



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 926 342 940  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KEYSTONE EDUCATION GROUP AS  
Forretningsadresse: Rolfsbuktveien 4D  
1364 FORNEBU

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Roar Olbergsveen  
Dato for fastsettelse av årsregnskapet: 30.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 14.07.2023



## Resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other operating expenses	8	200 000	
<b>Sum kostnader</b>		<b>200 000</b>	
<b>Driftsresultat</b>		<b>-200 000</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	10,15	200 000	
<b>Sum finansinntekter</b>		<b>200 000</b>	
<b>Netto finans</b>		<b>200 000</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>0</b>	<b>0</b>



### Balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	16	96 800 000	
Other non-current assets	17	6 800 000	
<b>Sum finansielle anleggsmidler</b>		<b>103 600 000</b>	
<b>Sum anleggsmidler</b>		<b>103 600 000</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other current assets	13,17, 18,19	3 700 000	
<b>Sum fordringer</b>		<b>3 700 000</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	13,19	900 000	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>900 000</b>	
<b>Sum omløpsmidler</b>		<b>4 600 000</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>108 200 000</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Cash and cash equivalents	24	107 200 000	
<b>Sum innskutt egenkapital</b>		<b>107 200 000</b>	
<b>Sum egenkapital</b>		<b>107 200 000</b>	<b>0</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	19,22	100 000	
Employee benefit obligations	19,22	900 000	
<b>Sum kortsiktig gjeld</b>		<b>1 000 000</b>	
<b>Sum gjeld</b>		<b>1 000 000</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>108 200 000</b>	<b>0</b>



### Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue from contracts with customers	5,13	43 800 000	16 200 000
<b>Sum inntekter</b>	5,13	<b>43 800 000</b>	<b>16 200 000</b>
<b>Kostnader</b>			
Cost of services	6,13	5 900 000	200 000
Payroll and related expenses	7	25 300 000	10 000 000
Share-based payments	7	400 000	300 000
Depreciation, amortization	14,15, 16	5 200 000	2 600 000
Other operating expenses	8	5 700 000	2 100 000
Special items	9	3 000 000	100 000
<b>Sum kostnader</b>	13	<b>45 500 000</b>	<b>15 300 000</b>
<b>Driftsresultat</b>		<b>-1 700 000</b>	<b>900 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	10	0	0
Foreign exchange gains	10	1 500 000	600 000
Other finance income	10	0	0
<b>Sum finansinntekter</b>	10	<b>1 500 000</b>	<b>600 000</b>
Annen rentekostnad	10	2 100 000	500 000
Foreign exchange losses	10	1 400 000	350 000
Other finance costs	10	400 000	150 000
Contingent consideration	23	200 000	0
<b>Sum finanskostnader</b>		<b>4 100 000</b>	<b>1 000 000</b>
<b>Netto finans</b>		<b>-2 600 000</b>	<b>-400 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-4 300 000</b>	<b>500 000</b>
Income tax expenses	11	-400 000	100 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-3 900 000</b>	<b>400 000</b>
<b>Årsresultat</b>		<b>-3 900 000</b>	<b>400 000</b>



## Konsernets resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Exchange differences on translation of foreign operations		-2 100 000	
Sum resultatkomponenter for IFRS-foretak		-2 100 000	
<b>Totalresultat</b>		<b>-6 000 000</b>	
<b>Overføringer og disponeringer</b>			
Owners of KEG AS		-6 000 000	400 000
<b>Sum overføringer og disponeringer</b>		<b>-6 000 000</b>	<b>400 000</b>



## Konsernets balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Right of use assets	15	8 100 000	3 850 000
Intangible assests	16	159 100 000	2 050 000
Utsatt skattefordel	11	1 000 000	200 000
<b>Sum immaterielle eiendeler</b>		<b>168 200 000</b>	<b>6 100 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	14	900 000	200 000
<b>Sum varige driftsmidler</b>		<b>900 000</b>	<b>200 000</b>
<b>Sum anleggsmidler</b>		<b>169 100 000</b>	<b>6 300 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables	13,18, 19	12 400 000	2 500 000
Other current assets	13,18, 19	3 800 000	1 700 000
Contract assets	13,18, 19	2 000 000	200 000
<b>Sum fordringer</b>		<b>18 200 000</b>	<b>4 400 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	13,19	9 800 000	3 900 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>9 800 000</b>	<b>3 900 000</b>
<b>Sum omløpsmidler</b>		<b>28 000 000</b>	<b>8 300 000</b>
<b>SUM EIENDELER</b>		<b>197 100 000</b>	<b>14 600 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Konsernets balanse

Beløp i: USD	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Equity attributable to owners	24	99 300 000	1 200 000
<b>Sum innskutt egenkapital</b>		<b>99 300 000</b>	<b>1 200 000</b>
<b>Sum egenkapital</b>		<b>99 300 000</b>	<b>1 200 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11	11 100 000	
Provisions	19,23	11 800 000	
<b>Sum avsetninger for forpliktelser</b>		<b>22 900 000</b>	
<b>Annen langsiktig gjeld</b>			
Lease liabilities	15,19, 20,21	8 100 000	4 100 000
Borrowings	13,19, 20,21	28 400 000	
<b>Sum annen langsiktig gjeld</b>		<b>36 500 000</b>	<b>4 100 000</b>
<b>Sum langsiktig gjeld</b>		<b>59 400 000</b>	<b>4 100 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	19,22	2 500 000	700 000
Tax payable	11,19	1 300 000	
Public duties payable	19,22	3 300 000	800 000
Deferred revenue	22	15 700 000	5 300 000
Lease liabilities	15,19, 20,21	1 700 000	700 000
Employee benefit obligations	19,22	4 100 000	1 400 000
Other current liabilities	19,22	5 200 000	400 000
Provisions	19,23	4 600 000	
<b>Sum kortsiktig gjeld</b>		<b>38 400 000</b>	<b>9 300 000</b>
<b>Sum gjeld</b>		<b>97 800 000</b>	<b>13 400 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>197 100 000</b>	<b>14 600 000</b>



Skatteetaten

Vår dato  
06.12.2021

Din/Deres dato  
26.10.2021

Saksbehandler  
Vibeke Horne

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
90518192

Org.nr  
974761076

Vår referanse  
2021/6523593

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

U.off.

KEYSTONE ACADEMIC SOLUTIONS HOLDING AS  
Rolfsbuktveien 4D  
1364 FORNEBU

Att. Magnus Grøneng

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 26.oktober 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

**Keystone Academic Solutions Holding AS**  
**Keystone Academic Solutions AS**

**org.nr. 926 342 940**  
**org.nr. 891 201 222**

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Keystone Academic Solutions AS er et heleid datterselskap av Keystone Academic Solutions Holding AS. Dette selskapets eierkrets består i all hovedsak av profesjonelle investorer, både norske og utenlandske.

Selskapene er en del av et internasjonalt konsern som driver virksomhet knyttet til studieplanlegging. Engelsk er selskapenes arbeidsspråk og de har utenlandske styreledere og styremedlemmer.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene er en del av et internasjonalt konsern. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

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Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne  
rådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



**KEYSTONE**  
EDUCATION GROUP

# **Board of Director's Report & Annual Report 2021**

**OSLO, 22 JUNE 2022**



## Board of Directors' Report 2021 Keystone Education Group AS

Address: Rolfsbuktheien 4d, 1364 FORNEBU  
Org.nr: 926 342 940 MVA

### Location and nature of the business

Keystone Education Group AS ("The Company") and Keystone Education Group ("The Group", being Keystone Education Group AS and subsidiaries) were founded to help students make one of the most important decisions of their lifetimes – namely which higher education program or course to attend. In turn, thousands of higher education institutions rely on Keystone Education Group's subscription service to drive enrolments and revenue for their higher education programs and courses.

The Group's Headquarters is located in, Bærum, Norway and subsidiaries are located in Sweden, Finland, Denmark, Germany, England, Spain and the Unites States

### Important corporate events in 2021

During 2021 the legal structure of the Group has gone through several changes. A new company, Keystone Education Group AS (known at the time as "Keystone Academic Solutions Holding AS"), was established as a daughter company of Keystone Academic Solutions AS with the intent to serve as the parent company of the Group. Following a restructuring in February 2021, Keystone Education Group AS is now holding 100% of the shares and voting rights in Keystone Academic Solutions AS after all the shareholders in Keystone Academic Solutions AS were contributing all their shares to Keystone Education Group AS in exchange for newly issued shares in Keystone Education Group AS. With this restructuring and by establishing a group structure, the Group was able to separate its operational activity in Keystone Academic Solutions AS from its principal holding company (Keystone Education Group AS) where external shareholders hold shares.

In addition to the restructuring, The Group has carried out the following acquisitions in 2021:

#### Find A Solution Ltd.

In February, Keystone Academic Solutions AS acquired 100% of Find A Solutions Ltd (FAS) with its subsidiary Find A University Ltd (FAU), the leading UK online student recruitment platform. This acquisition significantly strengthened The Group's presence in the UK domestic student recruitment market.

#### Pursue AS

In March, Keystone Academic Solutions AS acquired 100% of Pursue AS (widely known as College Scholarships USA (CSUSA)), a placement firm for primarily Norwegian student-athletes seeking to combine academic opportunities in the United States and Canada with sports. This acquisition enabled The Group to expand its service offering and establish a new businesses line (currently known as Keystone Sports) based on the services performed by Pursue.

#### Educatons Media Group Holding AB

In July, Keystone Academic Solutions AS and Educatons Media Group Holding AB (EMG)



merged its activities to become the leading global online resource for prospective higher education students. The merger was carried out as an acquisition of EMG by Keystone Education Group AS, with proceeds in Keystone Academic Solution AS shares. This merger enabled The Group to scale up its activity across both international- and domestic student recruitment, with the strategic value of the business combination being the key driver for this merger.

**Athletes Global Management Sports, S.L.**

In August, Keystone Academic Solutions AS acquired 100% Athletes Global Management Sports, S.L. (AGM), a placement firm for student-athletes seeking academic opportunities abroad. AGM primarily works with Spanish student-athletes. This acquisition enabled The Group to expand the Keystone Sports business line to the Spanish market.

**Uniquet, Ltd**

In October, Keystone Academic Solutions AS acquired 100 % of Uniquet Limited (Uniquet) and its subsidiary Uniquet, Inc, a leading UK-based student engagement, conversion and retention platform. This acquisition enabled The Group to strengthen its lead nurturing service offering, in turn helping The Group's customers to realize a higher value from the leads provided by other Group Companies.

**Sport-Scholarships KEG GmbH**

In October, Keystone Academic Solutions AS acquired 100% of Sport-Scholarships KEG GmbH (SSUSA), a placement firm for German student-athletes seeking academic opportunities in the United States and Canada. This acquisition enabled The Group to expand the Keystone Sports business-line to the German market.

## **Consolidated financial statements**

The Group's consolidated financial statements are prepared based on IFRS and with USD as the presentation currency. The consolidated financial statements are presented as if the Group, with Keystone Education Group AS as the holding company, had always existed. Therefore, the comparative financial information presented in this report is the historical financial information of Keystone Academic Solutions AS converting the historical financial information from NGAAP to IFRS and changing the presentation currency from NOK to USD. The transition to IFRS and the principal adjustments made by the Group in restating historical financial information to IFRS are disclosed in footnote 26 to the consolidated financial statements.

## **Going Concern**

In the view of the Board, The Group has a solid financial position. In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going-concern assumption exist and that the financial statements have been prepared based on a going-concern basis.

## **R&D Activities**

The Group develops systems and platforms to deliver its services to education institutions and prospective students. Cost of building new features, together with significant and pervasive improvements of core platforms, provided that the significant and pervasive improvements of parts or main components of core platforms will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line basis of up to 5 years.

Engineering salaries are the primary expense incurred in terms of costs related to research, development, and maintenance of platforms and applications. In 2021, \$2.7 million (2020: 0.9) in



engineering salaries were expensed in the financial statement. \$2.2 million (2020: 0.9) in development costs were capitalized in 2021.

## Comments on the Financial Statement

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition. Hence, the revenues and expenses in the Financial Statement do not represent a full year of the Group's operations.

### Profit and loss

Total revenues were \$43.8m in 2021, up from \$16.2m in 2020, and EBIT were -1.7\$m compared to \$0.9m in 2021. EBIT excluding special items were \$1.3m up from \$1.0 in 2020. The growth was driven by 7% organic growth in Study Abroad and by successful acquisitions.

The Group is pursuing a "SaaS+" (Software as a Service +) business model whereby SaaS services (such as website listings) are sold as subscription services, and other value-adding products, e.g., email marketing are sold as related services. 85 % of Keystone's revenues are coming from subscription and subscription related services where website listing products account for the majority. Over the last 2 years, Keystone has broadened its service portfolio both through organic growth and M&As and become a more relevant partner for a wider range of prospective customers wanting to attract students.

Net financial items were \$-2.6m compared to \$-0.4m in 2020. The change is mainly caused by interest expenses for funding acquisitions.

The Group's EBT was \$-4.3m, down from \$0.5m in 2020 but in line with the Management's plans and the Board of Directors' expectations.

### Balance sheet and cash flow

The total capital was \$197.1m at year end 2021, up from \$14.6m at year end 2020, while the equity accounted for 50% of the total versus 8% in 2020. It is the Board of Directors' opinion that the Group's solidity is satisfactory.

In 2021, the cash flow from operating activities were \$0.2m, down from \$3.5m. The cash and cash equivalents at year end were \$9.8m, up from \$3.9m at year end 2020. The cash flow is according to expectations, and the Group is in a good position for future growth.

Total investment activities were \$38.3m up from \$1.9m in 2020. \$34.9m were share investments, \$2.7m were capitalized R&D, and \$0.7m were purchases of fixtures and fittings, machinery and equipment, and leasehold improvements (PPE). The investment activities were in line with the strategic plans of the Group.

It is the Board of Directors' opinion that the presented Financial Statement and notes give a true and fair view of the Group's financial performance in 2021 and of the financial position at year end 2021. The Board of Directors does not have information of importance for the assessment of the Group's financial performance and position other than what is evident from the Financial Statement and notes.



## **Report on Corporate Governance**

The Company complies with the Norwegian Code of Practice for Corporate Governance on matters relating to the environment, social issues, the working environment, equality and non-discrimination, respect for human rights, and anti-corruption and bribery.

### **The working environment and the employees**

The Group works actively to ensure diversity and equal opportunities. As a result, the Group employs more than 40 different nationalities and has a good gender distribution across departments and management levels. At the end of 2021, the Group employed 566 Full Time Equivalents, including 96 contractors. Women account for 48.4 % of all staff and 28 % of all management. One of the Group's objectives is to ensure that both genders are represented in all management bodies. At the end of the year, 20 % of The Group's board members were women, while there were 36 % women in the executive management team.

In 2021, the sick leave is 1.78 %, down from 3.36 % in 2020. The difference can to some degree be related to the pandemic, as short-term leaves still are at a low level. The Company's HR department works systematically to reduce sick leave, through preventive working environment measures and close follow-ups and dialogue of employees on absence.

In 2021, no incidents or injuries directly relating to work conducted at the Group's premises were reported. No occupational injuries were reported to the Norwegian Labour Inspection Authority in 2021.

### **Environment responsibility**

The Group is not subject to licenses or impositions, and its activities do not have a negative, environmental impact.

### **Risk management**

Risk management in the Group is carried out by management and approved by the Board of Directors. Potential risks are evaluated on a regular basis, and management determines appropriate strategies related to how these risks are to be handled within the Group under the approved policies. The Group is exposed to market (currency) risk, credit risk and liquidity risk. Management evaluates these risks and related risk management processes on an on-going basis.

#### **Market risk**

The Group is exposed to market risks related to the demand for its products and services and to the ability to maintain a competitive and attractive product offering. The Group manages the risk through continuous analysis of the interests and preferences of the users, by investing in products and services, and a continuous process of recruiting talent and developing the organization and the leadership.

#### **Currency risk**

The majority of the financial risk that the Group is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. The Group undertakes business within various geographies and foreign currencies and is consequently exposed to fluctuations in exchange rates, particularly SEK, NOK, GBP, and EUR. Foreign exchange risk arises from transactions related to operations conducted, and financial assets and financial liabilities arising in foreign currencies. 69% of the Group's revenues and 61% of



Operational Expenses are in foreign currencies. The general policy of the Group is not to hedge foreign currency exposure.

#### Credit risk.

Credit risk is the risk of losses that the Group would suffer if a counterparty failed to perform its financial obligations. The Group's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer. The Group's bad debt expenses in 2021 were 4% of trade receivables at year end. No single customer accounted for more than 10% of the Group's revenue during the financial year. Further, the Group conducts much of its business with universities and students, and it has not experienced significant credit-related losses during this or previous financial years. The carrying value of trade and other receivables represent the group's maximum exposure to credit risk at the balance sheet date. The Group has limited exposure in terms of credit risk related to loans and other receivables.

#### Liquidity risks

The Group's objectives for capital management is to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group still possesses a business model that anticipates considerable cash flow in the future. The Group manages its capital requirements through the credit facility agreement with Ture Investment group, hence the Group is subject to externally imposed capital requirements. Unrestricted cash year end was \$9.4m up from \$3.9m in 2020.

#### COVID-19

The Covid-19 pandemic is still impacting the world economy and KEGs market segment with unknown long-term effects. KEG has continued to operate efficiently during the pandemic. The board of directors and management continue to monitor the situation and initiate relevant measures as they see fit considering the development.

#### Impact of war in Ukraine

The Ukraine war situation is impacting the world economy and KEGs market segment with unknown long-term effects. The outbreak of war in Ukraine affects people, financial markets, and trade globally. KEG is directly affected as renewal of new Russian customers are put on hold due to uncertainty of payments from Russian customers. Uncertain trade receivables are accrued as bad debt. Further, KEG notices limited effect of very high energy prices.

### **The Directors' & Officers' liability**

The Directors' & Officers' liability insurance covers pure financial loss resulting from a claim made against an insured person resulting from a wrongful act committed or allegedly committed in a position as a director or officer, member of the supervisory board or management board or an employee acting in a managerial or supervisory capacity. The liability is personal.

### **Events after balance sheet date**

#### Acquisition of Uniexperts GmbH

In March 2022, Keystone Academic Solutions acquired 100% of Uniexperts GmbH in Germany. Uniexperts is a placement firm for German student-athletes with a focus on tennis, seeking academic opportunities in the United States and Canada. This acquisition enabled The Group to further expand the Keystone Sports business-line to the German market.



Acquisition of Study Outside Norway AS (Sonor)

In June 2022, Keystone Academic Solutions acquired 100% of Sonor in Norway. Sonor is an agent helping Norwegian student find academic opportunities abroad. This acquisition enabled The Group to further expand its agent business, where the subsidiary Blueberry AB already is active.

**Outlook for 2022**

The Group has experienced consecutive growth over the past 20 years including 12% growth (14% on constant currency) from 2020 to 2021. Entering 2022, we will maintain our focus on our core operating segments, including Study Abroad, Domestic Europe, and Global Student Services and continue our long history of generic growth in both revenues and EBITDA as well as further successful, strategic acquisitions.

