19 is expected to be slightly negative.

Colegio Internacional de Valladolid has 294 students attending in the ages 3 to 18 years. It is a fee-based bilingual private school which is currently following the Spanish curriculum. The intention is to gradually transform the school to follow the UK curriculum, as with IEP's other wholly owned schools, starting with pre-school and primary school. Valladolid is situated in an expansive region with several international industries and is one of the regions IES has identified as most interesting for a new bilingual IEP school.

Cecilia Marlow, interim CEO for Internationella Engelska Skolan said: "We have a clear growth strategy in Spain and the acquisition is one of several planned over the coming years. The demand for education in English is high in the region, but the school in Valladolid does not yet have the quality and the reputation that it should have. We have extensive experience in operating bilingual education of the highest quality and estimate within two years to have turned around the development of the school, quality-wise as well as financially, while at the same time strengthening our position in Spain."

With the acquisition of the school in Valladolid, Internationella Engelska Skolan has four wholly owned schools in Spain with a total of approximately 2,120 students. In addition, IES owns 50% of IALE International School near Valencia which has approximately 640 students. In the financial year 2018/19 the Spanish operation is, as previously communicated, expected to contribute with MEUR 2 in EBIT and MEUR 16 in operating income.

For more information please contact:

Emma Rheborg, Head of Communication & IR, IES

Telephone: + 46 768 511 540

E-mail: emma.rheborg@engelska.se

About Internationella Engelska Skolan

Internationella Engelska Skolan, IES, is one of the leading free school operators in Sweden with some 25,600 students at 36 schools at the beginning of the academic year 2018/19, and some 1,850 students at its wholly owned schools in Spain. IES Sweden operates schools for students in grades 1-12. 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 26th 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, where teachers can teach and students learn.
- To command the English language—the key to the world.
- High academic expectations and targets.

Up to half of the teaching in IES schools in Sweden is in English, by native English speaking teachers. Over 800 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 2017/18, which concluded on 30 June 2018, total operating income was MSEK 2,347.9, an increase of some 15% year on year. As of 31 December 2018, there were approximately 188,000 applications in the waiting list to secure a place in the Swedish schools for the current and forthcoming years.

Internationella Engelska Skolan has been listed on Nasdaq Stockholm Mid Cap, with the ticker ENG, since 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. At the end of February 2019, the 10 largest shareholders also included Paradigm Capital, Swedbank Robur fonder, the Third Swedish National Pension Fund, SEB fonder and AMF Försäkring & Fonder (owned jointly by LO, The Swedish Trade Union Confederation and the Confederation of Swedish Enterprise).