



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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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:	Steinar Nyrud
Dato for fastsettelse av årsregnskapet:	20.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 08.08.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	5	144 000	194 000
Non-recurring costs (Business comb, restr, and other similar expenses)	6	92 000	
Sum kostnader		236 000	194 000
Driftsresultat		-236 000	-194 000
Finansinntekter og finanskostnader			
Finance income		954 000	171 000
Sum finansinntekter		954 000	171 000
Finance cost			-2 000
Sum finanskostnader			-2 000
Netto finans		954 000	173 000
Ordinært resultat før skattekostnad		718 000	-21 000
Income tax expense	8	158 000	1 000
Ordinært resultat etter skattekostnad		560 000	-22 000
Årsresultat		560 000	-22 000
Exchange differences on translation of foreign operations		-10 398 000	1 000
Sum resultatkomponenter for IFRS-foretak		-10 398 000	1 000
Totalresultat		-9 838 000	-21 000
Overføringer og disponeringer			
Owners of KEG AS		-9 839 000	-22 000
Sum overføringer og disponeringer		-9 839 000	-22 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investments in subsidiaries	11	88 458 000	96 832 000
Intercompany loans	9	11 150 000	6 801 000
Sum finansielle anleggsmidler		99 608 000	103 633 000
Sum anleggsmidler		99 608 000	103 633 000
Omløpsmidler			
Varer			
Fordringer			
Other current assets	9, 12	100 000	3 619 000
Sum fordringer		100 000	3 619 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	134 000	897 000
Sum bankinnskudd, kontanter og lignende		134 000	897 000
Sum omløpsmidler		234 000	4 516 000
SUM EIENDELER		99 842 000	108 149 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Equity attributable to owners of the company	14	99 625 000	107 154 000
Sum opptjent egenkapital		99 625 000	107 154 000



Balanse

Beløp i: USD	Note	2022	2021
Sum egenkapital		99 625 000	107 154 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Employee benefit obligations	12		943 000
Sum annen langsiktig gjeld			943 000
Sum langsiktig gjeld		0	943 000
Kortsiktig gjeld			
Taxes payable	8	161 000	
Other current liabilities	9, 12	55 000	53 000
Sum kortsiktig gjeld		216 000	53 000
Sum gjeld		216 000	996 000
SUM EGENKAPITAL OG GJELD		99 841 000	108 150 000



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers	5, 13	72 102 000	43 806 000
Sum inntekter		72 102 000	43 806 000
Kostnader			
Cost of services	6	7 936 000	5 886 000
Payroll and related expenses, excl. share-based payments	7	41 374 000	25 299 000
Share-based payments	7	260 000	418 000
Depreciation, amortization, and impairment expenses	14, 15, 16	8 221 000	5 151 000
Other operating expenses	8	8 996 000	5 776 000
Non-recurring costs /bus comb, restr, and other similar costs)	9	1 642 000	3 001 000
Sum kostnader		68 429 000	45 531 000
Driftsresultat		3 673 000	-1 725 000
Finansinntekter og finanskostnader			
Finance income		1 352 000	1 518 000
Sum finansinntekter		1 352 000	1 518 000
Finance cost		5 203 000	3 883 000
Change in fair value of contingent considerations (earn-outs)	23	6 594 000	231 000
Sum finanskostnader		11 797 000	4 114 000
Netto finans		-10 445 000	-2 596 000
Ordinært resultat før skattekostnad		-6 772 000	-4 321 000
Income tax expense	11	1 609 000	-433 000
Ordinært resultat etter skattekostnad		-8 381 000	-3 888 000
Årsresultat		-8 381 000	-3 888 000
Minoritetsinteresser		-12 000	
Årsresultat etter minoritetsinteresser		-8 369 000	



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
Exchange differences on translation of foreign operations		-13 060 000	-2 114 000
Sum resultatkomponenter for IFRS-foretak		-13 060 000	-2 114 000
Totalresultat		-21 441 000	-6 002 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	16	139 403 000	159 057 000
Right of use assets	15	4 993 000	8 068 000
Deferred tax assets	11	288 000	971 000
Other non-current assets	17	196 000	67 000
Sum immaterielle eiendeler		144 880 000	168 163 000
Varige driftsmidler			
Property, plant and equipment	14	770 000	900 000
Sum varige driftsmidler		770 000	900 000
Sum anleggsmidler		145 650 000	169 063 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables	13, 18, 19	12 573 000	12 380 000
Other current assets	13, 18, 19	7 267 000	5 891 000
Sum fordringer		19 840 000	18 271 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13, 19	12 477 000	9 779 000
Sum bankinnskudd, kontanter og lignende		12 477 000	9 779 000
Sum omløpsmidler		32 317 000	28 050 000
SUM EIENDELER		177 967 000	197 113 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Equity attributable to owners of the company	24	79 598 000	99 346 000
Non-controlling interests	24	-11 000	
Sum opptjent egenkapital		79 587 000	99 346 000
Sum egenkapital		79 587 000	99 346 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Interest bearing liabilities	13, 19, 20, 21	37 774 000	28 408 000
Lease liabilities	15, 19, 20, 21	4 591 000	8 089 000
Deferred tax liabilities	11	8 999 000	11 063 000
Contingent consideration liabilities	19, 23	6 946 000	11 758 000
Sum annen langsiktig gjeld		58 310 000	59 318 000
Sum langsiktig gjeld		58 310 000	59 318 000
Kortsiktig gjeld			
Trade payables	19,22	2 699 000	2 529 000
Taxes payable	11	734 000	1 295 000
Deferred revenue	22	15 130 000	15 626 000
Current portion of lease liabilities	15, 19, 20, 21	1 044 000	1 739 000
Other current liabilities	19, 22	9 462 000	12 665 000
Current contingent consideration liabilities	19, 23	11 002 000	4 596 000
Sum kortsiktig gjeld		40 071 000	38 450 000
Sum gjeld		98 381 000	97 768 000
SUM EGENKAPITAL OG GJELD		177 968 000	197 114 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 566867