**Allocation of 2021 loss in Keystone Education Group AS**

The Board proposes the following allocation:

Transferred to other equity: \$ 0.0m

**Total allocation: \$ 0.0m**

Oslo, June 22, 2022

\_\_\_\_\_  
Keith Barry Fransson (sign)  
Chairman of Board

\_\_\_\_\_  
Thorstein Berg (sign)  
Board Member

\_\_\_\_\_  
Carl Fredrik Gustav Søderlindh (sign)  
Board Member

\_\_\_\_\_  
Karin Cecilia Kans (sign)  
Board Member

\_\_\_\_\_  
Jostein Vik (sign)  
Board Member

\_\_\_\_\_  
Erik Harrell (sign)  
CEO



**Keystone Education Group AS  
Group  
Annual Report 2021**



## Keystone Education Group AS

### Consolidated statement of profit or loss and other comprehensive income

<i>(Amounts in USD million)</i>			
	Note	2021	2020
<b>Continuing operations</b>			
Revenue from contracts with customers	5, 13	43.8	16.2
Cost of services	6, 13	(5.9)	(0.2)
<b>Gross profit</b>		<b>37.9</b>	<b>16.0</b>
Payroll and related expenses, excl stock-based compensation expenses	7	(25.3)	(10.0)
Share-based payments	7	(0.4)	(0.3)
Depreciation, amortization, and impairment expenses	14, 15, 16	(5.2)	(2.6)
Other operating expenses	8	(5.8)	(2.2)
<b>Total operating expenses</b>	13	<b>(36.6)</b>	<b>(15.0)</b>
<b>Operating profit ("EBIT"), excluding special items</b>		<b>1.3</b>	<b>1.0</b>
Special items	9	(3.0)	(0.1)
<b>Operating profit ("EBIT")</b>		<b>(1.7)</b>	<b>0.9</b>
Interest income	10	0.0	0.0
Foreign exchange gains	10	1.5	0.6
Other finance income	10	0.0	-
Interest expenses	10	(2.1)	(0.5)
Foreign exchange losses	10	(1.4)	(0.3)
Other finance costs	10	(0.4)	(0.1)
Contingent consideration	23	(0.2)	-
<b>Net financial items</b>		<b>(2.6)</b>	<b>(0.4)</b>
<b>Profit (loss) before income tax</b>		<b>(4.3)</b>	<b>0.5</b>
Income tax expense	11	0.4	(0.1)
<b>Profit (loss)</b>		<b>(3.9)</b>	<b>0.4</b>
<b>Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)</b>			
Exchange differences on translation of foreign operations		(2.1)	(0.0)
<b>Total comprehensive income/loss</b>		<b>(6.0)</b>	<b>0.4</b>
<b>Profit is attributable to:</b>			
Owners of KEG AS	-	3.9	0.4
Non-controlling interests	-	-	-
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of KEG AS	-	6.0	0.4
Non-controlling interests	-	-	-



## Keystone Education Group AS

### Consolidated statement of financial position

<i>(Amounts in USD million)</i>				
	Note	31 December 2021	31 December 2020	1 January 2020
<b>Assets</b>				
Property, plant and equipment	14	0.9	0.2	0.3
Right of use assets	15	8.1	3.8	4.4
Intangible assets	16	159.1	2.0	2.1
Deferred tax assets	11	1.0	0.2	0.3
Contract assets		0.0	-	-
Equity-accounted investees	17	0.0	-	-
Investments in subsidiaries	17	0.0	-	-
Derivative financial instruments	17	0.0	-	-
Other non-current assets	17	0.0	-	-
<b>Total non-current assets</b>		<b>169.1</b>	<b>6.3</b>	<b>7.1</b>
Other current assets	13, 18, 19	3.8	1.7	1.6
Contract assets	13, 18, 19	2.0	0.2	0.1
Trade receivables	13, 18, 19	12.4	2.4	2.5
Derivative financial instruments		0.0	-	-
Cash and cash equivalents	13, 19	9.8	3.9	1.8
<b>Total current assets</b>		<b>28.0</b>	<b>8.2</b>	<b>5.9</b>
<b>Total assets</b>		<b>197.1</b>	<b>14.6</b>	<b>13.1</b>
<b>Liabilities</b>				
Borrowings	13, 19, 20, 21	28.4	-	-
Lease liabilities	15, 19, 20, 21	8.1	4.1	4.3
Deferred tax liability	11	11.1	-	-
Employee benefit obligations	19	0.0	0.0	0.0
Other non-current liabilities		-	-	1.1
Provisions	19, 23	11.8	-	-
<b>Total non-current liabilities</b>		<b>59.4</b>	<b>4.1</b>	<b>5.3</b>
Trade payable and other payable	19, 22	2.5	0.7	0.2
Deferred revenue	22	15.6	5.4	4.9
Taxes payable	11, 19	1.3	-	-
Lease liabilities	15, 19, 20, 21	1.7	0.7	0.7
Employee benefit obligations	19, 22	4.1	1.4	0.8
Public duties payable	19, 22	3.3	0.8	0.9
Other current liabilities	19, 22	5.2	0.4	0.4
Provisions	19, 23	4.6	-	-
<b>Total current liabilities</b>		<b>38.4</b>	<b>9.3</b>	<b>8.0</b>
<b>Total liabilities</b>		<b>97.8</b>	<b>13.4</b>	<b>13.3</b>
<b>Shareholders' equity and liabilities</b>				
Equity attributable to owners of the company	24	99.3	1.2	0.2
Non-controlling interests	24	-	-	-
<b>Total equity</b>		<b>99.3</b>	<b>1.2</b>	<b>0.2</b>
<b>Total equity and liabilities</b>		<b>197.1</b>	<b>14.6</b>	<b>13.1</b>

Fomebu, June 22, 2022

Keith Barry Fransson (chairman) (sign)

Carl Fredrik Gustav Søderlindh (sign)

Jostein Vik (sign)

Karin Cecilia Kans (sign)

Thorstein Berg (sign)

Erik Carson Harrell (CEO) (sign)



## Keystone Education Group AS

### Consolidated statement of cash flows

<i>(Amounts in USD million)</i>			
	Note	Year Ended 31 December 2021	Year Ended 31 December 2020
<b>Cash flow from operating activities</b>			
Profit (loss before tax)		(4.3)	0.5
Income taxes paid		(0.7)	(0.0)
Depreciation, amortisation and impairment losses	14, 16	5.2	2.6
Changes in inventories, trade receivables, trade and other payables		(4.0)	0.3
Interest income		(0.0)	(0.0)
Interest payment		0.0	0.0
Other net finance items		2.3	1.1
Changes in other operating working capital		2.1	(1.3)
Share-based payments		0.4	0.3
Earmout cost and cost for other contingent payments		0.2	-
FX differences related to changes in balance sheet items		(0.9)	(0.0)
<b>Net cash flow from operating activities</b>		<b>0.2</b>	<b>3.5</b>
<i>- of which included in continuing operations</i>		<i>0.2</i>	<i>3.5</i>
<b>Cash flow from investment activities</b>			
Purchases of property, plant and equipment and intangible assets	14	(0.7)	(1.9)
Capitalized R&D costs	16	(2.7)	-
Proceeds from disposal of share investments, net of cash disposed		0.0	-
Purchases of share investments, net of cash acquired	16	(34.9)	-
Loans to related parties	17	(0.0)	-
<b>Net cash flow from investment activities</b>		<b>(38.3)</b>	<b>(1.9)</b>
<i>- of which included in continuing operations</i>		<i>(38.3)</i>	<i>(1.9)</i>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares, net (equity increase)	24	6.2	0.6
Proceeds from issuance of shares, net (incentive program)	24	3.1	-
Proceeds from loans and borrowings	21	29.3	-
Repayments of loans and borrowings	21	(7.9)	-
Payment of principal portion of lease liabilities	15	0.1	-
<b>Net cash flow from financing activities</b>		<b>30.8</b>	<b>0.6</b>
<i>- of which included in continuing operations</i>		<i>30.8</i>	<i>0.6</i>
<b>Net change in cash and cash equivalents</b>		<b>(7.4)</b>	<b>2.2</b>
Cash and cash equivalents (beginning balance)		3.9	1.8
Acquisition of companies - adjustment of cash opening balance		13.2	-
Effects of exchange rate changes on cash and cash equivalents		-	-
<b>Cash and cash equivalents (end balance) <sup>1)</sup></b>		<b>9.8</b>	<b>3.9</b>
<i>- of which included in cash and cash equivalents in the balance sheet</i>		<i>9.8</i>	<i>3.9</i>

<sup>1)</sup> Of which \$0.4 million (2020: \$0.0 million) is restricted cash as of December 31, 2021.



Keystone Education Group AS

Consolidated statement of changes in equity

	Number of shares outstanding (million)	Paid in capital (per value) (share premium)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Balance sheet reconciliation								
Opening balance as of 1/1/21	2.2	0.3	2.7	(0.7)	(0.0)	(1.1)	1.2	1.2
Comprehensive income/loss								
Profit (loss)						(3.9)		(3.9)
Other comprehensive income (loss) for the period					(2.1)			(2.1)
Total comprehensive income (loss) for the period					(2.1)	(3.9)		(6.0)
Contributions by and distributions to owners								
Issuance of ordinary shares related to equity increase	6.4	1.0	105.0	0.4			105.9	105.9
Share based payment transactions						0.6	1.0	1.0
Total contributions by and distributions to owners	6.4	1.0	105.0	0.4		0.6	106.9	106.9
Other equity changes								
Other changes	2.2	(0.3)	(2.7)	0.0		(0.4)	0.0	0.0
Change in legal structure								
Total other equity changes	(2.2)	(0.3)	(2.7)	0.0		(0.4)	(2.7)	(2.7)
Total equity as of 12/31/21	6.4	1.0	105.0	0.4	(2.1)	(4.9)	95.3	95.3

Change in legal structure

During 2021 the legal structure of the Group has gone through several changes. A new company, Keystone Education Group AS (known at the time as "Keystone Academic Solutions Holding AS"), was established as a daughter company of Keystone Academic Solutions AS with the intent to serve as the parent company of the Group. Following a restructuring in February 2021, Keystone Education Group AS is now holding 100% of the shares and voting rights in Keystone Academic Solutions AS after all the shareholders in Keystone Academic Solutions AS were contributing all their shares to Keystone Education Group AS in exchange for newly issued shares in Keystone Education Group AS. With this restructuring and by establishing a group structure, the Group was able to separate its operational activity in Keystone Academic Solutions AS from its principal holding company (Keystone Education Group AS) where external shareholders hold shares.

The Company's consolidated financial statements are presented as if the Group, with Keystone Education Group AS as the holding company, had always existed. Therefore, the comparative financial information presented in this report is the historical financial information of Keystone Academic Solutions AS converting the historical financial information from NOK to USD.

Non-controlling interests

There is no non-controlling interests in the KEG group.

Face value of the shares

The face value of the shares is NOK 1.35, and there is outstanding 6,429,129 shares as of December 31, 2021. Please refer to note 24 for more information about the share capital and shareholder information.

Issuance of ordinary shares related to equity increase

During 2021 KEG issued 6,429,129 shares of which \$5.7m was paid in cash and \$96.0m was paid through a contributions in kind.

Not yet registered share capital increase

167,011 shares are not yet registered as a capital increase in the Business Register. The capital increase amounts to \$4.3m and was paid through a contributions in kind.

Other changes

During 2021, KEG issued 99,151 warrants in relation with the business combination of EMG group. Total payment received was \$0.0m.

Other reserves

Other reserves consist of option costs recognized according to the equity settled method.

Reserve for treasury shares

The reserve for the Company's own shares comprises the face value cost and excess value of own shares held by the Company. By end of December 31, 2021 the company had 0 treasury shares. During the year, KEG purchased and sold 0 treasury share.

Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of group companies with a functional currency that is not USD.

Other equity

Other equity consists of all other transactions, including but not limited to, total recognized income and expense for the current period.



Keystone Education Group AS

Consolidated statement of changes in equity

(Amounts in USD million)	Number of shares outstanding (million)	Paid-in capital (par value) share premium)	Paid-in capital	Other reserves	Reserve for own shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Balance sheet reconciliation									
Opening balance as of 1/1/20	2.12	0.3	2.7	(1.0)	(0.0)	0.0	(2.1)	-	(0.2)
Comprehensive income/loss									
Profit/loss							0.4	-	0.4
Other comprehensive income/loss						(0.0)			(0.0)
Other comprehensive income/loss for the period						(0.0)			(0.0)
<b>Total comprehensive income/loss for the period</b>						<b>(0.0)</b>	<b>0.4</b>		<b>0.4</b>
Contributions by and distributions to owners									
Treasury shares purchased	0.0				(0.0)		(0.0)		(0.0)
Treasury shares sold	0.1				0.0		0.5		0.5
Tax deduction on equity issuance costs									-
Share-based payment transactions				0.4					0.4
<b>Total contributions by and distributions to owners</b>	<b>0.1</b>			<b>0.4</b>	<b>0.0</b>		<b>0.5</b>		<b>0.9</b>
Other equity changes									
Other changes							0.1		0.1
<b>Total other equity changes</b>							<b>0.1</b>		<b>0.1</b>
<b>Total equity as of 12/31/20</b>	<b>2.2</b>	<b>0.3</b>	<b>2.7</b>	<b>(0.7)</b>	<b>(0.0)</b>		<b>(1.1)</b>		<b>1.2</b>



**Keystone Education Group AS**  
**Group Financial Statements 2021**

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<b>Note #</b>	<b>Title</b>
1	General information
2	Summary of significant accounting policies
3	Adoption of new and revised International Financial Reporting Standards and Interpretations
4	Critical accounting judgments and key sources of estimation uncertainty
5	Revenue
6	Cost of services
7	Payroll expenses and remuneration to management
8	Other operating expenses
9	Special items
10	Finance income and finance expense
11	Taxes
12	Transactions with related parties
13	Financial instruments risk management objectives and policies
14	Property, plant & equipment
15	Leases
16	Business combinations, goodwill and intangible assets
17	Non-current financial assets
18	Trade receivables, contract assets, and other current assets
19	Classes and categories of financial assets and liabilities
20	Maturity analysis financial liabilities
21	Interest bearing liabilities
22	Trade payables and other liabilities
23	Provisions and contingent liabilities
24	Share capital and shareholder information
25	Events after the reporting date
26	Transition to IFRS/first time adoption of IFRS
27	APM



## Note 1 - General information

Keystone Education Group AS ("KEG") is a limited liability company founded in 2020, which controls the shares in Keystone Academic Solutions AS ("KAS") which was founded in 2007. Both companies are incorporated and domiciled in Norway, and the address of the registered office is Rolfsbuktheien 4d, 1364 Fornebu, Norway.

These consolidated financial statements were approved for issue by the Board of Directors on June 22, 2022. Minor rounding differences may exist and the total may deviate from the total of the individual amounts. This is due to the rounding of whole amounts to millions for presentation purposes.

The Group delivers services to higher education institutions and prospective students to help the student connect and find the right education.

The Group's subsidiaries as at 31 of December 31, 2021 are listed below:

<u>Company name</u>	<u>Owned by</u>	<u>Location</u>	<u>Ownership and voting share interest</u>
Keystone Education Group AS		Norway	
Keystone Academic Solutions AS	Keystone Education Group AS	Norway	100%
Find A Solutions Ltd	Keystone Academic Solutions AS	UK	100%
Find a University Ltd	Find A Solutions Ltd	UK	100%
Pursue AS	Keystone Academic Solutions AS	Norway	100%
Sport-Scholarships KEG GmbH	Keystone Academic Solutions AS	Germany	100%
Uni-Quest LTD	Keystone Academic Solutions AS	UK	100%
UniQuest, Inc	Uni-Quest LTD	USA	100%
Athletes Global Management Sports, S.L.	Keystone Academic Solutions AS	Germany	100%
EMG Holding AB	Keystone Academic Solutions AS	Sweden	100%
EMG-Educations Media Group AB	EMG Holding AB	Sweden	100%
Blueberry College & Universitet AB	EMG Educations Media Group AB	Sweden	100%
Find Courses PRO AB	EMG Educations Media Group AB	Sweden	100%
Finduddannelse Danmark APS	EMG Educations Media Group AB	Denmark	100%
Studentum AS	EMG Educations Media Group AB	Norway	100%
Kursfinder GMBH	EMG Educations Media Group AB	Germany	100%
Studentum OY	EMG Educations Media Group AB	Finland	100%



## Note 2 – Summary of significant accounting policies

### 2.1 Basis for preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The consolidated financial statements have been prepared on the historical cost basis except for contingent considerations measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These IFRS consolidated financial statements are the Group's first financial statements prepared in accordance with IFRS. For periods up to, and including the year ended 31 December 2020, the Company has prepared its consolidated financial statements in accordance with generally accepted principles in Norway (NGAAP). For more details see note 26 Transition to IFRS.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### 2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group ceases to consolidate an investee because of a loss of control, they are deconsolidated from the date that control ceases, and it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.



### *Investments in associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

### **2.3 Business combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the fair value of net assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are retrospectively adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.



## 2.4 Revenue recognition

Revenue is recognised when goods and services are rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

The goods and service rendered are split into the following groups:

Type of good or service	Timing of recognition	Measurement of revenue
Subscription - Recruit	The Group grants the customer offerings and packages within a given timeframe. Revenue from sale of subscription to customers is recognized over time on a monthly basis over the contract period.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Social media and direct media campaigns, marketing packages	The Group delivers customized social media and direct media campaigns and marketing packages. This is performed at specific points in time. Revenue from sale of social media and direct media campaigns is recognized as the services is performed.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Subscription related – Recruit, performance-based	Some large contracts are performance-based, and revenue is earned based on interested students and leads generated. Revenue from subscription related performance-based – recruit is recognized at the point of time when a lead is generated.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Enrollment fee	Revenue from enrollment fee is recognized when the Group has an enforceable right to the enrollment fee.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Courses fee and admin fee regarding courses	The Group buy courses from a variety of suppliers and sell the courses to their customers. Revenue from sale of courses is recognized at the point of time when the course starts	The revenue is based on the price specified in the contract, net of discount and value added tax.
Installation fee to set up course platform	Installation revenue is recognized as the work is performed	The revenue is based on the price specified in the contract, net of discount and value added tax.
Advertising services	The Group provides advertising services over a given timeframe. The advertising revenue is recognized over time on a monthly basis over the contract period.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Event business	The Group delivers event as e.g., career fairs, and revenue from sale of event is recognized as the services is performed.	The revenue is based on the price specified in the contract, net of discount and value added tax.



Consulting services	Revenue from consulting services is recognized when the Group has an enforceable right to the consulting services delivered.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Ongoing services to enrolled students	Revenue from ongoing services to enrolled students is recognized on a monthly basis over the contract period	The revenue is based on the price specified in the contract, net of discount and value added tax.

The Group delivers services to higher education institutions and prospective students to help the student connect and find the right education. Payment terms for products and services vary between customer segments and regions.