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap 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: Steinar Nyrud
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Grunnlag for avgivelse

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Brønnøysundregistrene, 12.07.2023



Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	5	144 000	194 000
Non-recurring costs (Business comb, restr, and other similar expenses)	6	92 000	
Sum kostnader		236 000	194 000
Driftsresultat		-236 000	-194 000
Finansinntekter og finanskostnader			
Finance income		954 000	171 000
Sum finansinntekter		954 000	171 000
Finance cost			-2 000
Sum finanskostnader			-2 000
Netto finans		954 000	173 000
Ordinært resultat før skattekostnad			
Income tax expense	8	718 000	-21 000
Ordinært resultat etter skattekostnad		158 000	1 000
Årsresultat		560 000	-22 000
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Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Finansielle anleggsmidler

Investments in subsidiaries	11	88 458 000	96 832 000
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Sum anleggsmidler		99 608 000	103 633 000

Omløpsmidler

Varer

Fordringer

Other current assets	9, 12	100 000	3 619 000
Sum fordringer		100 000	3 619 000

Bankinnskudd, kontanter og lignende

Cash and cash equivalents	12	134 000	897 000
Sum bankinnskudd, kontanter og lignende		134 000	897 000

Sum omløpsmidler		234 000	4 516 000
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SUM EIENDELER		99 842 000	108 149 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital Innskutt egenkapital

Opptjent egenkapital

Equity attributable to owners of the company	14	99 625 000	107 154 000
Sum opptjent egenkapital		99 625 000	107 154 000

Sum egenkapital		99 625 000	107 154 000
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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Employee benefit obligations	12		943 000
Sum annen langsiktig gjeld			943 000



Sum langsiktig gjeld		0	943 000
Kortsiktig gjeld			
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Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

KONSERNRESULTATREGNSKAP

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Inntekter			
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Exchange differences on translation of foreign			



operations	-13 060 000	-2 114 000
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Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

KONSERNBALANSE

Beløp i: USD	Note	2022	2021
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Anleggsmidler			
Immaterielle eiendeler			
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Omløpsmidler			
Varer			
Fordringer			
Trade receivables	13, 18, 1	12 573 000	12 380 000
Other current assets	13, 18, 1	7 267 000	5 891 000
Sum fordringer		19 840 000	18 271 000
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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
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Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper
See Financial Statement

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	11220000.00	10419000.00
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>

Samlet forpliktelse til fordel for foretak i samme konsern

<u>Pantstillelse</u>	<u>Beløp</u>
<u>Garantier</u>	<u>Beløp</u>

Mer om tilknyttet selskap/datterselskap
See note 9



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Organisasjonsnr: 926 342 940
KEYSTONE EDUCATION GROUP AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
7

Antall årsverk i regnskapsåret
650.00

Note
7

Spesifisering av resultatregnskapet

Lønnskostnader

Lønn	Årets	Fjorårets
	30143000.00	20197000.00
Folketrygdavgift	Årets	Fjorårets
	5293000.00	3518000.00
Pensjonskostnader	Årets	Fjorårets
	1568000.00	1008000.00
Andre ytelser	Årets	Fjorårets
	-1289000.00	-2033000.00
Sum lønnskostnader	Årets	Fjorårets
	41374000.00	25299000.00

Note

Ekstraordinære inntekter og kostnader

Sum Beløp

Note

Varige driftsmidler og immaterielle eiendeler



<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	2304000.00	3932000.00
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	726000.00	160725000.00
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-30000.00	
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	2693000.00	164657000.00
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-1922000.00	-5600000.00
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	770000.00	159057000.00
<u>Årets av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-350000.00	-3708000.00
<u>Økonomisk levetid</u>		<u>Immaterielle eiend.</u>
		1-10 years
<u>Avskrivningsplan</u>		<u>Immaterielle eiendeler</u>
		0-10 years

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp
1812

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse
0

Mer om varige driftsmidler/immaterielle eiendeler
See the financial statement and notes

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>



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.

.

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.



ANNUAL REPORT

2022



KEYSTONE
EDUCATION GROUP



FY22 AT A GLANCE



70,000

enrollments directly managed by Keystone



USD 72m

revenue



65%

revenue growth



1,015

student-athletes sent to US colleges by Keystone Sports



>100%

net revenue retention



120m

students visitors to Keystone websites



5,500

partner institutions



686

employees worldwide



We helped a record number of students find their first-choice education in 2022.



Table of Contents

About Keystone Education Group.....	4
A message from our CEO	6
Vision, mission and values	8
Transforming student recruitment through technology.....	9
2022 highlights	12
Key figures.....	13
Our commitment to sustainability	14
Management Team.....	16
Board of Directors.....	19
Board of Directors Report.....	20
Consolidated Financial Statements.....	29
Parent company financial statements.....	87
Independent auditor's report.....	101



About Keystone Education Group

We are the leading online resource for students, reaching over 120 million visitors each year.

At Keystone, we help students find the right education to pursue their dreams, whether they are seeking higher education, wanting to expand their knowledge through a course, or upskilling as a professional.

For education institutions, we offer an end-to-end solution across the entire student recruitment value chain, providing tech-powered student marketing and recruitment services to over 5,500 higher education institutions in more than 190 countries.

We aim to help them reach, engage, and recruit prospective students at scale, without compromising on providing a quality student experience.

Student Marketing - Search & Discovery

Delivering top results on all major search engines, for both international and domestic student markets, our multi-lingual network of 500+ student websites include platforms such as Masterstudies.com, Educations, Onlinestudies.com, FindAMasters.com, FindAPhD.com and local sites such as Studentum.se, Allestudier.se, Findcourses.co.uk, and Das-richtige-studieren.de.



From local and global visibility to lead generation across a range of student marketing services including student fairs, email marketing, and social media promotion, we are a trusted partner for institutions wanting to build brand awareness and attract more students to their programs.

Student Engagement & Enrollment Management

Once a prospective student has demonstrated interest in an institution, we offer comprehensive student engagement and enrollment management services for universities. This is delivered invisibly for each institution, with our global team operating a follow-the-sun model to support prospective students wherever and whenever they need it.

With flexible options across the student recruitment value chain, we guide students on their journey, all the way from initial inquiry, through to completed application, enrollment and beyond.



To date, we have managed 1.7 million student journeys, ensuring students are engaged and nurtured throughout the entire enrollment process, while improving conversion and yield rates for institutions.

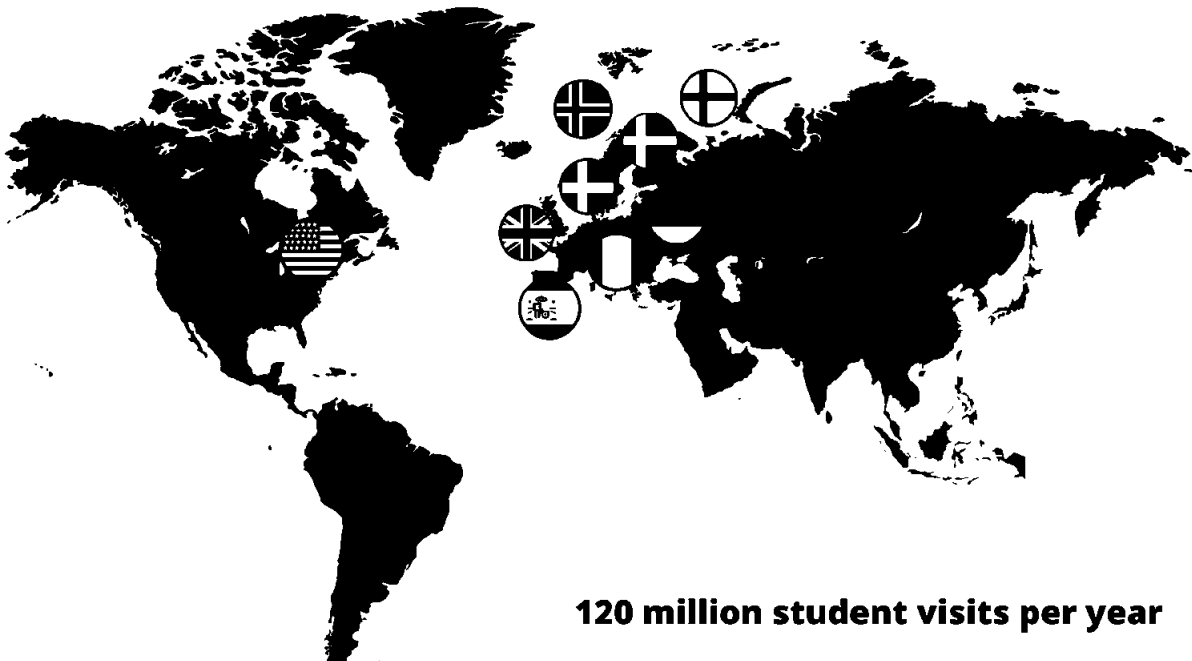
Sports & Academic Recruitment – Agents

Our educational advisory agents play an integral role in helping students pursue their education abroad. Since our inception, Keystone agents have helped over 21,000 students pursue higher education across the world.

Comprised of academic and student-athlete placement agencies, we provide a variety of advisory and support services to help students pursue education abroad, from help with scholarships, financing, visa advice, and many more.

At Keystone, we are an essential part of helping students pursue the right educational path for their needs, acting as the bridge that connects prospective students and higher education institutions.

Strong Market Position Across Global Student Recruitment Landscape





A message from our CEO



Fredrik Högemark, CEO

Dear Shareholders,

Our vision is to help everyone in the world to find the right education. In 2022, we reached a record number of student enrollments guided by Keystone with 120 million students using our websites and matching more than 3 million prospective students directly with their school of interest.

Most of the students were helped to apply and enroll directly by the admission offices at one of our 5,500 school partners. However, as we expanded our enrollment services, helping the students throughout the whole process to enrollment, we also delivered more than 70,000 enrollments directly managed by Keystone.

Keystone is organized into a search and discovery business where we help students match with the right education on our market-leading websites, and our enrollment business where we help schools and students with admission and enrollment. Both divisions showed healthy revenue growth last year and we welcomed over 1,000 new school partners in 2022.

Admissions services

As the world returned to a new normal post-pandemic and travel restrictions were lifted, we saw a large return of international

students to key Anglophone destinations. Our teams have worked extremely hard over the past few years through this challenging period to help students move their start dates, sign up for online education, and apply and re-apply to schools in a constantly changing environment during the pandemic.

It has been great to finally see all our key destinations open fully again and so many of the students we have worked with, often for several years, to finally be able to pursue their education at their chosen school.

The post-pandemic increase in interest from international students has led to very high numbers of student applications. We also noticed an increase in multiple applications per student to different programs and different schools. In our annual **State of Student Recruitment** report, we surveyed over 20,000 students and saw a shift in student expectations.

Over 60 % of all students now expect a response within 24 hours and the majority within 6 hours. This puts a significant strain on enrollment and admission offices to provide the timely, relevant, and accurate guidance necessary to support students and remain competitive. Keystone is perfectly placed to deliver this for its partner schools.

To help schools better meet student demand and manage these applications efficiently and cost-effectively, we introduced brand new admissions services. This utilizes our proprietary technology to automate parts of the admission process while enabling targeted, personal interventions and communications with applicants to ensure the best student experience and help schools match and admit the best-fit students. We have made large investments in these new products over the last year and our new admission hubs are continuing to expand.



Keystone now has staff in 15 countries around the globe and we offer local guidance in all time zones to ensure great student support.

Building one Keystone Education Group

In 2021, Keystone Academic Solutions and EMG – Educations Media Group merged to create Keystone Education Group, closely followed by the acquisition of five companies, in both search and discovery and enrollment services. We have continued this growth journey in 2022 with two agents from Norway and Germany joining the group. In the last year we have worked on integrating all these companies in the group and in 2022 we were able to deliver a strong 49 % organic revenue growth from the acquired companies in our enrollment services which was achieved through a stellar performance by the teams.