#### Cost of obtaining contracts with customers

The Group pays sales commission to its employees based on actual sales. Commissions that are incremental costs of obtaining a contract with a customer are recognised as an asset if the costs are expected to be recovered. Subsequently, the asset is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The expected relevant amortisation period varies across the business. Management considers that the average customer life and other factors are similar across geographies and business lines.

#### Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.12

#### Contract liabilities

When a customer pays consideration in advance, or an amount of consideration is due contractually before transferring of the services, the amount received in advance is presented as a liability. Contract liabilities represent prepayment obligation in relation to subscription and maintenance services.

## 2.5 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
  - The amount expected to be payable by the lessee under residual value guarantees;
  - The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- and



- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as separate line items (current and non-current) in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described under "Impairment of non-financial assets" in section 2.12 below.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.



## 2.6 Foreign currency translation

The functional currency of the Group is US Dollar (USD). The financial statements are presented in USD. As a result of rounding adjustments, the figures in one or more columns included in the financial statements may not add up to the total of that column.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) is recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

## 2.7 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented on the statement of financial position by deducting the grant to the carrying amount of the asset. The grant is recognised in the income statement over the useful life of a depreciable asset as a reduced depreciation expense.

## 2.8 Employee benefits

The Group operates defined contribution plans for the majority of the group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions to separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available



## 2.9 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### *Current tax and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.



## 2.10 Intangible assets

### *Goodwill*

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination that have definite estimated useful lives are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

### *Separately acquired intangible assets*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination

### *Internally generated intangible assets*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development of the Group's technical platforms and software is recognised if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

## 2.11 Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the



location and condition necessary for it to be able to operate in the intended manner. Property, plant and equipment are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for each of the assets.

Repair and maintenance are expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is presented as other income or other expenses in the income statement.

## **2.12 Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Goodwill and intangible assets with indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Goodwill has been allocated to a group of cash generating units that constitute an operating segment and is tested for impairment at this level.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. Any impairment loss recognised for goodwill is not reversed in a subsequent period.



## 2.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

### *Restructuring*

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

### *Warranties*

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

## 2.14 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component, and which are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### *Financial assets*

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial asset. Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets, which primarily consist of contract assets and other current receivables are measured at amortised cost.

### *Impairment of financial assets*

The Group always recognises lifetime expected credit losses (ECL) for contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.



Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### *Financial liabilities*

The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss except for contingent considerations.

Trade and other payables include trade payables and other current and non-current financial liabilities. Borrowings (long term and short term) include loans from financial institutions and bank overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. Any difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

### **2.15 Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

### **2.16 Cash Flow statement**

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends distributed are reported as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.



## Note 3 – Adoption of new and revised International Financial Reporting Standards and Interpretations

### 3.1 Standards and Interpretations affecting amounts reported in the current period

These consolidated financial statements are the first consolidated financial statements issued by the Group. All relevant new and revised IFRSs and IFRIC Interpretations that are mandatory for periods commencing 1 January 2021 and earlier have been adopted for all periods presented in these consolidated financial statements.

### 3.2 Standards and Interpretations in issue but not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2021.

Management anticipates that these Standards and Interpretations will be adopted in the Group's financial statements for the period beginning 1 January 2022 or later. Management considers that the impact of the adoption of these new and revised/amended Standards and Interpretations on the Group will not be significant.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on
Amendments to IAS 1 Presentation of Financial Statements <sup>1</sup>	<i>Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date</i>	January 2020 and July 2020	1-Jan-23
Amendments to IFRS 3 Business Combinations	<i>Reference to the Conceptual Framework</i>	May-20	1-Jan-22
Amendments to IAS 16 Property, Plant and Equipment	<i>Proceeds before intended use</i>	May-20	1-Jan-22
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	May-20	1-Jan-22
Annual Improvements 2018- 2020	<i>Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41</i>	May-20	1-Jan-22
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors <sup>1</sup>	<i>Definition of Accounting Estimates</i>	Feb-21	1-Jan-23
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement <sup>2</sup>	<i>Disclosure of Accounting policies</i>	Feb-21	1-Jan-23
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	May-21	1-Jan-23

<sup>1</sup> The standard/revised standard/amendment has as at the date of issue of these financial statements not yet been adopted by the EU. Applicable accounting periods are IASB effective dates.



## Note 4 - Critical accounting judgments and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant including expectations of future events that are deemed to be reasonable under the current circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Capitalized development costs, see note 16

Cost of building new features, together with significant and pervasive improvements of core platforms, provided that the significant and pervasive improvements of parts or main components of core platforms will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line basis of up to 5 years.

On a monthly basis, engineering work is assessed on a project basis. Projects are categorized as 1) those that have met the technological feasibility date but have not yet gone live 2) those that have launched and begun amortization, and 3) research/operations/maintenance projects. An allocation of a percentage of each employee's time across the various projects is made. Any new projects are assessed according to the criteria in IAS 38, and previously categorized projects are assessed in terms of changes in assumptions. Capitalized costs are calculated by using the time allocations made. These calculations are reviewed by management before being capitalized.

Some of the work that engineering employees perform is related to the implementation of the ongoing updates that are required to maintain the platforms' functionality. Examples of updates include "bug fixes", minor updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest trends. These costs are expensed as maintenance expenses.

### Amortisation of intangible assets, see note 16

One of the Group's most significant accounting estimates are related to amortisation of intangible assets assumed in business combinations. More information on intangible assets can be found in note 16.

### Deferred tax assets, see note 11

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. The Group is also subject to income taxes in various jurisdictions. Judgement is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

The recognition of deferred tax assets and liabilities requires the exercise of judgment. Keystone recognizes deferred tax assets related to tax losses in the statement of financial position when it is considered probable that taxable profit will be generated in future periods against which these tax loss carry forwards can be utilized. The main part of the net recognized deferred tax liability as of December 31, 2021, relate to tax on PPA values.

See note 11 for a breakdown of tax loss carry forwards and relevant expirations dates of these.

### Impairment, see note 16

In accordance with IAS 36, the Group tests annually whether goodwill has suffered any impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amounts of cash-generating units have been determined based on a value-in-use calculation for the most significant cash-generating units. see note 16 for further information on recoverable amounts.

Value in use, particularly when discounted cash flow methods are used, must in part be based on management's evaluations, including determining appropriate cash-generating units, determining the discount rate, estimates of future performance, revenue generating capacity of the assets, margins, and assumptions of the future market conditions. For assumptions used, external evidence has been taken into consideration. Discount rates have been sourced from a third-party expert.

Management compares the estimates of value in use with the market valuation for reasonableness. In addition, a retrospective analysis of actuals from prior years is carried out in order to provide further input for the estimates that are made regarding future cash flows.

A sensitivity analysis for changes in key assumptions and whether they would lead to an impairment loss is included in note 16.

### Contingent considerations, see note 16

The Group has previously entered into earnout agreements in connection with acquisitions. An analysis is given in note 16 of how the provisions related to contingent considerations have been calculated.

### Leases, see note 15

The Group has entered into a number of lease arrangements as a lessee. Judgement has been applied in assessing the lease terms and the discount rates used in determining the right-of-use assets and lease liability. Estimates have been made by management with regards to the interest rate level as well as the probability of whether the group companies are reasonably certain to exercise the options. The Group determines its interest rate by obtaining interest rates from various external financing sources, and makes adjustments for currency and duration to reflect the terms of the lease. Refer to note 15 for further information



## Note 5 - Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services as described in the table provided in note 2 to the financial statements.

### Revenue per product category

[USD million]	2021	2020
Subscription - Website Listing Flat Rate	23.5	16.5
Subscription - Website Listing Performance	0.9	-
Subscription - Listing Booster	4.8	-
Subscription - Student Recruitment	2.9	0.1
Subscription - Software Services	0.3	0.3
Subscription - Subscription fairs	-	-
<b>Subscription revenue</b>	<b>32.6</b>	<b>16.8</b>
Subscription related - Sponsored Content / Branding	0.0	-
Subscription related - Sports Network	0.0	-
Subscription related - Email Marketing	1.7	-
Subscription related - Retargeting	0.5	-
Subscription related - Digital Events	2.5	-
<b>Subscription related revenue</b>	<b>4.7</b>	<b>-</b>
Other revenue - Consulting	1.7	-
Other revenue - Agents	0.6	-
Other revenue - PRO	3.7	-
Other revenue - Affiliates	-	0.0
<b>Other revenue</b>	<b>6.1</b>	<b>0.0</b>
<b>Other revenue related items</b>	<b>0.5 -</b>	<b>0.6</b>
<b>Revenue from customers</b>	<b>43.8</b>	<b>16.2</b>

### External revenue by timing of revenue

[USD million]	2021	2020
Services transferred over time	32.6	16.8
Services transferred at a point in time	11.3 -	0.6
<b>Revenue from customers</b>	<b>43.8</b>	<b>16.2</b>

### Revenue by Geographical distribution

[USD million]	2021	2020
Sweden	12.5	-
Norway	20.2	16.2
UK	8.2	-
Germany	0.9	-
Spain	0.4	-
Denmark	0.6	-
Finland	0.9	-
Rest of world	-	-
<b>Total</b>	<b>43.8</b>	<b>16.2</b>

The table above is itemizing the revenue based on the location of the legal entity selling the services to the customers.

### Revenues per currency

Please refer to note 13 for information about revenue per currency.

### Trade receivables, contract assets and contract liability

Please see note 18 for more information about Trade receivables and contract assets (unbilled revenue), and note 22 for more information about Contract liability (Deferred revenue/pre-payment from customers).



## Note 6 - Cost of services

Cost of services are all the direct costs associated with services rendered to the customers. As such it includes all the direct costs involved in running or performing the customer services.

<b>Cost of services</b>			
[USD million]		<b>2021</b>	<b>2020</b>
COS - Marketing	-	1.0	-
COS - Events / Projects	-	0.3	-
COS - Hosting	-	0.4	0.1
COS - Purchase of services	-	3.3	-
COS - Other	-	0.9	0.1
<b>Total</b>	-	<b>5.9</b>	<b>0.2</b>

The cost of services consists of direct marketing, event, project, cost for courses and other costs.



## Note 7 - Payroll expenses and remuneration to management

<b>Payroll and related expenses, excl stock-based compensation expenses</b>			
[USD million]		<b>2021</b>	<b>2020</b>
Salary/Bonus/Commission	-	20.2 -	8.4
Social security cost	-	3.5 -	0.9
Payments to long-term contractual staff	-	2.6 -	0.6
Pension costs	-	1.0 -	0.3
Other payments	-	0.7 -	0.1
Development - Capitalized (IFRS)	-	2.7	0.4
<b>Total</b>	-	<b>25.3 -</b>	<b>10.0</b>

  

Average number of full time equivalents	<b>566</b>	<b>81</b>
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The Norwegian companies in the Group are obligated to follow the Act on Mandatory company pensions and these companies pension schemes follow therequirement as set in the Act.

### **Compensation to the CEO and Chairman of the Board**

The CEO has waived his rights under Section 15-16 of the Norwegian Working Environment Act of 2005 relating to employees' protection, termination of employment contracts, etc.

As compensation, the CEO is entitled to receive a termination amount of six months' base salary if the employment contract is terminated by the Company.

As of December 31, 2021, there was no existing severance agreement between KEG and the Chairman of the Board.

The Group has not given any loans or security deposits to the CEO, the Chairman of the Board or their related parties.

A bonus and commission program exists for the senior executive team at Keystone. For each individual executive, a limit is set for the amount of bonus and commission that can be achieved. The size of the bonus and commission payment is dependent on actual company performance compared to a set of predefined targets.

An accrual for all 2021 bonuses and commissions for senior executives has been recognized in the consolidated financial statements. Bonuses and commissions will be paid in 2022.



Note 7 - Payroll expenses and remuneration to management

CEO Compensation in 2021 [USD million]	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
Eirik Harre, CEO		0.2	0.1	0.0	0.0	0.1	0.5
<b>Compensation to executive management in 2021 excl CEO</b> [USD million]							
	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
	0.0	1.2	0.2	0.0	0.1	0.2	1.7
<b>Compensation to the Board of Directors in 2021</b> [USD million]							
	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
	0.1	-	-	-	-	-	0.1

Presented above are the bonuses earned in 2021 and paid in both 2021 and 2022.

Members of Executive Management are included in the Company's employee pension scheme, which is a defined contribution plan.

There has been no compensation or other economic benefit provided in 2021 or 2020 to any member of the Executive Team or Board of Directors from the Company or any business owned by the Company, except that mentioned above. In 2021 and 2020, there has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

CEO Compensation in 2020 [USD million]	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
Eirik Harre, CEO		0.1	0.1	0.0	0.0	0.1	0.1
<b>Compensation to executive management in 2020 excl CEO</b> [USD million]							
	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
	-	0.6	0.3	0.0	0.1	-	1.0
<b>Compensation to the Board of Directors in 2020</b> [USD million]							
	Remuneration	Salary	Bonus/ commission	compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
	0.1	-	-	-	-	-	0.1

Presented above are the bonuses earned in 2020 and paid in both 2020 and 2021.



## Note 7 - Payroll expenses and remuneration to manager

### Share compensation program:

In 2021, the Board of Directors and the Company's shareholders expanded and adopted a program for the granting of equity compensation in the form of a stock options and warrant program to the executive officers and other employees of the Keystone Group of companies (the "Option Program").

One option entitles the holder upon exercise to receive one share in Keystone Education Group AS, against payment of the applicable strike price for the option/warrant. Strike price is equal to the estimated market value at the time the option/warrant is granted. Options have been offered without any option payments, whilst warrants have been offered against a price of NOK 50 pr. warrant.

Vesting of options/warrants is time based, with vesting of 1/3 after one year, 1/3 after two years and 1/3 after three years, with first vesting taking place in 2022. The option/warrant holder to decide once a year how many vested options/warrants to be exercised and converted to shares in the Company. The issued options/warrants expire and lapse after 5 years from grant date. Vesting of options require that the employee remains with the Keystone group.

Recipients of options/warrants will be proposed by management and approved by the Board of Directors, who has the authority delegated from the general meeting to issue shares under the option program. Allocation of options to the CEO will be proposed and decided by the Board of Directors under the same authority.

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model.

The expected volatility is based on historic volatility (calculated using the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options are granted under service conditions, not market-based conditions. Such conditions are not taken into account in the grant date fair-value measurement. There are no market conditions associated with the share option grants.

Given that employees have the right to exercise their options upto three years after the vesting date, the estimate is based on an assumption that the employees, on average, are exercising their options 12 months after the vesting date.

As of 12/31/21 the Company had 186,864 warrants issued and 216,036 options issued. In addition, the CEO holds 11,000 Performance Stock Units ("PSU") outside the option/warrant program, that entitles the CEO to receive shares as remuneration upon his individual performance criteria being met.

### Stock-based compensation expenses - equity settled

[USD million]	2021	2020
Balance as of 1/1	0.4	-
IFRS 2 expense	0.4	0.4
<b>Balance as of 12/31</b>	<b>0.8</b>	<b>0.4</b>
Unamortized - rest of lifetime	0.3	-

### Stock-based compensation expenses - cash settled

[USD million]	2021	2020
Balance as of 1/1	0.1	-
IFRS 2 expense	0.2	-
<b>Balance as of 12/31</b>	<b>0.3</b>	<b>-</b>

Cash settled stock-based compensation expenses consist of payroll tax.



## Outstanding instruments by December 31, 2021 - Warrants

Quantity and weighted average prices				
Activity	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
Outstanding OB	0	0.00		
Granted	186 864	225.00		
Exercised	0	0.00		
Released	0	0.00		
Adjusted	0	0.00		
Performance Adjusted	0	0.00		
Cancelled	0	0.00		
Terminated	0	0.00		
Expired	0	0.00		
<b>Outstanding CB</b>	<b>186 864</b>	<b>225.00</b>		
Vested CB	0	0.00		

Outstanding Instruments Overview					
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2021	Weighted Average Strike Price
	<i>Outstanding Instruments</i>			<i>Vested Instruments</i>	
225.00	186 864	4.00	225.00	0	0.00
	<b>186 864</b>			<b>0</b>	

## Outstanding instruments by December 31, 2021 - Options

Quantity and weighted average prices				
Activity	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
Outstanding OB	138 700	81.51	135 600	74.30
Granted	124 800	135.61	37 000	95.00
Exercised	- 46 464	86.93	33 900	67.40
Released	0	0.00		
Adjusted	0	0.00		
Performance Adjusted	0	0.00		
Cancelled	0	0.00		
Terminated	- 1 000	130.00		
Expired	0	0.00		
<b>Outstanding CB</b>	<b>216 036</b>	<b>111.37</b>	<b>138 700</b>	<b>81.51</b>
Vested CB	104 835	81.27	107 867	77.65

Outstanding Instruments Overview					
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2021	Weighted Average Strike Price
	<i>Outstanding Instruments</i>			<i>Vested Instruments</i>	
67.40	54 214	2.00	67.40	54 214	67.40
95.00	49 322	2.96	95.00	21 632	95.00
130.00	101 000	4.11	130.00	28 036	130.00
225.26	11 500	4.71	225.26	953	225.26
	<b>216 036</b>			<b>104 835</b>	



## Outstanding instruments by December 31, 2021 - PSU

Quantity and weighted average prices				
Activity	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	11 000	95.00	0	0.00
Granted	0	0.00	11 000	95.00
Exercised	0	0.00		
Released	0	0.00		
Adjusted	0	0.00		
Performance Adjusted	0	0.00		
Cancelled	0	0.00		
Terminated	0	0.00		
Expired	0	0.00		
<b>Outstanding CB</b>	<b>11 000</b>	<b>95.00</b>	<b>11 000</b>	<b>95.00</b>
Vested CB	0	0.00	0	0.00

Outstanding Instruments Overview					
Strike price	Outstanding Instruments		Weighted Average Strike Price	Vested Instruments	
	Number of instruments	Weighted Average remaining contractual life		instruments 31.12.2021	Weighted Average Strike Price
0.00	11 000	1.42	0.00	0	0.00
	<b>11 000</b>			<b>0</b>	



**Note 7 - Payroll expenses and remuneration to management**

**Options to executive management 2021**

**Outstanding instruments by December 31, 2021 - Options - CEO**

The IFRS 2 cost related to option instruments granted to the CEO was NOK 371,061 for FY 2021 and NOK 372,978 for FY 2020.

Quantity and weighted average prices				
Activity	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	37 000	95.00	0	0.00
Granted	0	0.00	37 000	95.00
Exercised	- 10 278	95.00	0	0.00
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	0	0.00	0	0.00
Terminated	0	0.00	0	0.00
Expired	0	0.00	0	0.00
<b>Outstanding CB</b>	<b>26 722</b>	<b>95.00</b>	<b>37 000</b>	<b>95.00</b>
Vested CB	7 194	95.00	6 167	95.00

Outstanding Instruments Overview					
Strike price (NOK)	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price (NOK)	Vested	Weighted
				Instruments 31.12.2021	Average Strike Price (NOK)
95.00	26 722	2.88	95.00	7 194	95.00
	26 722			7 194	
		Outstanding instruments		Vested instruments	

**Outstanding instruments by December 31, 2021 - PSU - CEO**

The IFRS 2 cost related to PSU instruments granted to the CEO was NOK 392,009 for FY 2021 and NOK 197,616 for FY 2020.