Keystone Sports

In the last couple of years Keystone has built a global leader in student athlete placement. In 2022, we launched Keystone Sports which helps students pursue sport scholarships and placement at a school where they can combine their sport ambition with an academic education. In total, Keystone Sport companies have placed over 10,000 students and been able to help these students get over 500 million USD in scholarships. In 2022 we launched 'The Alliance Athletes' app which enables coaches and admission offices to search and match with student profiles, including their academic and sport ranking, further improving our ability to ensure students get matched with the right school for them.

Keystone will continue to be at the forefront of digitizing and personalizing the student journey from early interest to enrollment. We continue to invest in technology and have many exciting projects ahead of us. This last year has been one of the most transformative in our 20-year history since we founded the company, with a shift towards helping students with their enrollments. Every year we are able to impact a greater number of students and provide better services that inspire more students to study. I want to thank all our partner schools for trusting us and our amazing people who are always dedicated to our vision and working every day to help students and schools.

Outlook

The Group has experienced consecutive growth over the past 20 years including 19% growth in constant currency from 2021 to 2022. In early 2023 Keystone has continued its path to consolidate the European search and discovery with the acquisition of studdy in Germany and the agents I-Con Sports and Future Elite. We will continue to focus on organic growth and strategic acquisitions while increasing the group's profit margins throughout 2023.

Thank you,

Fredrik Högemark

Chief Executive Officer



We are Keystone Education Group

Vision

To help everyone in the world find the right education.

Mission

To help students and learners make one of the most important decisions of their lifetimes, namely, which higher education degree program or course to attend.

To help higher education institutions recruit the best fit students for their programs, improving the student journey for all.

Values

Passion

We are passionate about education and the power it has to change lives and communities. We're inspired by the students we work with and the institutions that nurture them.

Performance

We create outstanding impact with a team of exceptional people. We go the extra mile to deliver, driven to exceed expectations every step of the way.

Professionalism

We are dedicated and collaborative with an entrepreneurial spirit. We focus every day on understanding schools' and students' needs to respond flexibly to changing market demands.



Transforming student recruitment through technology

Keystone Education Group was established in 2021 following a merger between student search and marketing giants, *Educations Media Group* (Sweden) and *Keystone Academic Solutions* (Norway).

In 2022, we are on a path to building a complete, end to end platform designed to handle every part of the student journey – from initial inquiry all the way through the entire student lifecycle.

Last year, we began the initial work to integrate our various business units and delivered 49 % organic revenue growth in the newly acquired business units. Bringing together senior leaders from across the business into our new-formed management team, we will grow and reach new heights as our journey continues.

By digitizing and disrupting the student recruitment journey through technology, our services will change the way students are recruited – offering more personalized and engaging experiences for students and allowing institutions the ability to scale up and compete in the demanding global market.

The leading global resource for student marketing and search

Since 2021, we have united three of the world's most powerful student search platforms to become the global leader in student search, across KAS, EMG and FindAUniversity. In 2022, over 120 million prospective students used Keystone as part



of their study journey and this number is growing as our services expand.

As part of our strategic growth plan, we aim to continue significant investment in the development of our websites, focusing on streamlining all Keystone sites into a unified system over the coming years. By becoming 'one Keystone', we will be able to deliver unsurpassed services to both students and institutions, offering unrivalled global student data and insights and a best-in-class user experience.

We will also further invest in the development of resources to guide students on their educational path and build awareness of the Keystone brand as a valuable student resource. By scaling up our content, we will deliver relevant and engaging resources across our various platforms to help students make informed decisions about their education.



Additionally, we will expand our coverage of study programs around the world, with the ultimate goal of ensuring that all study programs are listed on Keystone, in addition to our marketing customers. In 2022, we welcomed over 1,000 new institutions to our customer base and look forward to welcoming many more as we continue to develop our domestic and international services.



Harnessing data to empower institutions

Leveraging data and insights is an integral part of our strategy to support the higher education community across the student recruitment journey. Through our *State of Student Recruitment, Compass and Enquiry Experience Tracker* intelligence and data resources, we share a variety of global insights to help institutions improve and optimize their recruitment in a post-pandemic world.

The *State of Student Recruitment 2022* report represented our first ever joint-survey

conducted across our Keystone-branded, Educations.com, and FindAUniversity student websites, featuring insights from over 20,000 students across our websites. This report has been such a success, we have now been selected to present our data at the NAFSA 2023 annual conference in the US and aim to expand data collection across more of our student sites in future editions.

With a finger on the pulse of prospective student behaviors and motivations, we share trends and provide up-to-date insights into key student decision-making factors to help institutions get ahead. Not only does this help institutions to improve their recruitment yield, but also to improve the quality of experience provided to prospective students as they embark upon their enrollment journey.

Transforming the way institutions recruit their students

Part of our evolution from student marketing service to full-funnel student recruitment solution is led by the continued development of our admissions and enrollment services. We are investing significantly in the development of a range of AI-powered admissions services, investments which will help to cement our foothold within the global student recruitment market for years to come as admissions offices feel the strain of the post-pandemic student rebound and the pressure to deliver more efficiently and cost-effectively.

While the influx of applications and student interest is welcomed, the level of interest is leaving a strain on the industry as it handles unprecedented volumes of applications, making our tech-enabled enrollment solutions an integral part of the solution and relief for institutions.



Bringing the best student support services in Europe together

In 2022, we continued efforts to expand our student support and recruitment agencies after the acquisition of *CSUSA, Sport-Scholarships and AGM Sports* in 2021.

Europe's best student-athlete placements agencies are now unified under the newly launched *Keystone Sports*, with the most recent addition of *uniexperts* in 2022. As a result, we are now Europe's strongest player in the student-athlete placement market and will continue expansion efforts in 2023 as we expand our service.