Quantity and weighted average prices				
Activity	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	11 000	95.00	0	0.00
Granted	0	0.00	11 000	95.00
Exercised	0	0.00	0	0.00
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	0	0.00	0	0.00
Terminated	0	0.00	0	0.00
Expired	0	0.00	0	0.00
<b>Outstanding CB</b>	<b>11 000</b>	<b>95.00</b>	<b>11 000</b>	<b>95.00</b>
Vested CB	0	0.00	0	0.00

Outstanding Instruments Overview					
Strike price (NOK)	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price (NOK)	Vested	Weighted
				Instruments 31.12.2021	Average Strike Price (NOK)
0.00	11 000	1.42	0.00	0	0.00
	11 000			0	
		Outstanding instruments		Vested instruments	

**Outstanding instruments by December 31, 2021 - Options - Executive management excl CEO**

The IFRS 2 cost related to option instruments granted to the Executive management excluding CEO was NOK 1,645,758 for FY 2021 and NOK 1,496,134 for FY 2020.

Quantity and weighted average prices				
Activity	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	101 700	76.60	135 600	74.30
Granted	71 300	124.45	0	0.00
Exercised	- 36 186	84.64	33 900	67.40
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	0	0.00	0	0.00
Terminated	0	0.00	0	0.00
Expired	0	0.00	0	0.00
<b>Outstanding CB</b>	<b>136 814</b>	<b>99.41</b>	<b>101 700</b>	<b>76.60</b>
Vested CB	85 316	89.36	101 700	76.60

Outstanding Instruments Overview					
Strike price (NOK)	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price (NOK)	Vested	Weighted
				Instruments 31.12.2021	Average Strike Price (NOK)
67.40 95.00 130.00	54 214	2.00	67.40	54 214	67.40
	22 600	2.00		14 438	95.00
	60 000	4.11		16 664	130.00
	<b>136 814</b>			<b>85 316</b>	
		Outstanding instruments		Vested instruments	



## Outstanding Instruments by December 31, 2021 - Warrants - Executive management excl CEO

The IFRS 2 cost related to option instruments granted to the Executive management excluding CEO was NOK 0 for FY 2021 and FY 2020.

Quantity and weighted average prices				
Activity	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	0	0.00		
Granted	33 300	225.00		
Exercised	0	0.00		
Released	0	0.00		
Adjusted	0	0.00		
Performance Adjusted	0	0.00		
Cancelled	0	0.00		
Terminated	0	0.00		
Expired	0	0.00		
<b>Outstanding CB</b>	<b>33 300</b>	<b>225.00</b>		
Vested CB	0	0.00		

Outstanding Instruments Overview					
Strike price (NOK)	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price (NOK)	Vested instruments 31.12.2021	Weighted Average Strike Price (NOK)
225.00	33 300	4.00	225.00	0	0.00
	<b>33 300</b>			<b>0</b>	<b>0.00</b>

## Outstanding Instruments by December 31, 2021 - Warrants - Board of Directors

The IFRS 2 cost related to warrant instruments granted to the Board of Directors was \$0.0m FY 2021 and FY 2020.

Quantity and weighted average prices				
Activity	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding OB	0	0.00		
Granted	87 714	225.00		
Exercised	0	0.00		
Released	0	0.00		
Adjusted	0	0.00		
Performance Adjusted	0	0.00		
Cancelled	0	0.00		
Terminated	0	0.00		
Expired	0	0.00		
<b>Outstanding CB</b>	<b>87 714</b>	<b>225.00</b>		
Vested CB	0	0.00		

Outstanding Instruments Overview					
Strike price (NOK)	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price (NOK)	Vested instruments 31.12.2021	Weighted Average Strike Price (NOK)
225.00	87 714	4.00	225.00	0	0.00
	<b>87 714</b>			<b>0</b>	<b>0.00</b>



## Note 8 - Other operating expenses

<b>Other operating expenses</b>			
[USD million]		<b>2021</b>	<b>2020</b>
Rent and other office expenses	-	0.7	0.4
Equipment	-	1.3 -	0.8
Audit, legal and other advisory services	-	2.1 -	1.3
Marketing expenses	-	0.5 -	0.2
Hosting expenses, excl. depreciation cost	-	0.0	-
Travel expenses	-	0.2 -	0.0
Training, meetings & updates	-	0.1 -	0.0
Corporate Liability Insurance	-	0.1	-
Bad Debt expenses	-	0.3 -	0.2
Other expenses	-	0.6 -	0.1
<b>Total</b>	-	<b>5.8 -</b>	<b>2.2</b>

### Auditor's remunerations

The remuneration breakdown (excl. VAT) paid and recognised as an expense for the year to the group's auditor is as follows:

[USD million]	<b>2021</b>	<b>2020</b>
Statutory auditing services	0.2	0.0
Tax advisory services	0.0	0.0
Other services	0.1	0.0
<b>Total fee to auditor</b>	<b>0.3</b>	<b>0.0</b>



### Note 9 - Special items

During 2021, KEG recognized special item expenses in connection with a strategic cost reduction that will better align costs with revenues, and for legal and other costs related to business combinations and restructuring processes.

<b>Special items</b>		<b>2021</b>	<b>2020</b>
[USD million]			
Salary restructuring cost	-	0.0	-
Option restructuring cost	-	0.0	-
Legal fees related to business combinations	-	2.2 -	0.1
Other restructuring cost	-	0.7	-
<b>Total</b>	-	<b>3.0 -</b>	<b>0.1</b>



### Note 10 - Finance income and finance expense

The Group's other financial income and other financial expense mainly relates to gains and losses from foreign exchange.

<b>Finance income and finance expense</b>			
[USD million]		<b>2021</b>	<b>2020</b>
Interest income		0.0	0.0
Foreign exchange gains		1.5	0.6
Other finance income		0.0	-
<b>Finance income</b>		<b>1.5</b>	<b>0.6</b>
Interest expenses	-	2.1	0.5
Foreign exchange losses	-	1.4	0.3
Other finance costs	-	0.4	0.1
<b>Finance expense</b>	<b>-</b>	<b>3.9</b>	<b>0.9</b>



## Note 11 - Taxes

### Income tax expense recognized in the statement of comprehensive income:

[USD million]	2021	2020
Current income tax payable	- 0.3	-
Change in deferred tax	0.7	0.1
Settlement of tax payable from previous years	-	-
<b>Tax expense</b>	<b>0.4</b>	<b>0.1</b>
The foreign part of the tax expense amounts to	- 0.3	-

### Reconciliation of effective tax rate

[USD million]	2021	2020
Profit (loss) before income tax	- 4.3	0.5
Income tax using the corporate income tax rate in Norway (22%)	1.0	0.1
Effect of tax rates outside Norway different from 22%	- 0.7	-
Effect of non-taxable and non-deductible items	- 0.1	0.0
Other effects	0.3	-
<b>Total tax expense for the year</b>	<b>0.4</b>	<b>0.1</b>
Effective tax rate	-10.0 %	-25.3 %

The table above shows the difference between income tax calculated at the applicable income tax rate used in Norway and the tax expense attributable to profit (loss) before income tax.

### Tax payable in balance sheet:

[USD million]	2021	2020	Jan 1, 2020
Profit (loss) before income tax	- 4.3	0.5	0.5
Permanent and temporary differences	- 0.5	- 0.5	-
<b>Basis for tax payable</b>	<b>- 3.8</b>	<b>-</b>	<b>-</b>
Tax on profit for the year	0.6	-	-
Tax payable not yet settled	0.7	-	-
<b>Tax payable in balance sheet</b>	<b>1.3</b>	<b>-</b>	<b>-</b>

### Recognized deferred tax assets and liabilities:

[USD million]	2021	2020	Jan 1, 2020
Deferred tax assets related to tax loss carryforwards	0.7	0.0	0.3
Deferred tax assets related to other temporary differences	0.3	0.2	0.0
Deferred tax liabilities related to temporary differences	0.0	-	-
Deferred tax liabilities related to amortizable excess value from business combinations	- 11.1	-	-
<b>Net deferred assets (liabilities)</b>	<b>- 10.1</b>	<b>0.2</b>	<b>0.3</b>
Deferred tax assets/Deferred tax liabilities not recognized	0.0	-	-
<b>Recognized Deferred tax assets/Deferred tax liabilities</b>	<b>- 10.1</b>	<b>0.2</b>	<b>0.3</b>



Deferred tax assets (liabilities) and changes during the year [USD million]	1/1/21	Aquisitions	Posted to statement of comprehensive income	Posted directly to the equity	12/31/21
Property, plant and equipment	0.0	-	0.0	-	0.0
Accounts receivable	0.0	-	0.0	-	0.0
Provisions and accruals	0.1	0.0	0.1	-	0.3
Other	0.0	-	0.0	-	0.0
<b>Total related to temporary differences</b>	<b>0.2</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>
<b>Deferred tax liabilities related to amortizable excess value from business combinations</b>	<b>-</b>	<b>-</b>	<b>11.6</b>	<b>0.5</b>	<b>11.1</b>
Tax loss carryforwards	0.0	0.2	0.4	-	0.7
Set off of tax (valuation allowance)	-	-	0.1	-	-
Tax loss carryforwards not recognized in the statement of financial position	-	-	0.0	-	0.0
<b>Tax loss carryforwards recognized in the statement of financial position</b>	<b>0.0</b>	<b>0.2</b>	<b>0.5</b>	<b>-</b>	<b>0.7</b>
<b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b>	<b>0.2</b>	<b>-</b>	<b>11.5</b>	<b>1.2</b>	<b>10.1</b>

Deferred tax asset are not recognized for carry forward of unused tax losses when the Group cannot demonstrate that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets (liabilities) and changes during the year [USD million]	1/1/20	Aquisitions	Posted to statement of comprehensive income	Posted directly to the equity	12/31/20
Property, plant and equipment	0.0	-	0.0	-	0.0
Accounts receivable	0.0	-	0.0	-	0.0
Provisions and accruals	0.0	-	0.1	-	0.1
Other	-	-	-	-	-
<b>Total related to temporary differences</b>	<b>0.0</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>
<b>Deferred tax liabilities related to amortizable excess value from business combinations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax loss carryforwards	0.3	-	0.2	-	0.0
<b>Tax loss carryforwards recognized in the statement of financial position</b>	<b>0.3</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>0.0</b>
<b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b>	<b>0.3</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>

Tax losses carried forward Tax effect of losses carried forward in selected countries expire as follows:	Expires within 5 years	Expires within 5-10 years	More than 10 years	Indefinite	Total
[USD million]					
Norway	-	-	-	0.5	0.5
Sweden	-	-	-	0.2	0.2
UK	-	-	-	0.0	0.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>0.7</b>



## Note 12- Related parties

All subsidiaries, associates and joint arrangements as specified in the note 1 and 17 of the Consolidated companies, are deemed to be related parties of the Group. The Group's management and Board are also defined as related parties, as specified in note 7 Remuneration to senior executives and Board members. Transactions with subsidiaries are eliminated in the consolidated financial statements and are not disclosed in this note. Consequently, balances and transactions between KEG and its subsidiaries, which are related parties of KEG, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### Board of Directors and Executive team

The Group has not engaged in any related party transactions with any members of the Board of KEG or KEG executive management.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 78.6% (2020: 0%) of the Group's voting share as per December 31, 2021. This includes 37.3 % from funds and investment companies advised by board members (Verdane Capital and Viking Venture).

Information regarding compensation for executive management and Board of Directors can be found in note 7. Executive Management also participate in the Group's stock option program (see note 7).

Please see note 16 and 23 for details of the transaction with the earnout participants.

During the year, the Group entered into no trading transactions with related parties with the exception of subcontractor transactions with Spinner Labs AS were \$0.7m (2020: \$0.6m) was expensed and \$0.8m (2020: \$0.6m) were capitalized as development expenses.



## Note 13 - Financial instruments risk management objectives and policies

### Financial risk

Risk management in the Group is carried out by management and approved by the Board of Directors. Potential risks are evaluated on a regular basis and management determines appropriate strategies related to how these risks are to be handled within the Group under the approved policies. This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. The Group is exposed to market (currency) risk, credit risk and liquidity risk. Management evaluates these risks and related risk management processes on an on-going basis.

### Market risk

The Group is exposed to market risks related to the demand for its products and services and to the ability to maintain a competitive and attractive product offering. The Group manages the risk through continuous analysis of the interests and preferences of the users, by investing in products and services, as a continuous process of recruiting talent and developing the organization and the leadership.

### Currency risk

The majority of the financial risk that the Group is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. The Group undertakes business within various geographies and foreign currencies and is consequently exposed to fluctuations in exchange rates, particularly SEK, NOK, GBP and EUR. Foreign exchange risk arises from transactions related to operations conducted, and financial assets and financial liabilities arising in foreign currencies.

Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers. These effects are not specified in the table below.

Revenues per currency (USD million)	2021		2020	
	Revenues	%	Revenues	%
SEK	8.3	16.6%	6.0	9.2%
NOK	0.6	1.4%	0.2	1.3%
GBP	12.4	28.2%	2.5	16.2%
EUR	13.3	31.5%	7.6	46.6%
USD	7.0	16.6%	6.6	34.1%
Other	1.6	3.6%	0.4	2.6%
<b>Total</b>	<b>43.8</b>		<b>46.2</b>	

Cost of sales per currency (USD million)	2021		2020	
	COGS	%	COGS	%
SEK	- 3.0	- 6.7%	-	- 0.0%
NOK	- 0.3	- 0.8%	- 0.1	- 0.6%
GBP	- 1.2	- 2.7%	-	- 0.0%
EUR	- 0.8	- 1.8%	- 0.0	- 0.1%
USD	- 0.5	- 1.2%	- 0.1	- 0.3%
Other	- 0.1	- 0.1%	-	- 0.0%
<b>Total</b>	<b>- 5.9</b>		<b>- 0.2</b>	

Operating expenses (OPEX) per currency (USD million)	2021		2020	
	OPEX	%	OPEX	%
SEK	- 8.9	- 22.4%	-	- 0.3%
NOK	- 20.1	- 50.7%	- 13.7	- 60.4%
GBP	- 6.6	- 16.5%	- 0.1	- 0.4%
EUR	- 2.9	- 7.3%	- 0.6	- 4.0%
USD	- 0.7	- 1.7%	- 0.7	- 4.2%
Other	- 0.5	- 1.3%	- 0.0	- 0.1%
<b>Total</b>	<b>- 39.6</b>		<b>- 18.2</b>	

Conversion of the Group's revenues from foreign currencies into USD yields the following average exchange rates:

	2021	2020
SEK	0.1166	1.82
NOK	0.1164	0.1164
GBP	1.2767	NA
EUR	1.1651	NA

### FX gain (loss) and other financial income (expense)

Please refer to note 10 for financial income and expense.

### Foreign exchange contracts

During 2021 and 2020, the Group did not use forward exchange contracts to hedge its currency risk, and KEO had not entered into any foreign exchange contracts as of December 31, 2021.

### Trade receivables and contract assets - unbilled revenue per currency

Trade receivables and contract assets - unbilled revenue per currency (USD million)	2021		2020	
	% of gross AR	% of gross AR	% of gross AR	% of gross AR
SEK	2.7	18.7%	-	0.0%
NOK	0.2	1.3%	0.0	0.1%
GBP	6.3	45.2%	0.4	13.9%
EUR	3.2	22.4%	1.2	47.6%
USD	1.6	11.1%	0.8	34.7%
Other	0.2	1.3%	0.1	3.7%
<b>Total</b>	<b>14.4</b>		<b>2.6</b>	

The trade receivables and contract assets - unbilled revenues are converted, as of December 31, at the following exchange rates:

	2021	2020
SEK	0.1165	
NOK	0.1134	0.1134
GBP	1.3512	
EUR	1.1343	

### Credit risk

Credit risk is the risk of losses that the Group would suffer if a counterparty fails to perform its financial obligations. The Group's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer.

No single customer accounted for more than 10% of the Group's revenue during the financial year. Further, the Group conducts much of its business with universities and students, and has not experienced significant credit-related losses during this or previous financial years. The carrying value of trade and other receivables represent the group's maximum exposure to credit risk at the balance sheet date. The Group is limited exposure in terms of credit risk related to loans and other receivables. For credit risk related to Trade receivables and Contract assets, please refer to note 18 for more information.



## Note 13 - Financial instruments risk management objectives and policies

### Liquidity risk

#### Liquidity reserve

[USD million]	2021	2020
<i>Cash and cash equivalents</i>		
Cash in hand and on deposit	9.8	3.9
Less restricted funds	0.4	-
<b>Unrestricted cash</b>	<b>9.4</b>	<b>3.9</b>
Unutilized credit facilities	27.6	59.2
Short-term overdraft facility	-	-
<b>Liquidity reserve</b>	<b>27.6</b>	<b>59.2</b>

#### Breakdown of Cash and cash equivalents by currency

[USD million]	2021	2020
SEK	1.8	-
NOK	1.5	3.5
GBP	3.7	0.1
EUR	1.8	0.2
USD	0.2	0.1
Other	0.6	-
<b>Total</b>	<b>9.8</b>	<b>3.9</b>

#### Credit Facility

[USD million]	2021	2020
Unutilized	27.6	59.2
Utilized	28.4	-
<b>Total</b>	<b>56.0</b>	<b>59.2</b>

The credit facility is converted using balance end FX rates. Please refer to note 20 and 21 for details about the credit facility agreement.

#### Sensitivity analyze - 1% increase in interest rate

[USD million]	2021	2020
Interest bearing liabilities	-	0.3
Interest on cash and cash equivalents		0.1
<b>Profit (loss)/equity impact</b>	<b>-</b>	<b>0.2</b>

#### Sensitivity analyze - 1% decrease in interest rate

[USD million]	2021	2020
Interest bearing liabilities	0.3	-
Interest on cash and cash equivalents	-	0.1
<b>Profit (loss)/equity impact</b>	<b>0.2</b>	<b>0.0</b>

The sensitivity analysis above shows the exposure to changes in interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at reporting date was outstanding for the whole year. An increase/decrease of one percentage point represents management's assessment of the reasonably possible change in interest rates.

### Capital management

The Group's objectives for capital management is to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group still possesses a business model that anticipates considerable cash flow in the future. The Group manages its capital requirements through the credit facility agreement with Ture Investment group, hence the Company is subject to externally imposed capital requirements.



## Note 14 - Property, plant and equipment

<b>Property, plant and equipment</b> [USD million]	Fixtures and fittings	Machinery and equipment	Leasehold improvements	Total
Acquisition cost as of 1/1/21	0.1	0.2	0.6	<b>0.9</b>
Additions	0.3	0.4	-	<b>0.7</b>
Additions/disposal through business combinations	0.4	0.3	-	<b>0.7</b>
<b>Acquisition cost as of 12/31/21</b>	<b>0.8</b>	<b>0.9</b>	<b>0.6</b>	<b>2.3</b>
Depreciation and impairment losses as of 1/1/21	0.1	0.2	0.4	<b>0.7</b>
Depreciation and impairment losses	0.1	0.0	0.1	<b>0.2</b>
Additions/disposal through business combinations	0.3	0.2	-	<b>0.5</b>
<b>Depreciation and impairment losses as of 12/31/21</b>	<b>0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>1.4</b>
<b>Net carrying amount as of 12/31/21</b>	<b>0.6</b>	<b>0.7</b>	<b>0.1</b>	<b>0.9</b>

Estimated useful life and depreciation plan is as follows:

Useful life	2-3 years	3 years	5 years
Depreciation plan	Straight-line	Straight-line	Straight-line

<b>Property, plant and equipment</b> [USD million]	Fixtures and fittings	Machinery and equipment	Leasehold improvements	Total
Acquisition cost as of 1/1/20	0.1	0.4	0.8	<b>1.3</b>
Additions	-	0.1	-	<b>0.1</b>
Translation differences	-	0.2	0.2	<b>0.4</b>
<b>Acquisition cost as of 12/31/20</b>	<b>0.1</b>	<b>0.2</b>	<b>0.6</b>	<b>0.9</b>
Depreciation and impairment losses as of 1/1/20	-	0.1	0.3	<b>0.6</b>
Depreciation and impairment losses	-	0.0	0.1	<b>0.1</b>
<b>Depreciation and impairment losses as of 12/31/20</b>	<b>0.1</b>	<b>0.2</b>	<b>0.4</b>	<b>0.7</b>
<b>Net carrying amount as of 12/31/20</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>

Estimated useful life and depreciation plan is as follows:

Useful life	3 years	3 years	5 years
Depreciation plan	Straight-line	Straight-line	Straight-line

Right-of-use assets are presented separately in note 15 - Leases.



## Note 15 - Leases

IFRS 16 was implemented for the Group with effect as of January 1, 2020. On transition to IFRS 16, the Group recognized \$4.9 million in right of use (ROU) assets and USD 5.0 million in lease liabilities. The ROU assets and lease liabilities comprise office lease contracts. For financial subleasing contracts, the Group has recognized a lease receivable in the statement of financial position, with a corresponding reduction in the ROU asset.

The movements of the Group's right of use assets, lease receivables and lease liabilities are presented below:

<b>Lease liabilities</b>			
[USD million]	2021	2020	Jan 1, 2020
Balance as of 1/1	4.8	5.0	
Additions through business combinations	5.4	-	
Additions	0.6	-	
Lease payments	-	1.4	0.7
Interest expense on lease liabilities		0.5	0.5
<b>Lease liabilities as of 12/31</b>	<b>9.8</b>	<b>4.8</b>	
Of which:			
Current lease liabilities (less than 1 year)	1.7	0.7	0.7
Non-current lease liabilities (more than 1 year)	8.1	4.1	4.3
<b>Balance as of 12/31</b>	<b>9.8</b>	<b>4.8</b>	<b>5.0</b>

The Group's lease of land and buildings have lease terms that vary from 2 to 8 years, and some agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement date whether it is reasonably certain to exercise the renewal right. The Group's potential future lease payments not included in the lease liabilities related to extension options are \$0.0 million at 31 December 2021.

<b>Right of use assets</b>		
[USD million]	2021	2020
Balance as of 1/1	3.8	4.4
Additions through business combinations	4.8	-
Lease receivable as of 1/1	0.6	-
Depreciation	-	1.1
<b>Right of use assets as of 12/31</b>	<b>8.1</b>	<b>3.8</b>

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of each leased asset. The estimated useful life is considered to be the term of the contract for each leased asset.

Translation differences arise due to translation of lease contracts in local currencies to USD.

### IFRS 16 effects on the consolidated statement of comprehensive income for the year

[USD million]	2021	2020
Operating lease expenses recognized under operating expenses decreased	-	1.5
assets		1.2
liability	0.5	0.5
<b>Net effect</b>	<b>0.2</b>	<b>0.8</b>

KEG has expensed low value contracts of \$0.0 in FY 2021.

<b>Future lease payments</b>		
	2021	2020
The future minimum lease payments under non-cancellable lease contracts are as follows:		
Less than one year	2.3	0.9
Between one to five years	7.6	3.6
More than five years	1.4	0.9
<b>Total</b>	<b>11.3</b>	<b>5.3</b>

The majority of the lease liabilities relate to office leases of Keystone's offices in Forenbu, Stockholm, and Sheffield.

### Sensitivity analysis

The below table summarises the impact a change in discount rates of 1 percentage point would have on the lease liability as at 31 December 2021.

	(increase/ decrease	sensitivity (increase) amount in EUR	sensitivity (decrease) amount in EUR
Lease liability at 31 December 2021	+/- 1 %	0.2	(0.2)
Interest	+/- 1 %	0.6	(0.6)

Further information about the impact of IFRS 16, 'Leases', is provided in Note 26.



## Note 16 - Business combinations, goodwill and intangible assets

Assets assumed in connection with a business combination have been recognised at the estimated fair value on the date of the business combination. Management has identified proprietary technology, customer relationships, customer contracts and trademark as major intangible assets. The table below shows the identifiable assets and liabilities recognised on the date of the business combination for each individual business combination, which also is the lowest cost generating group units (CGUs) identified.

Identifiable assets and liabilities [USD million]	EMG Group	Uniquet Group	FAS Group	AMG	Pursue	Spo Scho	Total
Trademark	13.6	-	2.5	0.5	0.6	0.1	17.2
Proprietary technology	4.2	-	1.0	-	-	-	5.3
Customer relationships	22.7	5.7	4.5	0.1	-	-	32.9
Customer contracts	-	0.1	-	-	-	-	0.1
Deferred tax liabilities	-	8.7	1.1	1.5	0.1	0.0	11.6
Fair value of other net assets acquired <sup>1)</sup>	-	0.6	2.2	2.5	0.5	0.4	5.2
<b>Fair value of identifiable net assets</b>	<b>31.2</b>	<b>6.9</b>	<b>9.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.2</b>	<b>49.2</b>
Consideration (cash or equity)	94.8	14.3	21.7	2.4	1.8	0.5	135.5
Cash withheld (to be paid later)	-	-	1.5	-	-	-	1.5
Contingent Consideration	-	8.9	3.0	0.8	1.1	0.1	14.0
<b>Total estimated consideration</b>	<b>94.8</b>	<b>23.3</b>	<b>26.2</b>	<b>3.1</b>	<b>2.9</b>	<b>0.7</b>	<b>151.0</b>
<b>Goodwill</b>	<b>63.6</b>	<b>16.4</b>	<b>17.2</b>	<b>2.2</b>	<b>2.0</b>	<b>0.5</b>	<b>101.9</b>

Goodwill originating from the business combination is related to anticipated synergies from on-going operations. No impairment has been recognised subsequent to the business combination. Goodwill that has arisen as part of the business acquisition is not tax deductible.

Acquisition related expenses of \$2.2m (2020: \$0.1m) are recognised as other operating expenses in 2021.

The table below shows the estimated remaining useful life of the net identifiable assets:

	Indefinite	Indefinite	Indefinite	Indefinite	Indefinite
Trademark	5 years	5 years	Indefinite	Indefinite	Indefinite
Proprietary technology	straight-line	straight-line	3 and 10		
Customer relationships	10 years	8 years	years straight-	1.4 years	
Customer contracts	straight-line	straight-line	line	straight-line	
		3 years			
		straight-line			

<sup>1)</sup> Fair value of other assets and liabilities acquired approximates their carrying value.

Please refer to note 23 for more information about the contingent Considerations.

There were no business acquisitions during 2020.



## Business combinations

In 2021, the Group acquired:

### Find A Solution Ltd

On February 8, 2021, Keystone Academic Solutions AS (KAS) announced the acquisition of 100% of the shares and voting equity interest of the company Find A Solutions Ltd (FAS) with its subsidiary Find A University Ltd (FAU), uniting two of the world's most popular higher education student search and resource platforms. FAU is the leading postgraduate resource for prospective students in the United Kingdom. KAS paid an upfront amount of GBP 13.7m in cash as well as GBP 2.5m worth of KAS shares at the close of the transaction. Up to GBP 4m (including GBP 1.25m in sellers credit) in performance pay outs are tied to 2021 and 2022 calendar year revenue and EBITDA margin targets.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	0.4	6.1	6.5
Profit (loss)	0.1	2.2	2.4

### Pursue AS

On March 31, 2021, Keystone Academic Solutions AS (KAS) announced the acquisition of 100% of the shares and voting equity interest of Pursue AS, widely known as College Scholarships USA (CSUSA), a placement firm for international student-athletes seeking academic opportunities in the United States and Canada. KAS paid an upfront amount of NOK 16.8m in cash as well as NOK 2.0m worth of KAS shares at the close of the transaction. Up to NOK 8.0m in performance pay outs are tied to 2021 and 2022 calendar year revenue and EBITDA margin targets.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	0.5	1.3	1.8
Profit (loss)	0.2	0.1	0.3

### Educations Media Group Holding AB

On July 12, 2021, Keystone Academic Solutions AS (KAS) and Educations Media Group Holding AB (EMG) announced that they are merging to form the Keystone Education Group AS (KEG), to become the leading global online resource for prospective higher education students. The merger is on a cash-free basis and paid in equity, with EMG owning around 55% of the newly formed entity. No performance-based earn-outs are tied to the deal, with strategic value as a combination being the key driver for this merger. The newly formed student-centric platform KEG will serve a customer base of more than 5500 higher education providers and 110+ million annual student users, bringing together leading positions in both a domestic (EMG) and international (KAS) student recruitment.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	14.2	14.9	29.1
Profit (loss)	-	0.4	1.7

### Athletes Global Management Sports, S.L.

On August 19, 2021, Keystone Academic Solutions AS (KAS) announced the acquisition of 100% of the shares and voting equity interest of Athletes Global Management Sports, S.L. (AGM), Spain's leading sports scholarship advisory service, a placement firm for Spanish and LATAM student-athletes seeking academic opportunities in the United States and Canada. KAS paid an upfront amount of EUR 1.7m in cash at the close of the transaction. Up to 1.5m in performance pay outs are tied to 2021 and 2022 calendar year revenue and Adjusted EBITDA(C) targets.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	1.0	0.4	1.4
Profit (loss)	0.2	-	0.1

### Uniquist, Ltd

On October 6, 2021, Keystone Academic Solutions AS (KAS) announced the acquisition of 100% of the shares and voting equity interest of Uniquist Limited (Uniquist) with its subsidiary Uniquist, Inc, a leading UK-based student engagement, conversion and retention service. KAS paid an upfront amount of GBP 10.3m in cash at the close of the transaction. Up to GBP 11.0m in performance pay outs are tied to 2021-2023 calendar year revenue and EBITDA margin targets.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	6.9	2.2	9.0
Profit (loss)	1.6	-	0.1

### Sport-Scholarships KEG GmbH

On October 11, 2021, Keystone Academic Solutions AS (KAS) announced the acquisition of 100% of the shares and voting equity interest of the company Sport-Scholarships KEG GmbH (SSUSA), a placement firm for German and DACH student-athletes seeking academic opportunities in the United States and Canada. This acquisition will make KEG Europe's strongest college sports recruiting solutions for student-athletes looking to study in North America. KAS paid an upfront amount of EUR 0.5m in cash at the close of the transaction. Up to EUR 1.0m in performance pay outs are tied to 2021 and 2022 calendar year revenue and EBITDA margin targets.

[USD million]	Pre aquisition	Post aquisition	FY 2021
Revenue from contracts with customers	0.5	0.1	0.6
Profit (loss)	0.2	-	0.1



**Note 16 - Business combinations, goodwill and intangible assets**

<b>Intangible assets</b> [USD million]	Goodwill	Trademark	Proprietary technology	Customer relationships	Customer contracts	Research and development	Total
Acquisition cost as of 1/1/21	-	-	-	-	-	3.9	3.9
Additions	-	0.1	-	-	-	2.6	2.7
Additions/disposal through business combinations	101.9	17.2	5.3	32.9	0.1	0.6	168.0
Disposal	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	-	-
<b>Acquisition cost as of 12/31/21</b>	<b>101.9</b>	<b>17.3</b>	<b>5.3</b>	<b>32.9</b>	<b>0.1</b>	<b>7.1</b>	<b>164.7</b>
Depreciation and impairment losses as of 1/1/21	-	-	-	-	-	1.9	1.9
Depreciation and impairment losses	-	-	0.6	1.9	0.0	1.2	3.7
Additions/disposal through business combinations	-	-	-	-	-	0.0	0.0
Disposal	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	-	-
<b>Depreciation and impairment losses as of 12/31/21</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>1.9</b>	<b>0.0</b>	<b>3.1</b>	<b>5.6</b>
<b>Net carrying amount as of 12/31/21</b>	<b>101.9</b>	<b>17.3</b>	<b>4.7</b>	<b>31.1</b>	<b>0.1</b>	<b>4.0</b>	<b>159.1</b>

Estimated useful life and depreciation plan is as follows:

Useful life	Indefinite	Indefinite	5 years	1.4 - 10 years	3 years	3 years
Depreciation plan	NA	NA	Straight-line	Straight-line	Straight-line	Straight-line

<b>Intangible assets</b> [USD million]	Goodwill	Trademark	Proprietary technology	Customer relationships	Customer contracts	Research and development	Total
Acquisition cost as of 1/1/20	-	-	-	-	-	3.0	3.0
Additions	-	-	-	-	-	0.9	0.9
Additions/disposal through business combinations	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Acquisition cost as of 12/31/20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.9</b>	<b>3.9</b>
Depreciation and impairment losses as of 1/1/20	-	-	-	-	-	0.9	0.9
Depreciation and impairment losses	-	-	-	-	-	1.0	1.0
Additions/disposal through business combinations	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
<b>Depreciation and impairment losses as of 12/31/20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.9</b>	<b>1.9</b>
<b>Net carrying amount as of 12/31/20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>2.0</b>

Estimated useful life and depreciation plan is as follows:

Useful life	3 years
Depreciation plan	Straight-line

Research & development

Development is an internally developed intangible asset. Engineering salaries are the primary expense incurred in terms of costs related to research, development, and maintenance of platforms and applications. In 2021, \$2.6 million (2020: 0.9) in engineering salaries were expensed in the financial statement. \$2.7 million (2020: 0.9) in development costs were capitalized in 2021. For additional information on judgements related to capitalized R&D costs, see note 4.



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## Note 16 - Business combinations, goodwill and intangible assets

### Impairment testing of goodwill and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Group had goodwill and intangible assets related to the acquisitions of EMG, Uniquist, FAS, Pursue, AGM and Spo Scho in 2021, see above for the purchase price allocation analysis. Each acquisition and company acquired is considered a separate cash-generating unit (CGU).

### FY 2021 Impairment testing of goodwill and intangible assets

Goodwill and intangible assets were tested for impairment at the end of 2021. No impairment losses were identified in 2021, as the determined recoverable amount was above the carrying value.

We have tested the carrying amount of each CGU against the recoverable amount, and there is no indication of impairment. The carrying amount is determined from the consolidated figures of each CGU, including net assets that can be attributed to the CGU. The balance sheet mapping is performed by the same principles as applied in the purchase price allocation (see note above and summary table below).

The recoverable amount is calculated based on two methodologies:

Value in use estimates the future cash flows to be derived from continuing use of the asset. The forecast is based on board approved business forecast for each entity in 2022-2025. In 2026, margins are kept steady, while revenue growth is lowered in light of a long-term growth of 1.5% which forms the basis for the terminal growth.

Fair value less cost of disposal is based on the market approach, applying both transaction multiples from each acquisition and trading multiples for comparable companies as of the valuation date. In the latter method, the implied premium (discount) of the transaction multiples compared to the trading multiples observed in the market at closing is applied to the updated multiples as of the valuation date, adjusted pro rata to reflect the underlying development in each multiple.

The multiples are constructed based on the following assumptions:

- The CGU's are valued based on EV/sales and EV/EBITDAC multiples. Both past year actuals and one year forward looking estimates are applied.
- The peer group applied as basis for the trading multiples includes companies within the segments "education platforms" and "online marketplaces". The first group represents education related platforms, while the latter group includes online marketplaces that are not necessarily related to education.
- The CGU's are valued based on EV/sales and EV/EBITDAC multiples. Both past year actuals and one year forward looking figures for each CGU. Cost of disposal is estimated to be 1% of enterprise value for each company.

[USD million]	EMG Group	Uniquist Group	FAS Group	Pursue	AGM	Spo Scho	Total
Goodwill	63.6	16.4	17.2	2.0	2.2	0.5	101.9
Trademarks/domains	13.6	-	2.5	0.6	0.5	0.1	17.2
Proprietary technology	3.8	-	0.8	-	-	-	4.7
Customer relationships	21.6	5.5	3.9	-	0.1	-	31.1
Customer contracts	-	0.1	-	-	-	-	0.1
<b>Intangibles and goodwill</b>	<b>102.6</b>	<b>22.0</b>	<b>24.5</b>	<b>2.6</b>	<b>2.7</b>	<b>0.6</b>	<b>154.9</b>
Deferred tax on fair value adjustments	8.3	1.1	1.4	0.1	0.1	0.0	11.1
<b>Intangibles and goodwill incl. deferred tax</b>	<b>94.2</b>	<b>20.9</b>	<b>23.1</b>	<b>2.4</b>	<b>2.6</b>	<b>0.5</b>	<b>143.8</b>
Book value of net other assets	2.6	(1.0)	1.8	0.3	(0.0)	(0.2)	3.4
<b>Carrying value</b>	<b>91.6</b>	<b>21.9</b>	<b>21.3</b>	<b>2.1</b>	<b>2.6</b>	<b>0.8</b>	<b>140.4</b>
WACC	10.9%	13.1%	13.2%	13.2%	13.2%	14.3%	

The pre-tax discount rates applied to the cash flows CGUs is calculated based on the weighted average cost of capital (WACC).

### Sensitivity analysis

The Group has performed a sensitivity analysis to reflect changes in the key assumptions:

- For the value in use calculations, key assumptions include EBITDA margin and discount rate
- For fair value less cost of disposal, key assumptions include choice of multiple and underlying performance target; EV/sales or EV/EBITDAC based on past year actuals or one year forward looking estimates for EBITDAC or sales

Based on the key assumptions mentioned above, a value range is estimated for each methodology. This forms the basis for the impairment test.

### Summary

The recoverable amount is the higher of (1) an asset's or cash-generating unit's value in use and (2) its fair value less costs of disposal. For EMG Group, Uniquist Group, Pursue, AGM and Sport Scho, fair value less cost of disposal yields the highest value. For FAS Group, value in use yields the highest value.

For the respective CGU, the carrying value is either lower or within the estimated ranges for the applied methodology, indicating no impairment as of December 31, 2021.