In 2022, *Study Outside Norway (SONOR)* also joined Keystone, strengthening our academic recruitment footprint in northern Europe. We will continue to strengthen these services, ensuring European students

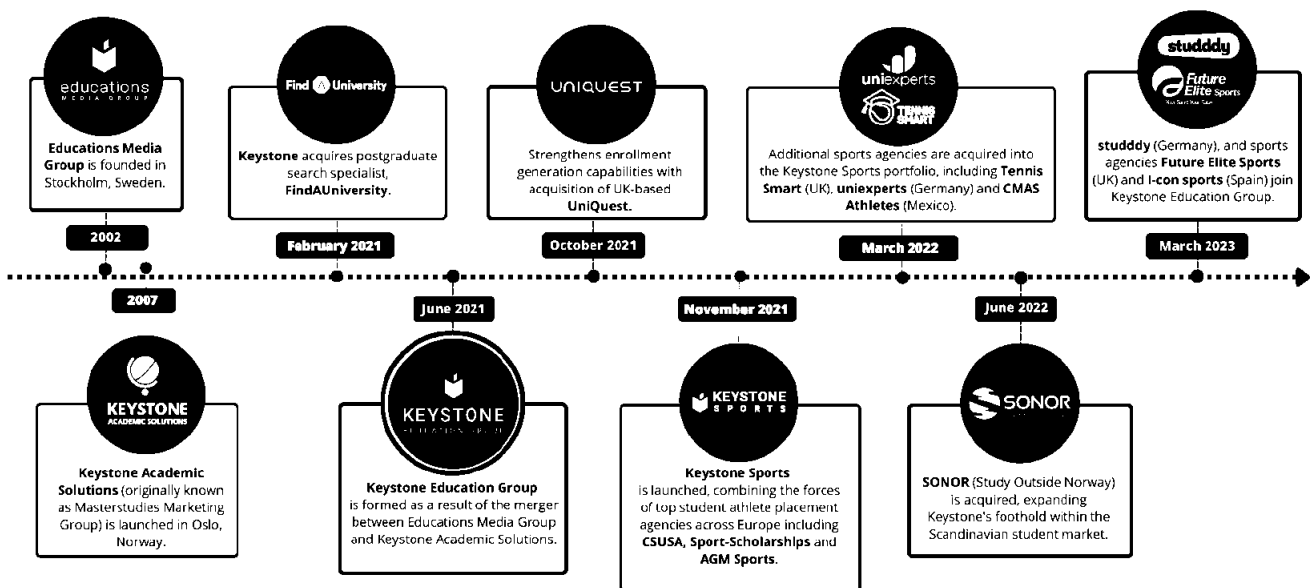
have unprecedented access to a wide network of resources to help them pursue higher education abroad.

Connecting students and institutions on a global scale

As Keystone Education Group, we are stronger together. We will continue to invest heavily in improving our services across our student marketing and enrollment services, helping institutions to better serve students. For students, we will be there to help inform and support their pursuit of higher education, connecting them with institutions both at home and abroad. Join us on our journey!

Want to know more? Access our annual State of Student Recruitment Report and more resources at keg.com

Significant Growth Across The Global Student Recruitment Market





2022 highlights



Main highlights

- Total revenue growth in 2022 was 65% and 19% on pro forma¹⁾ basis with ~18% adj. EBITDA margin
- 10% organic growth in Search and Discovery business in 2022
- 49% organic growth in Agents and Enrollment Services in 2022
- New experienced Executive Leadership Team representing the new Keystone
- Improved corporate and financial control of the combined business of the Keystone Education Group
- Developed and implemented a new product roadmap to increase output and efficiencies in R&D and enable synergies across the Group
- M&A: Two new companies joined Keystone (Sonor and UniExperts). These agents are in Norway and Germany and contributed USD 2.2 million in combined revenues in 2022
- forecasting methodology to support Keystone's multinational business
- Realigning staffing internationally to reflect school and student source regions, improve local student support and deliver competitively priced and profitable services
- Progress M&A strategy to consolidate the value chain within international student recruitment
- Identifying synergies and simplification in relation to product alignment and organizational structure with acquired businesses
- Strengthening and expanding product and embedding a greater number of value-added services with customers

Building One Keystone

- New business management philosophy with increased focus on margin expansion, and improved customer acquisition and churn management
- Implemented new financial management system with appropriate and aligned budgeting and

Events after reporting

- Successful refinancing of the debt with extended maturity to December 2025 and improved financial covenants
- Private Placement of NOK 65 million completed in April 2023 to fund M&A activities;
 - Acquired a company in Germany within the Search & Discovery business
 - Acquired a company in Spain and a company in the UK within the Sport Agent business

^{1)Proforma means as if all acquired businesses was consolidated from 1 January 2021.}



All figures in USD million

Profit and loss	2022	2021
Revenues	72.1	43.8
Gross profit	64.2	37.9
Gross margin	89 %	87 %
EBITDA	11.9	3.4
EBITDA adj. (excl. non-recurring items)	13.5	6.4
EBITDA %	19 %	15 %
EBIT	3.7	(1.7)
Net profit/loss	(8.4)	(3.9)

Other key figures	2022	2021
Net cash from operating activities	6.3	0.2
Net cash used in investing activities	(11.4)	(25.1)
Net cash from financing activities	9.0	30.8
Total assets	178.0	197.1
Equity ratio	45 %	50 %
Cash and cash equivalents	12.5	9.8
Net interest-bearing debt	25.3	18.6

Our commitment to sustainability



At Keystone we believe everyone has the right to an education.

Keystone's vision is to help everyone in the world to find the right education. Our passion for education, and excitement at seeing the effect that it has on people's lives, drive us. We have found that education for young people plants a seed for lifelong learning that prepares them to continuously explore and find their passions in life.

Fostering a sustainable future for all

Being in a low carbon industry, with cloud-based solutions for our customers and users, we are proud to state that our environmental footprint is very low. Nonetheless, we also see it as our responsibility to do everything in our power to leave as small a footprint as possible on the planet we will leave behind for coming generations.

In 2015, the UN, and its member countries adopted the 2030 Agenda for Sustainable Development including its 17 Sustainable Development Goals, SDG. The SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

We in the Keystone family are passionate about the environment and what we leave for future generations. We believe that we, in our professional role, can and will contribute to a better world. We will perform with our best intentions to our best ability.