## Note 17 - Non-current financial assets

<b>Non-current financial assets</b> [USD million]	<b>2021</b>	<b>2020</b>	<b>Jan 1, 2020</b>
Equity-accounted investees	0.0	-	-
Investments in subsidiaries	0.0	-	-
Derivative financial instruments	0.0	-	-
Other non-current assets	0.0	-	-
<b>Total</b>	<b>0.1</b>	<b>-</b>	<b>-</b>

Other non-current financial assets consists of receivables.

As at 31 December 2021 the Group has investments in the following associated companies:

### Alliance App Ltd

The Group has invested in 3.000 shares in The Alliance App Ltd and holds a 43% equity interest in the Alliance App Ltd indirectly through the subsidiaries Pursue AS, Sport-Scholarships GmbH and Athletes Global Management Sports SL. There has been no operation in The Alliance App Ltd since the company was established in 2020.



## Note 18 - Trade receivables, contract assets, and other current assets

Trade and other receivables [USD million]	2021	2020	Jan 1, 2020
Current tax assets	0.1	-	-
Prepayments	2.9	1.3	1.1
VAT	0.4	0.1	0.1
Employee benefits	0.0	0.0	-
Other receivables	0.4	0.2	0.4
<b>Other current assets</b>	<b>3.8</b>	<b>1.7</b>	<b>1.6</b>
Contract assets (sublease)	0.0	-	-
Contract assets (unbilled Revenue)	2.0	0.2	0.1
Allowance for bad debts on unbilled revenue	-	-	-
<b>Contract assets</b>	<b>2.0</b>	<b>0.2</b>	<b>0.1</b>
Accounts receivable	13.0	2.6	2.6
Allowance for bad debts	- 0.6	- 0.2	- 0.2
<b>Trade receivables</b>	<b>12.4</b>	<b>2.4</b>	<b>2.5</b>
<b>Total</b>	<b>18.2</b>	<b>4.3</b>	<b>4.2</b>

Ageing of trade receivables [USD million]	2021	2020	Jan 1, 2020
Not past due date	8.5	1.4	1.4
0-30 days	2.3	0.6	0.6
31-60 days	0.6	0.1	0.2
61-90 days	0.3	0.1	0.0
Over 90 days	0.6	0.2	0.2
<b>Total</b>	<b>12.4</b>	<b>2.4</b>	<b>2.5</b>

Movements in the bad debt debt provisions for trade receivables [USD million]	2021	2020	Jan 1, 2020
Opening balance provision for bad debt as at 1/1	- 0.6	- 0.2	- 0.4
Change in provision for the year	0.4	0.1	0.4
Receivables written off during the year	- 0.4	- 0.2	- 0.3
Translation differences	-	-	-
<b>Closing balance provision for bad debt as of 12/31</b>	<b>- 0.6</b>	<b>- 0.2</b>	<b>- 0.2</b>

Trade receivables and contract assets - unbilled revenue per region [USD million]	2021	2020	Jan 1, 2020
Americas	0.1	-	-
EMEA	14.3	2.6	2.6
Asia Pacific	-	-	-
<b>Total</b>	<b>14.4</b>	<b>2.6</b>	<b>2.6</b>

The table above is itemizing the Trade receivables and contract assets based on the location of the legal entity selling the services to the customers



## Note 19 - Classes and categories of financial assets and liabilities

Financial instruments, and contracts accounted for as such, are included in several line items in the statement of financial position and classified in categories for accounting treatment. A classification of financial instruments is presented below:

### Financial assets

[USD million]	2021	2020	Jan 1, 2020
Cash and equivalents (note 13)	9.8	3.9	1.8
Trade receivables (note 18)	12.4	2.4	2.5
Other financial assets	2.8	0.6	0.6
<b>Total</b>	<b>25.0</b>	<b>6.9</b>	<b>4.8</b>

### Financial liabilities

[USD million]	2021	2020	Jan 1, 2020
Borrowings (note 21)	28.4	-	-
Trade payables (note 22)	2.5	0.7	0.2
Lease liability (note 15)	9.8	4.8	5.0
Contingent consideration (note 23)	16.4	-	-
Other financial liabilities	28.2	7.9	7.1
<b>Total</b>	<b>85.4</b>	<b>13.4</b>	<b>12.2</b>

Most of the financial assets held by the Group are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. There are some minor investments in shares that are measured at fair value through profit or loss (see note 17).

All financial liabilities are measured at amortized cost with the exception of contingent liabilities and other share investments which are measured at level 3. The Group does not have financial liabilities held-for-trading or designated at fair value through profit or loss.

The carrying amounts of financial assets and liabilities approximate their fair value as at 12/31/21.

Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

*The levels in the fair value hierarchy are based on the extent to which fair values are observable:*

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair value of the arrangements with financial institutions fall within level 3 of the fair value hierarchy.



## Note 20 - Maturity analysis financial liabilities

(Amounts in USD thousands)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

### As at 12/31/2021

[USD million]	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	34.4	2.4	2.4	29.6		
Lease liability (note 15)	11.3	2.3	2.1	1.9	1.8	3.2
Contingent consideration (note 23)	15.9	2.0	8.2	5.7	-	
Total interest-bearing liabilities	61.6	6.7	12.7	37.2		3.2
Trade payables (note 22)	2.5	2.5	-	-	-	-
Other financial liabilities	12.6	12.6	-	-	-	-
Total non-interest-bearing liabilities	15.2	15.2	-	-	-	-
<b>Total financial liabilities</b>	<b>76.8</b>	<b>21.8</b>	<b>12.7</b>	<b>37.2</b>	<b>-</b>	<b>3.2</b>

The earnout payments are the estimated future payments. Please see note 23 contingent consideration for more information about earnout payments.

### As at 12/31/2020

[USD million]	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	-	-	-	-	-	-
Lease liability (note 15)	5.3	0.9	1.0	0.9	0.8	1.7
Contingent consideration (note 23)	-	-	-	-	-	-
Total interest-bearing liabilities	5.3	0.9	1.0	0.9		1.7
Trade payables (note 22)	0.7	0.7	-	-	-	-
Other financial liabilities	2.5	2.5	-	-	-	-
Total non-interest-bearing liabilities	3.2	3.2	-	-	-	-
<b>Total financial liabilities</b>	<b>8.5</b>	<b>4.1</b>	<b>1.0</b>	<b>0.9</b>	<b>-</b>	<b>1.7</b>

### As at 1/1/2020

[USD million]	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	-	-	-	-	-	-
Lease liability (note 15)	6.0	0.7	0.9	1.0	0.9	2.6
Contingent consideration (note 23)	-	-	-	-	-	-
Total interest-bearing liabilities	6.0	0.7	0.9	1.0	0.9	2.6
Trade payables (note 22)	0.2	0.2	-	-	-	-
Other financial liabilities	2.1	2.1	-	-	-	-
Total non-interest-bearing liabilities	2.3	2.3	-	-	-	-
<b>Total financial liabilities</b>	<b>8.3</b>	<b>3.0</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>2.6</b>



## Note 21 - Borrowings and interest bearing liabilities

In Dec 2020, Keystone Academic Solutions AS signed a credit facility agreement with Ture, allowing the company to borrow up to SEK 500m for 3.5 years

As at December 31, 2022, the equivalent of \$28.4m of the facility had been drawn up, drawn in SEK 140.0m and EUR 11.4m.

The credit facility includes covenants on financial- and operational metrics, and these have largely been unchanged since signing of the agreement. However, some adjustments have been made on profitability targets (financial metric) and recruitment targets (operational metric).

The facility is secured through a pledge in shares in Keystone Academic Solutions AS and subsidiaries.

The credit facility specifies interest rates for any drawn amount defined as a margin over STIBOR (for SEK amounts drawn) and EURIBOR (For EUR amounts drawn), where the floor for STIBOR and EURIBOR is zero.

<b>Borrowings</b> [USD million]	<b>2021</b>	2020	Jan 1, 2020
Balance as of 1/1	-	-	-
Additions through business combinations	6.3	-	-
New loan drawn up	29.3	-	-
Repayment of loan (principal part)	- 6.3	-	-
Interest expense incurred	1.6	-	-
Interest expense paid	- 1.6	-	-
Translation differences	- 0.9	-	-
<b>Total borrowings as of 12/31</b>	<b>28.4</b>	-	-
Debt to financial institutions	28.4	-	-
<b>Non-current liabilities</b>	<b>28.4</b>	-	-
Debt to financial institutions	-	-	-
<b>Current liabilities</b>	-	-	-
<b>Total borrowings as of 12/31</b>	<b>28.4</b>	-	-

Interest-bearing liabilities are measured at amortised cost, and instalments falling due within 12 months after the reporting date are classified as current (this includes capitalised interest).

Please also refer to note 13 and 20 for more information about FX and maturity.

### Net interest bearing debt reconciliation

The tables below sets out an analysis of net interest bearing debt and the movements in net debt for each of the periods

[USD million]	<b>2021</b>	2020	Jan 1, 2020
Cash and cash equivalents	<b>9.8</b>	3.9	1.8
Borrowings	<b>28.4</b>	-	-
Contingent consideration	<b>16.4</b>	-	-
Lease liabilities	<b>9.8</b>	4.8	5.0
<b>Net cash</b>	<b>- 44.8 -</b>	0.9 -	3.2
Cash and cash equivalents	9.8	3.9	1.8
Gross debt - fixed interest rate	-	-	-
Gross debt - variable interest rate	<b>54.6</b>	4.8	5.0
<b>Net cash</b>	<b>- 44.8 -</b>	0.9 -	3.2



## Note 22 - Trade payable and other liabilities

<b>Trade payable and other liabilities</b> [USD million]	<b>2021</b>	<b>2020</b>	<b>Jan 1, 2020</b>
Trade payable	2.5	0.7	0.2
Cogs accruals and other accruals	-	0.0	-
<b>Trade payable and other payable</b>	<b>2.5</b>	<b>0.7</b>	<b>0.2</b>
<b>Contract liability (Deferred revenue/pre-payment from customers)</b>	<b>15.6</b>	<b>5.4</b>	<b>4.9</b>
<b>Derivative financial instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accrued salary fee, bonus and commissions	1.6	0.7	-
Accrued vacation money	1.6	0.7	0.8
Other employee liabilities	0.9	0.1	-
<b>Employee benefit obligations</b>	<b>4.1</b>	<b>1.4</b>	<b>0.8</b>
VAT	1.2	-	-
Employee withholding tax	1.1	0.4	0.3
Payroll tax	1.0	0.4	0.5
<b>Public duties payable</b>	<b>3.3</b>	<b>0.8</b>	<b>0.9</b>
Accrued expenses	3.4	0.1	0.4
Other current liabilities <sup>1)</sup>	1.8	0.3	-
<b>Other current liabilities</b>	<b>5.2</b>	<b>0.4</b>	<b>0.4</b>
<b>Total</b>	<b>30.8</b>	<b>8.6</b>	<b>7.2</b>

<sup>1)</sup> \$1.7m is related to Uniquist SPA payments (net working capital and withheld amount) paid in 2022.

### Contract liability (Deferred revenue/pre-payment from customers)

The Group receives payments from customers based on a billing schedule, as established in our contracts. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.



## Note 23 - Provisions and contingent liabilities

### Other contingent liabilities

The Group is not involved in any disputes or trials as the balance sheet date or as the date of the approval of these financial statement, that would lead to recognition of a liability or require disclosure.

Management and the Board are not aware of any such incidents that may have a negative impact on the Group.

### Earnout provisions

The Group has assumed earnout obligations as part of the business combinations executed during 2021. For more information, please see note 15.

### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows  The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios where KEG has forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	*Forecasted annual revenue  *Forecasted EBIT  *Risk-adjusted discount rate	The estimated fair value would increase (decrease) if:  *The annual revenue growth rate were higher (lower),  * The EBIT margin were higher (lower); or  * The risk-adjusted discount rate were lower (higher)  Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBIT margin.



## Note 23 - Provisions and contingent liabilities

The following table shows a reconciliation from the opening balance to the closing balances for Level 3 fair values related to contingent consideration (earnout):

Contingent consideration [USD million]	Uniquist	FAS	CSUSA	AGM	Spo Scho	Total
Balance as of 1/1	-	-	-	-	-	-
Assumed in a business combination	8.9	3.0	0.8	1.1	0.1	14.0
Paid	-	-	-	-	-	-
Provisions changed during the year	-	-	-	0.0	-	0.0
Interest expenses	0.3	0.4	0.1	0.0	0.0	0.8
Foreign exchange differences	0.1	0.1	-	0.1	0.0	0.1
OCI	-	-	-	-	-	-
<b>Balance as of 12/31</b>	<b>9.4</b>	<b>3.4</b>	<b>0.8</b>	<b>1.0</b>	<b>0.2</b>	<b>14.9</b>
Non-current portion	8.2	1.9	0.4	1.0	0.2	11.8
Current portion	1.1	1.5	0.4	-	-	3.1
<b>Total</b>	<b>9.4</b>	<b>3.4</b>	<b>0.8</b>	<b>1.0</b>	<b>0.2</b>	<b>14.9</b>

The table below shows the estimated payment period and earnout payments converted to USD million using the balance end rate:

Estimated future payments [USD million]	Uniquist	FAS	CSUSA	AGM	Spo Scho	Total
March - 22	-	1.5	0.5	-	-	2.0
August - 22 <sup>1)</sup>	-	-	-	-	-	-
March - 23	4.7	2.2	0.4	0.9	-	8.2
March - 24	5.1	-	-	0.4	0.2	5.7
March - 25	-	-	-	-	-	-
<b>Total</b>	<b>9.8</b>	<b>3.7</b>	<b>0.9</b>	<b>1.3</b>	<b>0.2</b>	<b>15.9</b>
Currency	GBP	GBP	NOK	EUR	EUR	
FX rate	1.351	1.351	0.113	1.134	1.134	

The table above shows the estimated future payments. The expected future payments are estimated by considering the possible scenarios of forecast revenue and EBIT, the amount to be paid under each scenario, and the probability of each scenario.

<sup>1)</sup> In addition, £1.25m (\$1.52m) in sellers credit is booked as other short term liabilities. Please refer to note 16 for more information.

Estimated maximum payments [USD million]	Uniquist	FAS	CSUSA	AGM	Spo Scho	Total
March - 22	-	1.5	0.5	-	-	2.0
August - 22 <sup>1)</sup>	-	-	-	-	-	-
March - 23	6.8	2.2	0.4	0.9	0.2	10.4
March - 24	8.1	-	-	0.8	1.0	9.9
March - 25	-	-	-	-	-	-
<b>Total</b>	<b>14.9</b>	<b>3.7</b>	<b>0.9</b>	<b>1.7</b>	<b>1.1</b>	<b>22.3</b>
Currency	GBP	GBP	NOK	EUR	EUR	
FX rate	1.351	1.351	0.113	1.134	1.134	

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant <sup>1)</sup>, have the following effects on the net present value and the fair value of the contingent consideration:

<sup>1)</sup> Generally, a change in the annual revenue is accompanied by a directionally similar change in EBIT

Effect on net present value [USD million]	Uniquist	FAS	CSUSA	AGM	Spo Scho	Total
Annual revenue (10% increase)	1.6	-	-	0.3	0.1	2.0
Annual revenue (10% decrease)	1.5	1.9	0.2	1.0	0.1	4.8
EBITDA (5% increase)	-	-	-	-	-	-
EBITDA (5% decrease)	-	-	-	1.0	-	1.0

  

Effect on fair value [USD million]	Uniquist	FAS	CSUSA	AGM	Spo Scho	Total
Annual revenue (10% increase)	1.9	-	-	0.4	0.1	2.5
Annual revenue (10% decrease)	1.9	2.2	0.2	1.3	0.2	5.8
EBIT (5% increase)	-	-	-	-	-	-
EBIT (5% decrease)	-	-	-	1.3	-	1.3



## Note 24 - Share capital and shareholders

As of December 31, 2021, KEG had a share capital of NOK 8,679,324.15 (USD 984,582.53) divided into 6,429,129 ordinary shares with a nominal value of NOK 1.35 each (USD 0.15). All ordinary shares have equal voting rights and the right to receive dividends.

Please refer to the Consolidated statement of changes in equity for information about equity transactions.

### Dividends

KEG did not pay a dividend in 2021 or 2020.

The Board of Directors proposes that the 2021 Annual General Meeting does not approve any dividend payment.

### Ownership structure

The largest shareholders of Keystone Education Group AS shares as of December 31, 2021, were as follows:

<i>[In number of shares]</i>	Shares	2021 Owner's and voting share %	2020 Owner's and voting share %
Skandinaviska Enskilda Banken AB	1,203,234	18.7%	0.0 %
Verdane Capital x (D) AB	1,104,186	17.2%	0.0 %
Bjørk Invest AS	687,282	10.7%	25.9 %
Avanza Bank AB	609,210	9.5%	0.0 %
Verdane Capital x (E) AB	437,484	6.8%	0.0 %
Viking Venture 15 AS	434,600	6.8%	19.2 %
Viking Venture 15B AS	421,346	6.6%	0.0 %
Møsbu AS	207,271	3.2%	4.7 %
Svenska Handelsbanken AB	167,898	2.6%	0.0 %
Tema invest AS	123,864	1.9%	4.5 %
S. Ugelstad Invest AS	114,822	1.8%	4.3 %
Jem Forvaltning AS	114,246	1.8%	0.0 %
Andrew Stuart Holliday	109,088	1.7%	0.0 %
Andrew Pritchard	109,088	1.7%	0.0 %
IDL Solution AS	108,204	1.7%	0.0 %
<b>Sum</b>	<b>5,951,823</b>	<b>92.6 %</b>	<b>58.6 %</b>
Other shareholders	477,306	7.4 %	41.4 %
<b>Total numbers of shares</b>	<b>6,429,129</b>	<b>100.0 %</b>	<b>100.0 %</b>

Please refer to note 12 for information about related parties and ownership percentage for Board of Directors and Executive Management of the Group and their immediate relatives



## Note 25- Events after the reporting date

### Name change

Effective as of March 24, 2022 Keystone Academic Solutions Holding AS changed its name to Keystone Education Group AS.

### Change of board members

Effective as of March 2, Keystone Education Group AS change the board of directors which now consists of:

Keith Barry Fransson (chairman)  
Carl Fredrik Gustav Søderlindh  
Jostein Vik  
Thorstein Berg  
Karin Cecilia Kans (new member)

### Impact of COVID-19

The Covid-19 pandemic is still impacting the world economy and KEGs market segment with unknown long-term effects. KEG has continued to operate efficiently during the pandemic. The board of directors and management continue to monitor the situation and initiate relevant measures as they see fit in light of the development.

### Impact of war in Ukraine

The Ukraine war situation is impacting the world economy and KEGs market segment with unknown long-term effects. The outbreak of war in Ukraine affects people, financial markets and trade globally. KEG is directly affected as renewal of new Russian customers are put on hold due to uncertainty of payments from Russian customers. Uncertain trade receivables are accrued as bad debt. Further, KEG notices limited effect of very high energy prices.

### Acquisition of Uniexperts GmbH

In March 2022, KEG announced the acquisition of 100% of the shares of Uniexperts GmbH to reinforce its Keystone Sports arm. Uniexperts is a placement firm for German and DACH student-athletes with a focus on tennis, seeking academic opportunities in the United States and Canada.