Reducing our environmental impact

Electricity and Energy

Our goal is to only use green electricity at each office throughout the group.

This includes that Keystone as a group are making sure our landlords are providing us with environmentally friendly electricity from renewable sources.

We are using energy saving lights wherever possible and make sure that the office lights turn off when the offices are emptied in the evenings.

Waste

Keystone encourages its employees to work in cloud-based environments and not to print documents if they are not really needed.

Keystone encourages all its suppliers to send all invoices and information by email instead of by regular mail.

All employees and guests visiting a Keystone office should be encouraged and provided with the option to always use recycle bins for any waste.

Transportation

When we travel, Keystone encourages its employees to take the most environmentally friendly option in relation to time consumption.

Keystone aims to lessen the need for transportation with the use of good IT equipment that enables for online meetings and conferences.



Education for everyone

In line with our vision and the products we offer that connect students with education; our aim is to influence the world to become more educated.

Charity projects

Keystone supports CCLK School in Gambi and donates all Christmas gifts to charities connected to education.

Gender Equality

We expect that all Keystone employees always treat everyone, no matter gender, age, race, sexuality or other diversity, with kindness and respect.

The Group has more than 20 nationalities and 56% of its employees are female. Maintaining diversity and equality is one of our strengths and continues to be a focus in our hiring process.



Work environment

As an employer we have zero tolerance towards all forms of discrimination, harassment, sexual harassment, or degrading treatment. Our Anti-Harassment policy aims to protect everyone at Keystone from unwanted behaviors and provides guidelines to report incidents.

We offer fair pay, both considering market standards and the individual opportunity to influence salary increases on a yearly basis. We promote health activities throughout the business to enable our employees to have a healthy life outside of work.

Our growth plan empowers us to offer more jobs in the markets we are operating in.

Corporate Governance

Sustainable economic growth

Through our year-on-year sustainable organic growth, in connection to growth

through acquisitions, we enable more jobs for more people and at the same time enable more people throughout the world to reach their potential through our products.

End modern slavery

Modern slavery, including forced labor, human trafficking and debt bondage, is a violation of human rights and international labor standards. We strive to ensure that our supply chain is slavery free using the Modern Slavery Act as a framework.

Protection of whistleblowers

The purpose of Keystone Education Group's Whistleblowing Policy is to encourage and provide protection to employees, partners, customers and other external stakeholders who report illegal or unethical behavior within the organization.

To do this, we employ MyVoice Digital as an independent, secure, and anonymous channel to raise any concerns within the organization.





Management Team



FREDRIK HÖGEMARK
Chief Executive Officer

Fredrik is one of the company's founders and has been active in the group since its inception.

Prior experience from SEB Corporate Finance. Fredrik has a Bachelor in business and economics and a Master's in Accounting & Financial Management from Stockholm School of Economics. Fredrik's mission is to develop and deliver services which help students in their journey to find the right education and to develop innovative solutions for the education industry.



MARK IVIN
Chief Financial Officer

Prior to Keystone, Mark served as CFO of Mageis Fairfield, a publicly listed Seismic company on the Oslo Stock Exchange, CFO of Get, a fast-growing PE-owned subscriber-based Telecoms business, Finance Director at Statkraft, Norway's main renewable power company, a partner at PwC, and Finance Manager at Hughes Space & Communications in Los Angeles, California, USA.

Mark also holds board positions in a FinTech company and an Enterprise Architecture software company. Mark has an MBA from Thunderbird School of Global Management-ASU, Arizona, USA, and a BSBA from University of Denver, Colorado, USA.



JULIAN SKEELS
Chief Product & Technology officer

Prior to Keystone, Julian was Senior Vice President of Product Growth at DAZN, the world's largest, fastest-growing sports streaming service and leader of Product Management, Engineering and Data Science teams at Amazon Prime Video for almost 5 years.

Julian has over 20 years of demonstrated career success with extensive case histories of leading Product Management organisations within embryonic start-ups through to market leaders such as Microsoft, Apple and Amazon.

Julian has a BSc in Computer Science from University of Hertfordshire.



SABA CHAFIKI
Chief Marketing Officer

With over 12 years of experience working in higher education and telecommunications industries, Saba has extensive experience in sales and marketing.

Saba has a Master of Management from Burgundy School of Business and a Bachelor of Public Management from the Institute of Public Management and Territorial Governance (France).



LIZA ANDERSIN
Chief Human Resources Officer

With a background of working within the HR field for over 10 years combined with solid experience of media production within Employer Branding, Liza has developed a proactive HR approach that is close to the business.

Liza has a Bachelor's in psychology from Stockholm University and has also studied Organization and Management at Swinburne University of Technology in Melbourne.



Management Team



SCOTT MILLER
Chief Commercial
Officer, International

Scott has over 11 years of experience in the EdTech space. Scott served successfully as VP of Sales and other roles since joining Keystone in 2010. Prior to Keystone, Scott worked on the United States 2008 Presidential Campaign and also served 3 years in the United States Peace Corps in Costa Rica.

Scott has an MPhil in Sustainable Development from the University of Oslo and a BA from DePauw University.



MADELEINE LINDAHL
Chief Operating
Officer, Domestic

Madeleine joined the former Educations Media Group in 2016. She has over 15 years of experience within Sales and Marketing from FMCG companies, the Travel Industry, as well as the Education Industry.

Madeleine has a Bachelor of Communications and Marketing from Örebro University and has also studied Advertising, Business and Graphic Design at University of Western Sydney, Australia



FABIEN MIARD
Chief Business
Development Officer

Fabien Miard serves as Chief Business Development Officer of Keystone, a position he has held from 2021. Fabien has had various roles during his 14 years at Keystone, leading teams in Sales, Customer Success, and Business Development.

Fabien is based in Oslo, Norway, and has an MPhil in Political Science from the University of Oslo, and a BA from the University of Zurich. He worked in the Swiss banking and aviation sectors prior to Keystone.



RACHEL FLETCHER
Chief Executive
Officer, UniQuest

Rachel has 20 years' experience partnering with higher education institutions to optimise student engagement and conversion operations in the UK, US and Australia. She co-founded UniQuest to build a flexible service that could adapt to the rapidly changing needs of education institutions and students.

Rachel has always had a passion for international education and has studied and gained degrees in five different countries.



ROBERT HARDY
Managing Director
FindAUniversity

Robert has dedicated over 20 years of his career to the further and higher education sector, leading commercial teams and building market-leading ed-tech solutions.

Currently, Robert is the Managing Director of FindAUniversity, Keystone's specialist in postgraduate student recruitment. Prior to this he served as the Commercial Director at the UK's largest peer-to-peer platform, where he led marketing, operations, and sales teams across the Further & Higher Education, Graduate Recruitment, and Consumer verticals.



Board of Directors



KEITH FRANSSON
Chairman of the Board

Keith has over 25 years of CEO, owner and management consultant experience, all of which he shares with Stella Capital companies and investors.

Keith is Chairman at Mandaley (Soft Goat and By Malina) and has held multiple board seats at key Nordic brands including Original, ILT Inlåsningstjänst and Polhus.



THORSTEIN BERG
Board Member

Thorstein is a serial entrepreneur, and "founding father" of Keystone and House of Control. He has, or contributed to, establishment, scaling and IPO or Exit of multiple companies.

Thorstein heads the Berg family office. He chairs, or is member of, several boards.

Thorstein is passionate about sales, topline growth and strong corporate culture. Thorstein has strong positivism and ability to move companies forward.

Thorstein has an MSc in Business and Economics from University of Fribourg.



JOSTEIN VIK
Board Member

Jostein is Partner and co-founder of Viking Venture. He is passionate about technology and his expertise in business strategy and commercialization has time after time driven results for fast-growing software scale-ups. Jostein has over 20 years of experience from the software industry. He has lived and worked in Sweden and the US.

Before joining Viking, Jostein worked with business development and M&A at Carlsberg Breweries, Lilleborg, Orkla Media and Orkla ASA.

Jostein has an MSc in Business from the Norwegian Business School.



HENRIK ASPÉN
Board Member

Henrik is a Partner at Verdane, a specialist growth investment firm that partners with tech-enabled and sustainable European businesses to help them reach the next stage of international growth. Prior to this, Henrik served as an investment manager at Prosper Capital/Skandia Liv and has experience in finance and management consulting. Henrik has been active in the acquisition of several new portfolios of direct investments and he works closely with companies primarily active in the software sector and in internet retail. He is also responsible for Verdane's activities in Finland. Henrik holds an MSc in Economics from the Stockholm School of Economics (Sweden) and a CEMS Master from the University of St. Gallen (Switzerland).



FREDRIK SØDERLINDH
Board Member

Fredrik is a founder of Educations Media Group, the former company which merged with Keystone Academic Solutions to form Keystone Education Group in 2021. EMG was founded in 2001 based on his own need to find the right education. He served as the CEO for 20 years until the merger of KAS and EMG in 2021. EMG experienced 20 consecutive years of bootstrapped and profitable growth. Before the merger, EMG had a turnover of USD 25 million and 200 employees.

Today, Fredrik uses his experience, network and passion for the industry as the head of M&A for Keystone. Fredrik is today the largest individual shareholder of Keystone.



Board of Directors Report

Financial review

These consolidated financial statements comprise Keystone Education Group AS (referred to as the “company” or “parent”) and its subsidiaries (referred to as “the Group”).

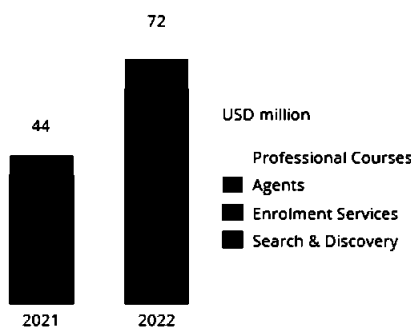
The consolidated financial statements for the Group are presented in United States Dollars (USD). Unless otherwise stated, all financial information has been rounded to the nearest thousand and figures in brackets represent figures for 2021.

Revenue

The Group’s revenue for 2022 amounted to USD 72.1 million, compared to USD 43.8 million in 2021. The organic growth in revenues was 19% while total growth was 65%.

61% of revenues in 2022 came from Search & Discovery, while Enrollment Services and Agents is where we had the largest growth. This is partly due to acquisitions, but we are also seeing solid organic growth.

Revenue mix



Operational costs

Operating expenses (excluding depreciation and amortization and non-recurring items) amounted to USD 58.6 million in 2022, compared to USD 37.4 million in 2021. This is an increase of 57% compared to an increase in revenues of 65%.

Around 70% of the cost base in Keystone Education group is FTE related.

Non-recurring items amounted to USD 1.6 million in 2022 and USD 3.0 million in 2021. Non-recurring items in 2022 mainly consist of restructuring costs and business combinations.

EBITDA

The Group reported adjusted EBITDA (excluding non-recurring items) of USD 13.5 million for 2022, compared to USD 6.4 million in 2020. The EBITDA margin improved from 15% in 2021 to 19% in 2022, due to solid revenue growth and tight cost control.

Including non-recurring items, the EBITDA for 2022 was USD 11.9 million (margin of 16%) compared to USD 3.4 million in 2021 (margin of 8%).

Depreciation, amortization and impairment

Depreciation and amortization totalled USD 8.2 million compared to USD 5.2 million last year. This reflects that the Group acquired several companies in 2021 and 2022 resulting in higher amortization of intangible assets.

No impairment was recognized in 2022 or 2021.

Operating results (EBIT)

The operating result (EBIT) for 2022 showed a profit of USD 3.7 million, compared to a loss of USD 1.7 million in 2021. The improved result is due to better performance and implementing new business management philosophy with increased focus on margin expansion, and improved customer acquisition and churn management. A new financial management system was also implemented in 2022 with appropriate and aligned budgeting and forecasting methodology to support Keystone's multinational business.

Net financial items

Total finance income amounted to USD 1.4 million in 2022 (1.5).