KEG paid an upfront amount of EUR 0.41m in cash at the close of the transaction. Up to EUR 1.1m in performance pay outs are tied to 2022-2023 calendar year revenue and EBITDA margin targets.

PPA valuation and calculations are yet to be done.

### Acquisition of Study Outside Norway AS (Sonor)

In June 2022, KEG announced the acquisition of 100% of the shares of Sonor to strengthen the agent business in KEG.

Sonor is a placement firm for Norwegian students seeking academic opportunities abroad, e.g., in US, UK and Australia

KEG paid an upfront amount of NOK 9.4m in cash at the close of the transaction. Up to NOK 11.2m in performance pay outs are tied to 2022-2023 calendar year revenue and EBITDA-capex margin targets.

PPA valuation and calculations are yet to be done.

### Borrowings

KAS has on December 22, 2020 entered into certain terms and conditions with Ture Invest AB as agent on behalf of the noteholders pursuant to which KAS has issued certain floating rate notes and may issue the equivalent of up to SEK 500.0m senior secured floating rate notes. The board referred to KAS's contemplated entry into of a tap issue addendum to the terms and conditions pursuant to which KAS may issue subsequent notes in an amount of SEK 75.0m (the "Tap Issue"). The proceeds from the Tap Issue was made available for KAS on March 30, 2022. After the "tap issue", the equivalent of \$36.4m of the facility had been drawn up, drawn in SEK 215.0m and EUR 11.4m.



## Note 26 - Transition to IFRS

The financial statements for the year ended 31 December 2021, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the group prepared its financial statements in accordance with generally accepted accounting principles in Norway (NGAAP). Accordingly, the Group has prepared financial statements that comply with IFRS, applicable as of 31 December 2021, together with the comparative period data for the year ended 31 December 2020. In preparing the financial statements, the Group's opening statement of financial position was prepared as of 1 January 2020, the Group's date of transition to IFRS. This note explains the principal adjustments made by the group in restating its NGAAP financial statements, including the statement of financial position as of 1 January 2020 and the income statement for the year ended 31 December 2020 and 31 December 2021.

### Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The group has applied the following exemptions:

- The Group has assessed whether a contract existing at the date of transition to IFRSs contains a lease by applying paragraphs 9–11 of IFRS 16 to those contracts on the basis of facts and circumstances existing at that date. The Group has applied the following exemptions at the date of transition to IFRS:

- 1) The Group has elected not to recognise a lease liability and right-of-use asset for leases for which the lease term ends within 12 months of the date of transition to IFRSs. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.
- 2) The Group has elected to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- 3) The Group has excluded initial direct costs from the measurement of the right-of-use asset.

- The Group has applied the transition provision in IFRS 15.C15. The date of initial application is interpreted as the 1 January 2020 according to IFRS 1 D34.

- Cumulative currency translation differences for all foreign operations are deemed to be zero at 1 January 2020.

The Group has not applied the exemption allowed for accounting for business combinations, but has applied IFRS 3 retrospectively to business combinations occurring prior to the transition date.



## Reconciliation of equity

	Note	as of 1 January 2020			as of 31 December 2020		
		NGAAP	Effect of transition to IFRS		NGAAP	Effect of transition to IFRS	
			IFRS	IFRS		IFRS	IFRS
<b>Assets</b>							
Property, plant and equipment	14	0.3		0.3	0.2	-	0.2
Right of use assets	15		4.4	4.4		3.8	3.8
Intangible assets	16	2.1		2.1	2.0	-	2.0
Deferred tax assets	11	0.3		0.3	0.2	-	0.2
<b>Total non-current assets</b>		<b>2.7</b>	<b>4.4</b>	<b>7.1</b>	<b>2.5</b>	<b>3.8</b>	<b>6.3</b>
<b>Inventories</b>							
Other current assets	13, 18, 19	1.6		1.6	1.7	-	1.7
Contract assets	13, 18, 19	0.1		0.1	0.2	-	0.2
Trade receivables	13, 18, 19	2.5		2.5	2.4	-	2.4
Cash and cash equivalents	13, 19	1.8		1.8	3.9	-	3.9
<b>Total current assets</b>		<b>5.9</b>	<b>-</b>	<b>5.9</b>	<b>8.2</b>	<b>-</b>	<b>8.2</b>
<b>Total assets</b>		<b>8.7</b>	<b>4.4</b>	<b>13.1</b>	<b>10.8</b>	<b>3.8</b>	<b>14.6</b>
<b>Liabilities</b>							
Lease liabilities	15, 19, 20, 21		4.3	4.3		4.1	4.1
Employee benefit obligations	19	0.0	-	0.0	0.0	-	0.0
Other non-current liabilities		1.1		1.1		-	-
<b>Total non-current liabilities</b>		<b>1.0</b>	<b>4.3</b>	<b>5.3</b>	<b>0.0</b>	<b>4.1</b>	<b>4.1</b>
Trade payable and other payable	19, 22	0.2		0.2	0.7	-	0.7
Deferred revenue	22	4.8	0.1	4.9	5.4	-	5.4
Lease liabilities	15, 19, 20, 21		0.7	0.7		0.7	0.7
Employee benefit obligations	19, 22	0.8		0.8	1.4	-	1.4
Public duties payable	19, 22	0.9		0.9	0.9	-	0.8
Other current liabilities	19, 22	0.4		0.4	0.8	-	0.4
<b>Total current liabilities</b>		<b>7.1</b>	<b>0.9</b>	<b>8.0</b>	<b>9.2</b>	<b>0.1</b>	<b>9.3</b>
<b>Total liabilities</b>		<b>8.1</b>	<b>5.1</b>	<b>13.3</b>	<b>9.2</b>	<b>4.2</b>	<b>13.4</b>
<b>Shareholders' equity and liabilities</b>							
Equity attributable to owners of the company	24	0.5	0.7	0.2	1.5	0.3	1.2
Non-controlling interests	24			-			-
<b>Total equity</b>		<b>0.5</b>	<b>0.7</b>	<b>0.2</b>	<b>1.5</b>	<b>0.3</b>	<b>1.2</b>
<b>Total equity and liabilities</b>		<b>8.7</b>	<b>4.4</b>	<b>13.1</b>	<b>10.8</b>	<b>3.8</b>	<b>14.6</b>

The change in Right of use assets, Lease liabilities, Equity, Depreciation and Interest expense are related to implementation of IFRS 16.

The change in Sharebased payments, Equity, Public duties payable and Payroll related expenses are related to recalculation and implementation of equity settled sharebased payments in line with IFRS 2.

The change in Deferred revenue and Revenue from contracts with customers are related to recalculation and implementation of free service periods provided to costumers and revenue recognition of multiple elements in line with IFRS 15.

The change in Payroll expenses and Employee benefit obligations are related to recalculation and implementation of sales commission in line with IFRS 15.

The change in Other current liabilities and Other operating expenses are related to correction of loss on rent premisses in line with IFRS 16.

The change in Other current liabilities and Special items are related to moving M&A cost down to special items.



## Reconciliation of comprehensive income 2020 (NGAAP amounts are reclassified to reflect IFRS line items)

		FY 2020			
			Effect of transition to		
		NGAAP	IFRS	IFRS	
Revenue from contracts with customers	5, 13		16.2	0.1	16.2
Cost of services	6, 13	-	0.2	-	0.2
<b>Gross profit</b>			<b>16.0</b>	<b>0.1</b>	<b>16.0</b>
Payroll and related expenses, excl stock-based compensation exper	7	-	10.1	0.1	10.0
Share-based payments	7	-	-	0.3	0.3
Depreciation, amortization, and impairment expenses	14, 15, 16	-	2.0	0.6	2.6
Other operating expenses	8	-	3.5	1.3	2.2
<b>Total operating expenses</b>	<b>13</b>	<b>-</b>	<b>15.6</b>	<b>0.5</b>	<b>15.0</b>
<b>Operating profit ("EBIT"), excluding special items</b>			<b>0.4</b>	<b>0.6</b>	<b>1.0</b>
Special items	9	-	-	0.1	0.1
<b>Operating profit ("EBIT")</b>			<b>0.4</b>	<b>0.5</b>	<b>0.9</b>
Interest income	10		0.0	-	0.0
Foreign exchange gains	10		0.6	-	0.6
Interest expenses	10	-	0.0	0.5	0.5
Foreign exchange losses	10	-	0.3	-	0.3
Other finance costs	10	-	0.1	-	0.1
<b>Net financial items</b>			<b>0.2</b>	<b>0.5</b>	<b>0.4</b>
<b>Profit (loss) before income tax</b>			<b>0.6</b>	<b>0.1</b>	<b>0.5</b>
Income tax expense	11	-	0.1	-	0.1
<b>Profit (loss)</b>			<b>0.4</b>	<b>0.1</b>	<b>0.4</b>
<b>Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)</b>					
Exchange differences on translation of foreign operations		-	0.0	-	0.0
<b>Total comprehensive income/loss</b>			<b>0.4</b>	<b>0.1</b>	<b>0.4</b>



		as of 31 December 2020			
		Effect of transition to			
		NGAAP	IFRS	IFRS	
<b>Cash flow from operating activities</b>	Note				
Profit (loss before tax)		0.6	-	0.1	0.5
Income taxes paid		-	0.0	-	0.0
Depreciation, amortisation and impairment losses	14, 16	-	2.0	0.6	2.6
Changes in inventories, trade receivables, trade and other payables		0.4	-	0.1	0.3
Other net finance items		1.1	-	-	1.1
Changes in other operating working capital		-	-	1.3	1.3
Share-based payments		-	-	0.3	0.3
FX differences related to changes in balance sheet items		-	0.5	0.5	0.0
<b>Net cash flow from operating activities</b>		3.5	-	-	3.5
- of which included in continuing operations		3.5	-	-	3.5
<b>Cash flow from investment activities</b>					
Purchases of property, plant and equipment and intangible assets	14	-	1.9	-	1.9
<b>Net cash flow from investment activities</b>		-	1.9	-	1.9
- of which included in continuing operations		-	1.9	-	1.9
<b>Cash flow from financing activities</b>					
Proceeds from issuance of shares, net (equity increase)	24	0.6	-	-	0.6
<b>Net cash flow from financing activities</b>		0.6	-	-	0.6
- of which included in continuing operations		0.6	-	-	0.6
<b>Net change in cash and cash equivalents</b>		2.2	-	-	2.2
Cash and cash equivalents (beginning balance)		1.8	-	-	1.8
<b>Cash and cash equivalents (end balance)</b>		3.9	-	-	3.9
- of which included in cash and cash equivalents in the balance sheet		3.9	-	-	3.9



## Note 27 - Alternative Performance Measures (APM)

*(Amounts in USD thousands)*

Alternative performance measures, i.e. financial performance measures not within the applicable financial reporting framework, are used by Keystone to provide supplemental information, by excluding items that, in Keystone's view, does not give an indication of the periodic operating results of the Company. Financial APMs are intended to enhance comparability of the results and cash flows from period to period. APM used is Adj. EBITDA (earnings before financial items, tax, depreciation and amortization).

### Reconciliation from profit of the year to EBIT

[USD million]	Year ended 31 December 2021	Year ended 31 December 2020
Operating profit ("EBIT"), excluding special items	1.3	1.0
Share-based payments	0.4 -	0.3
Depreciation, amortization, and impairment expenses	5.2 -	2.6
Adj. EBITDA	6.8 -	1.9

Net cash (debt): Short- and long-term interest-bearing debt adjusted for the Groups liquidity positions. Only the utilized part of the credit facility are included in the calculations.



**Keystone Education Group AS  
Parent Company  
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## Keystone Education Group AS

### Statement of profit or loss and other comprehensive income

<i>(Amounts in USD million)</i>			
	Note	12/11/20-12/31/21	2020
<b>Continuing operations</b>			
Other operating expenses	8	(0.2)	-
<b>Total operating expenses</b>	13	(0.2)	-
<b>Operating profit ("EBIT"), excluding special items</b>		(0.2)	-
Special items	9		
<b>Operating profit ("EBIT")</b>		(0.2)	-
Interest income	10, 15	0.2	-
Other finance costs		0.0	-
<b>Net financial items</b>		0.2	-
<b>Profit (loss) before income tax</b>		(0.0)	-
Income tax expense	11	(0.0)	
<b>Profit (loss)</b>		(0.0)	-
<b>Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)</b>			
Exchange differences on translation of foreign operations		0.0	
<b>Total comprehensive income/loss</b>		(0.0)	-
<b>Profit is attributable to:</b>			
Owners of KEG AS	-	0.0	-
Non-controlling interests		-	-
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of KEG AS	-	0.0	-
Non-controlling interests		-	-



## Keystone Education Group AS

### Statement of financial position

<i>(Amounts in USD million)</i>				
	Note	31 December 2021	31 December 2020	1 January 2020
<b>Assets</b>				
Investments in subsidiaries	16	96.8	-	-
Other non-current assets	17	6.8	-	-
<b>Total non-current assets</b>		<b>103.6</b>	-	-
Inventories				
Other current assets	13, 17, 18, 19	3.6	-	-
Cash and cash equivalents	13, 19	0.9	-	-
<b>Total current assets</b>		<b>4.5</b>	-	-
<b>Total assets</b>		<b>108.2</b>	-	-
Trade payable and other payable				
Employee benefit obligations	19, 22	0.1	-	-
	19, 22	0.9	-	-
<b>Total current liabilities</b>		<b>1.0</b>	-	-
<b>Total liabilities</b>		<b>1.0</b>	-	-
<b>Shareholders' equity and liabilities</b>				
Equity attributable to owners of the company	24	107.2	-	-
Non-controlling interests	24	-	-	-
<b>Total equity</b>		<b>107.2</b>	-	-
<b>Total equity and liabilities</b>		<b>108.2</b>	-	-

Fomebu, June 22, 2022

\_\_\_\_\_  
Keith Barry Fransson (chairman) (sign)

\_\_\_\_\_  
Carl Fredrik Gustav Sæderlinch (sign)

\_\_\_\_\_  
Jostein Vik (sign)

\_\_\_\_\_  
Karin Cecilia Kans (sign)

\_\_\_\_\_  
Thorstein Berg (sign)

\_\_\_\_\_  
Erik Carson Harrell (CEO) (sign)



## Keystone Education Group AS

### Statement of cash flows

<i>(Amounts in USD million)</i>			
	Note	Year Ended 31 December 2021	Year Ended 31 December 2020
<b>Cash flow from operating activities</b>			
Profit (loss before tax)		(0.0)	-
Changes in inventories, trade receivables, trade and other payables		0.0	-
Interest income		(0.0)	-
Interest payment		0.0	-
Changes in other operating working capital		(5.9)	-
FX differences related to changes in balance sheet items		0.0	-
<b>Net cash flow from operating activities</b>		<b>(5.9)</b>	<b>-</b>
<i>- of which included in continuing operations</i>		<i>(5.9)</i>	<i>-</i>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares, net (equity increase)	24	6.2	-
Proceeds from issuance of shares, net (incentive program)	24	0.6	-
<b>Net cash flow from financing activities</b>		<b>6.8</b>	<b>-</b>
<i>- of which included in continuing operations</i>		<i>6.8</i>	<i>-</i>
<b>Net change in cash and cash equivalents</b>		<b>0.9</b>	<b>-</b>
Cash and cash equivalents (beginning balance)		0.0	-
<b>Cash and cash equivalents (end balance)<sup>1)</sup></b>		<b>0.9</b>	<b>-</b>
<i>- of which included in cash and cash equivalents in the balance sheet</i>		<i>0.9</i>	<i>-</i>

<sup>1)</sup>Of which \$0.0 million (2020: \$0.0 million) is restricted cash as of December 31, 2021.



Keystone Education Group AS

Statement of changes in equity

(Amounts in USD million)	Number of shares outstanding (million)	Paid-in capital (par value) share premium	Other reserves	Reserve for own shares	Transition reserve	Other equity	Non-controlling interests	Total equity
Balance sheet reconciliation								
Opening balance as of 1/1/21								
Comprehensive income/loss						(0.0)		(0.0)
Profit (loss)						(0.0)		(0.0)
Other comprehensive income (loss)								
Other comprehensive income (loss) for the period					0.0			0.0
<b>Total comprehensive income (loss) for the period</b>					<b>0.0</b>	<b>(0.0)</b>		<b>(0.0)</b>
Contributions by and distributions to owners								
Issuance of ordinary shares related to equity increase	6.4	1.0	105.0					105.9
Share-based payment transactions			0.7					0.7
<b>Total contributions by and distributions to owners</b>	<b>6.4</b>	<b>1.0</b>	<b>105.0</b>	<b>0.7</b>				<b>106.6</b>
Other equity changes								
Other changes						0.6		0.6
<b>Total other equity changes</b>						<b>0.6</b>		<b>0.6</b>
<b>Total equity as of 12/31/21</b>	<b>6.4</b>	<b>1.0</b>	<b>105.0</b>	<b>0.7</b>	<b>0.0</b>	<b>0.5</b>		<b>107.2</b>

**Non-controlling interests**

There is no non-controlling interests in the KEG group.

**Face value of the shares**

The face value of the shares is NOK 1.35, and there is outstanding 6,429,129 shares as of December 31, 2021. Please refer to note 24 for more information about the share capital and shareholders information.

**Issuance of ordinary shares related to equity increase**

During 2021 KEG issues 6,429,129 shares of which \$5.7m was paid in cash and \$96.0m was paid through a contributions in kind.

**Not yet registered share capital increase**

16,071 shares are not yet registered as a capital increase in the Business Register. The capital increase amounts to \$4.3m and was paid through a contributions in kind.

**Other changes**

During 2021, KEG issued 99,151 warrants in relation with the business combination of EMG group. Total payment received was \$0.6m.

**Other reserves**

Other reserves consist of option costs recognized according to the equity settled method.

**Reserve for treasury shares**

The reserve for the Company's own shares comprises the face value cost and excess value of own shares held by the Company. By end of December 31, 2021 the company had 0 treasury shares. During the year, KEG purchased and sold 0 treasury shares.

**Transition reserve**

The transition reserve consists of all foreign currency differences arising from the transition of the financial statements of group companies with a functional currency that is not USD.

**Other equity**

Other equity consists of all other transactions, including but not limited to, total recognized income and expense for the current period.



Keystone Education Group AS

Statement of changes in equity

(Amounts in USD million)	Number of shares outstanding (million)	Paid-in capital (par value)	Share premium	Paid-in capital (par value)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Balance sheet reconciliation										
Opening balance as of 1/1/20										
Comprehensive income/loss										
Profit/loss										
Other comprehensive income/loss										
Other comprehensive income/loss for the period										
<b>Total comprehensive income/loss for the period</b>										
<b>Total contributions by and distributions to owners</b>										
<b>Total other equity changes</b>										
<b>Total equity as of 12/31/20</b>										



**Keystone Education Group AS**  
**Parent Company Financial Statements 2021**

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<b>Note #</b>	<b>Title</b>
1	General information
2	Summary of significant accounting policies
3	Adoption of new and revised International Financial Reporting Standards and Interpretations
4	Critical accounting judgments and key sources of estimation uncertainty
5	Revenue
6	Cost of services
7	Payroll expenses and remuneration to management
8	Other operating expenses
9	Special items
10	Finance income and finance expense
11	Taxes
12	Transactions with related parties
13	Financial instruments risk management objectives and policies
14	Property, plant & equipment
15	Leases
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17	Other non-current assets
18	Trade receivables, contract assets, and other current assets
19	Classes and categories of financial assets and liabilities
20	Maturity analysis financial liabilities
21	Interest bearing liabilities
22	Trade payables and other liabilities
23	Provisions and contingent liabilities
24	Share capital and shareholder information
25	Events after the reporting date
26	APM



## **Note 1 - General information**

Keystone Education Group AS ("KEG") is a limited liability company founded in 2020, which controls the shares in Keystone Academic Solutions AS ("KAS") which was founded in 2007. Both companies are incorporated and domiciled in Norway, and the address of the registered office is Rolfsbuktheien 4d, 1364 Fornebu, Norway. FY 2021 is the first financial year KEG are issuing financials. The financial year runs from December 11, 2020 to December 31, 2021.

These financial statements were approved for issue by the Board of Directors on June 22, 2022. Minor rounding differences may exist and the total may deviate from the total of the individual amounts. This is due to the rounding of whole amounts to millions for presentation purposes.

Please see note 1 in the consolidated financial statements for more information about the group companies and main activities.



## Note 2 - Summary of significant accounting policies

### General information

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and accompanying interpretations. The parent company financial statements also include certain disclosures in order to comply with certain regulations and paragraphs in the Norwegian Accounting Act.

The explanation of the accounting policies in the Consolidated financial statements also applies to the parent company, and the notes to the consolidated financial statements will cover the parent company, with the exception of the below.

### *Investments in subsidiaries – parent company*

For investments in subsidiaries, associates and jointly controlled entities, the cost method is applied. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken as income. Dividends exceeding the portion of retained profit after the acquisition are reflected as a reduction in cost price. Dividend/group contribution from subsidiaries are reflected in the same year that the dividend is approved by the general meeting.

Investments in subsidiaries, associates and jointly controlled entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.



**Note 3 – Adoption of new and revised International Financial Reporting Standards and Interpretations**

**3.1 Standards and Interpretations affecting amounts reported in the current period**

These consolidated financial statements are the first consolidated financial statements issued by the parent company. All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2021 and earlier have been adopted for all periods presented in these consolidated financial statements.

Please see note 3 in the consolidated financial statements for more information about the IFRS and interpretations.



#### **Note 4 - Critical accounting judgments and key sources of estimation uncertainty**

In applying the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant including expectations of future events that are deemed to be reasonable under the current circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Deferred tax assets, see note 11**

Please see note 4 in the consolidated financial statements for more information.

**Impairment, see note 16**

Please see note 4 in the consolidated financial statements for more information.



**Note 5 - Revenue**

There is no revenue recognized in the parent company financials.



**Note 6 - Cost of services**

There is no cost of service recognized in the parent company financials.



**Note 7 - Payroll expenses and remuneration to management**

There is no employees hired in the parent company, hence there is no payroll expenses recognized in the parent company financials.



## Note 8 - Other operating expenses

### Other operating expenses

[USD million]	12/11/20-12/31/2	2020
Audit, legal and other advisory services	- 0.2	-
<b>Total</b>	<b>- 0.2</b>	<b>-</b>

### Auditor's remunerations

The remuneration breakdown (excl. VAT) paid and recognised as an expense for the year to the group's auditor is as follows:

[USD million]	12/11/20-12/31/2	2020
Statutory auditing services	0.1	-
<b>Total fee to auditor</b>	<b>0.1</b>	<b>-</b>



**Note 9 - Special items**

There is no special items recognized in the parent company financials.



**Note 10 - Finance income and finance expense**

<b>Finance income and finance expense</b>		
[USD million]	12/11/20-12/31/2	2020
Interest income	0.2	-
<b>Finance income</b>	<b>0.2</b>	<b>-</b>
Other finance costs	0.0	-
<b>Finance expense</b>	<b>0.0</b>	<b>-</b>



## Note 11 - Taxes

### Income tax expense recognized in the statement of comprehensive income:

[USD million]	12/11/20-12/31/21	2020
Current income tax payable	- 0.0	-
<b>Tax expense</b>	<b>- 0.0</b>	<b>-</b>

The foreign part of the tax expense amounts to

-

### Reconciliation of effective tax rate

[USD million]	12/11/20-12/31/21	2020
Profit (loss) before income tax	- 0.0	-
Income tax using the corporate income tax rate in Norway (22%)	0.0	-
Effect of non-taxable and non-deductible items	- 0.0	-
Other effects	0.0	-
<b>Total tax expense for the year</b>	<b>- 0.0</b>	<b>-</b>
Effective tax rate	3.9 %	#DIV/0!

The table above shows the difference between income tax calculated at the applicable income tax rate used in Norway and the tax expense attributable to profit (loss) before income tax.

### Tax payable in balance sheet:

[USD million]	2021	2020
Profit (loss) before income tax	- 0.0	-
Permanent and temporary differences	- 0.0	-
<b>Basis for tax payable</b>	<b>- 0.0</b>	<b>-</b>
Tax on profit for the year	- 0.0	-
Tax payable not yet settled	0.0	-
<b>Tax payable in balance sheet</b>	<b>-</b>	<b>-</b>



## Note 12- Related parties

Details of transactions between KEG and related parties are disclosed below.

### Board of Directors and Executive team

The Group has not engaged in any related party transactions with any members of the Board of KEG or KEG executive management.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 78.6% (2020: 0%) of the Group's voting share as per December 31, 2021. This includes 37.3 % from funds and investment companies advised by board members (Verdane Capital and Viking Venture).

Please see note 12 in the consolidated financial statements for more information about related parties.

### Trading transactions

All outstanding balances with the related parties are priced on an arm's-length basis and are to be settled in cash within five years of the reporting. During the year, the Group entered into the following trading transactions with related parties:

<b>Other non-current assets</b> [USD million]	<b>2021</b>	<b>2020</b>
Keystone Academic Solutions AS <sup>1)</sup>	6.8	-
<b>Total</b>	<b>6.8</b>	<b>-</b>

<sup>1)</sup> Loan agreement

<b>Other current assets</b> [USD million]	<b>2021</b>	<b>2020</b>
Keystone Academic Solutions AS <sup>1)</sup>	3.6	-
<b>Total</b>	<b>3.6</b>	<b>-</b>

<sup>1)</sup> Loan agreement

<b>Breakdown of intercompany receivables by currency:</b> [USD million]	<b>2021</b>	<b>2020</b>
NOK	6.8	-
<b>Total</b>	<b>6.8</b>	<b>-</b>

<b>Breakdown of intercompany receivables by currency:</b> [USD million]	<b>2021</b>	<b>2020</b>
NOK	3.6	-
<b>Total</b>	<b>3.6</b>	<b>-</b>

<b>Trade payable</b> [USD million]	<b>2021</b>	<b>2020</b>
Keystone Academic Solutions AS	0.1	-
<b>Total</b>	<b>0.1</b>	<b>-</b>

<b>Breakdown of intercompany receivables by currency:</b> [USD million]	<b>2021</b>	<b>2020</b>
NOK	0.1	-
<b>Total</b>	<b>0.1</b>	<b>-</b>

### Transactions with group companies

<i>[USD million]</i>	<b>2021</b>	<b>2020</b>
<b>P&amp;L transactions</b>		
Re-imburement of costs, back office	0.1	-
Interest income from related parties	0.2	-



## **Note 13 - Financial instruments risk management objectives and policies**

### **Financial risk**

Risk management in the Group is carried out by management and approved by the Board of Directors. Potential risks are evaluated on a regular basis and management determines appropriate strategies related to how these risks are to be handled within the Group under the approved policies. This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. The Group is exposed to market (currency) risk, credit risk and liquidity risk. Management evaluates these risks and related risk management processes on an on-going basis.

### **Currency risk**

The majority of the financial risk that the Group is exposed to relates to currency risk as the operating expenses are exposed to foreign exchange rate fluctuations.

Please see note 13 in the consolidated financial statements for more information.

### **FX gain (loss) and other financial income (expense)**

Please refer to note 10 for financial income and expense.

### **Foreign exchange contracts**

During 2021 and 2020, the Group did not use forward exchange contracts to hedge its currency risk, and KEG had not entered into any foreign exchange contracts as of December 31, 2021.

### **Credit risk**

Credit risk is the risk of losses that the KEG would suffer if a counterparty fails to perform its financial obligations. KEG's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer and are limited.

No single customer accounted for more than 10% of the Group's revenue during the financial year.



## Note 13 - Financial instruments risk management objectives and policies

### Liquidity risk

#### Liquidity reserve

[USD million]	2021	2020
<i>Cash and cash equivalents</i>		
Cash in hand and on deposit	0.9	-
Less restricted funds	-	-
<b>Unrestricted cash</b>	<b>0.9</b>	<b>-</b>
Unutilized credit facilities	-	-
Short-term overdraft facility	-	-
<b>Liquidity reserve</b>	<b>-</b>	<b>-</b>

#### Breakdown of Cash and cash equivalents by currency

[USD million]	2021	2020
NOK	0.9	-
<b>Total</b>	<b>0.9</b>	<b>-</b>

Please see note 13 and 21 in the consolidated financial statements for more information about the credit facility agreement.

### Capital management

KEG's objectives for capital management is to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group still possesses a business model that anticipates considerable cash flow in the future. The Group manages its capital requirements through the credit facility agreement with Ture Investment group, hence the Company is subject to externally imposed capital requirements.

Please see note 13 in the consolidated financial statements for more information about capital management.



**Note 14 - Property, plant and equipment**

There is no property, plant or equipment recognized in the parent company financials.



**Note 15 - Leases**

KEG has no financial leasing agreements.



## Note 16 - Investments in subsidiaries

### Investments in subsidiaries

Below is an overview of the investments in subsidiaries directly held by Keystone Education Group AS as of December 31, 2021.

<b>Investments in subsidiaries</b>	<b>2021</b>	<b>2020</b>
Balance as of 1/1	-	-
Acquisition cost	96.8	-
<b>Carrying value</b>	<b>96.8</b>	-

Please see note 1, and 1, 4 and 16 in the consolidated financial statements for more information about investment in subsidiaries.

### Impairment of investment in subsidiaries

The Group has carried out impairment testing as of December 31, 2021, according to IAS 36. Based on the impairment testing carried out at Group level, Keystone Education Group AS ("the Company") has not recognized an impairment loss.

### Business combinations, goodwill and intangible assets

Please see note 1, and 1, 4 and 16 in the consolidated financial statements for more information about business combinations, goodwill and intangible assets.



### Note 17 - Other non-current assets

Details of transactions between KEG and related parties are disclosed below.

**Non-current financial assets**

[USD million]	2021	2020	Jan 1, 2020
Equity-accounted investees	-	-	-
Derivative financial instruments	-	-	-
Other non-current assets	6.8	-	-
<b>Total</b>	<b>6.8</b>	-	-

Other non-current financial assets consists of receivables. Please refer to note 12.



**Note 18 - Trade receivables, contract assets, and other current assets**

<b>Trade and other receivables</b>		
[USD million]	<b>2021</b>	<b>2020</b>
VAT	0.0	-
Other receivables (note 17)	3.6	-
<b>Other current assets</b>	<b>3.6</b>	<b>-</b>
<b>Total</b>	<b>3.6</b>	<b>-</b>



## Note 19 - Classes and categories of financial assets and liabilities

Financial instruments, and contracts accounted for as such, are included in several line items in the statement of financial position and classified in categories for accounting treatment. A classification of financial instruments is presented below:

<b>Financial assets</b>			
[USD million]	12/11/20-12/31/21	2020	Jan 1, 2020
Cash and equivalents (note 13)	0.9	-	-
Other financial assets	3.6	-	-
<b>Total</b>	<b>4.5</b>	-	-

<b>Financial liabilities</b>			
[USD million]	12/11/20-12/31/21	2020	Jan 1, 2020
Trade payables (note 22)	0.1	-	-
Other financial liabilities	0.9	-	-
<b>Total</b>	<b>1.0</b>	-	-

Most of the financial assets held by the KEG are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances.

All financial liabilities are measured at amortised cost with the exception of contingent liabilities. KEG does not have financial liabilities held-for-trading or designated at fair value through profit or loss.

The carrying amounts of financial assets and liabilities approximate their fair value as at 12/31/21.

Please see note 19 in the consolidated financial statements for more information.



## Note 20 - Maturity analysis financial liabilities

(Amounts in USD thousands)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

### As at 12/31/2021

[USD million]	Total	<1 year	2 years	3 years	4 years	> 5 years
Trade payables (note 22)	0.1	0.1				
Other financial liabilities	0.9	0.9				
Total non-interest-bearing liabilities	1.0	1.0	-	-		-
<b>Total financial liabilities</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### As at 12/31/2020

[USD million]	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	-					
Lease liability (note 15)	-					
Contingent consideration (note 23)	-					
Total interest-bearing liabilities	-	-	-	-		-
Trade payables (note 22)	-					
Other financial liabilities	-					
Total non-interest-bearing liabilities	-	-	-	-		-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Note 21 - Borrowings and interest bearing liabilities**

There is no external borrowings in KEG. However, in December 2020, Keystone Academic Solutions AS signed a credit facility agreement with Ture, allowing the company to borrow up to SEK 500m for 3.5 years.

Please see note 21 in the consolidated financial statements for more information about borrowings and interest bearing liabilities.



**Note 22 - Trade payable and other liabilities**

<b>Trade payable and other liabilities</b>		
[USD million]	<b>2021</b>	2020
Trade payable (note 17)	0.1	
Cogs accruals and other accruals		
<b>Trade payable and other payable</b>	<b>0.1</b>	-
Other employee liabilities	0.9	
<b>Employee benefit obligations</b>	<b>0.9</b>	-
<b>Total</b>	<b>1.0</b>	-

Other employee liabilities are pre-payment of option exercises by employees.



### **Note 23 - Provisions and contingent liabilities**

#### **Other contingent liabilities**

KEG is not involved in any disputes og trials as the balance sheet date or as the date of the approval of these financial statement, that would lead to recognition of a liability or require disclosure.

Management and the Board are not aware of any such incidents that may have a negative impact on the parent company financial statement.

#### **Earnout provisions**

The Group has assumed earnout obligations as part of the business combinations executed during 2021. However, these are assumed by Keysted Academic Solutions AS (KAS). Please see note 16 and 23 in the consolidated financial statements for more information about earnout provisions



## Note 24 - Share capital and shareholders

As of December 31, 2021, KEG had a share capital of NOK 8,679,324.15 (USD 984,582.53) divided into 6,429,129 ordinary shares with a nominal value of NOK 1.35 each (USD 0.15). All ordinary shares have equal voting rights and the right to receive dividends.

Please refer to the Consolidated statement of changes in equity for information about equity transactions.

### Dividends

KEG did not pay a dividend in 2021 or 2020.

The Board of Directors proposes that the 2021 Annual General Meeting does not approve any dividend payment.

### Ownership structure

The largest shareholders of Keystone Education Group AS shares as of December 31, 2021, were as follows:

<i>[In number of shares]</i>	<b>Shares</b>	<b>2021 Owner's and voting share %</b>	<b>2020 Owner's and voting share %</b>
Skandinaviska Enskilda Banken AB	1,203,234	18.7%	0.0 %
Verdane Capital x (D) AB	1,104,186	17.2%	0.0 %
Bjørk Invest AS	687,282	10.7%	25.9 %
Avanza Bank AB	609,210	9.5%	0.0 %
Verdane Capital x (E) AB	437,484	6.8%	0.0 %
Viking Venture 15 AS	434,600	6.8%	19.2 %
Viking Venture 15B AS	421,346	6.6%	0.0 %
Møsbu AS	207,271	3.2%	4.7 %
Svenska Handelsbanken AB	167,898	2.6%	0.0 %
Tema invest AS	123,864	1.9%	4.5 %
S. Ugelstad Invest AS	114,822	1.8%	4.3 %
Jem Forvaltning AS	114,246	1.8%	0.0 %
Andrew Stuart Holliday	109,088	1.7%	0.0 %
Andrew Pritchard	109,088	1.7%	0.0 %
IDL Solution AS	108,204	1.7%	0.0 %
<b>Sum</b>	<b>5,951,823</b>	<b>92.6 %</b>	<b>58.6 %</b>
Other shareholders	477,306	7.4 %	41.4 %
<b>Total numbers of shares</b>	<b>6,429,129</b>	<b>100.0 %</b>	<b>100.0 %</b>

Please refer to note 12 for information about related parties and ownership percentage for Board of Directors and Executive Management of the Group and their immediate relatives



## Note 25- Events after the reporting date

### Change of board members

Effective as of May 14, 2022 Keystone Education Group AS change the board of directors which now consists of:

Keith Barry Fransson (chairman)  
Carl Fredrik Gustav Søderlindh  
Jostein Vik  
Thorstein Berg  
Karin Cecilia Kans (new member)

### Impact of COVID-19

The Covid-19 pandemic is still impacting the world economy and KASs market segment with unknown long-term effects. KAS has continued to operate efficiently during the pandemic. The board of directors and management continue to monitor the situation and initiate relevant measures as they see fit in light of the development.

### Impact of war in Ukraine

The Ukraine war situation is impacting the world economy and KASs market segment with unknown long-term effects. The outbreak of war in Ukraine affects people, financial markets and trade globally. KEG is directly affected as renewal of new Russia customers are put on hold due to uncertainty of payments from Russian customers. Uncertain trade receivables are accrued as bad debt. Further, KAS notices limited effect of very high energy prices.



## Note 26 - Alternative Performance Measures (APM)

*(Amounts in USD thousands)*

Alternative performance measures, i.e. financial performance measures not within the applicable financial reporting framework, are used by Keystone to provide supplemental information, by excluding items that, in Keystone's view, does not give an indication of the periodic operating results of the Company. Financial APMs are intended to enhance comparability of the results and cash flows from period to period. APM used is Adj. EBITDA (earnings before financial items, tax, depreciation and amortization).

### Reconciliation from profit of the year to EBIT

[USD million]	Year ended 31 December 2021	Year ended 31 December 2020
Operating profit ("EBIT"), excluding special items	- 0.2	-
Adj. EBITDA	- 0.2	-

Net cash (debt): Short- and long-term interest-bearing debt adjusted for the Groups liquidity positions. Only the utilized part of the credit facility are included in the calculations.



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Keystone Education Group AS

### Opinion

We have audited the financial statements of Keystone Education Group AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.



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## Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report - Keystone Education Group AS 2021

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: Y134G-BNGUX-Z8PWZ-LE74-3YL8L-LN0FN



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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 23 June 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Leiv Aschehoug  
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: YB4G-BNGUX-Z8PWZ-LEX74-3YL8L-LN0FN



**KEYSTONE**  
EDUCATION GROUP