Total finance costs were USD 11.8 million (4.1), comprising both interest on debt and interest on financial leases under IFRS 16. The main reason for the increase in finance costs in 2022 is due to the effect of changes in valuation of contingent liabilities. These contingent liabilities are earn-outs related to the performance of acquired entities. As several of these companies have over-performed in 2022 and are also expected to do so in 2023, an increase in the earn-out liability of USD 6.6 million was recognized in 2022.

Net finance costs were hence USD 10.4 million in 2022 (2.6).

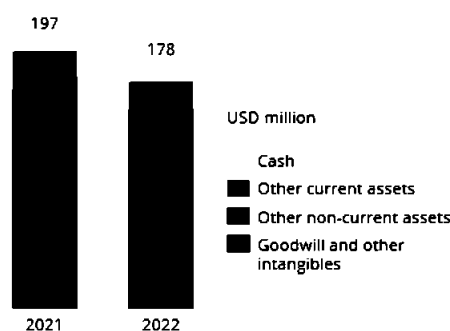
Profit/loss

Net loss before tax was USD 6.8 million in 2022, compared to a net loss before tax of USD 4.3 million in 2021.

Income tax expense amounted to USD 1.6 million (0.4), and net loss after tax was USD

8.4 million (3.9). The increase in income taxes is driven by improved profitability.

Assets



Total assets for the Group were USD 178.0 million per the end of 2022 compared to USD 197.1 million at the end of 2021.

Goodwill and other intangible assets amounted to USD 139.4 million, versus USD 159.1 million at the end of 2021. The changes are mainly due to translation difference of USD 18.7 million, additions of USD 5.3 million and amortization of USD 6.1 million.

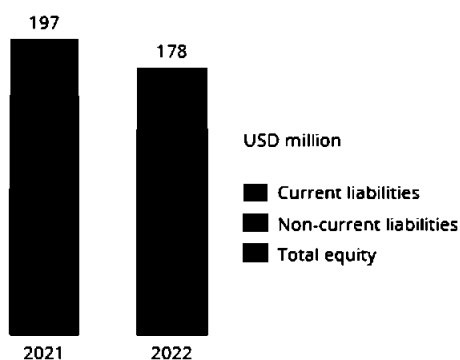
During the year, the company has performed impairment tests and no impairments were found to be required.

Total non-current assets amounted to USD 145.7 million, compared to USD 169.1 million at the end of 2021.

Cash and cash equivalents amounted to USD 12.5 million at the end of 2022, compared to USD 9.8 million at year-end 2021.

Total current assets amounted to USD 32.3 million at the end of the year, compared to USD 28.1 million at the end of 2021.

Equity and liabilities



The Group's equity amounted to USD 79.6 million at the end of 2022, down from USD 99.3 million at the end of 2021. This is mainly due to foreign exchange differences on translation of foreign operations (subsidiaries have different functional currency than USD). This is a result of revaluation of non-current assets such as goodwill due to changes in foreign exchange rates and is not reflective of the underlying performance of the businesses. The equity ratio is 45 percent, compared to 50 percent at the end of 2021.

Non-current liabilities amounted to USD 58.3 million at the end of 2022, compared to USD 59.3 million at the end of 2021.

The non-current liabilities comprised interest-bearing liabilities of USD 37.8 million (28.4), lease liabilities of USD 4.6 million (8.1), contingent liabilities (earn-out) of USD 7.0 million (11.8) and deferred tax liability of USD 9.0 million (11.1).

Current liabilities increased to USD 40.1 million from USD 38.5 million at the end of 2021, with trade payables increasing to USD 2.7 million from USD 2.5 million at year-end 2021. Other current liabilities increased to USD 37.4 million from USD 36.0 million at the end of 2021, with current portion of contingent liabilities (earn-out) at USD 11.0 million, deferred revenue at USD 15.1 million the current portion of lease liabilities at USD

1.0 million, current tax payable at USD 0.7 million, and other current liabilities at USD 9.5 million. The latter comprises salary accruals and other operational accruals.

Cash flow and investment

The Group had a positive operating cash flow of USD 6.3 million in 2022, compared to USD 0.2 million in 2021. The variance between the operating cash flow of USD 6.3 million and EBITDA of USD 11.9 million in 2022 are mainly explained by negative working capital movements of USD 3.4 million and paid income taxes of USD 2.6. The net working capital at year-end was impacted by increased activity level.

Cash outflow from investing activities amounted to USD 11.4 million for 2022, compared to USD 25.1 million in 2021. Investing activities mainly relates to acquisition of companies.

Capital expenditure (excluding acquisition of companies) accounted for USD 3.7 million (3.4) of the cash outflows from investing activities and relates mainly to capitalized research and development.

The net cash flow from financing activities was an inflow of USD 9.0 million, compared to a cash inflow of USD 30.8 million in the same period last year. Cash inflow from loan proceeds was USD 12.9 million in 2022 and 29.3 million in 2021. Interest payments amounted to USD 3.3 million in 2022 and 1.6 million in 2021. The increase is driven by higher debt and higher interest rates.

Funding

The company's cash position was USD 12.5 million at the end of 2022, compared to a cash position of USD 9.8 million at the end of 2021.

In March 2023, Keystone Education Group reached an agreement with its lender to amend and improve the financial covenants

and extend the maturity one year to December 2025.

Given the current activity level and financial forecasts, the company will have sufficient liquidity through 2023 and be in compliance with the financial covenants. The financial forecast is subject to certain risk factors.

Keystone Education Group is in compliance with all financial covenants as of December 2022.

Parent company

Keystone Education Group AS is the parent company of the Keystone Education Group. In 2022, Keystone Education Group AS reported a profit after tax of USD 0.6 million, compared to a loss of USD 0.0 million in 2021.

At year-end 2022, Keystone Education Group AS had total assets of USD 99.8 million, compared to USD 108.2 million at the end of 2021.

Allocation of comprehensive profit

The Board of Directors proposes the following allocation of the reported comprehensive profit: USD 0.6 million transferred to other equity.

Accounting principles

The consolidated financial statement for 2022 have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS), as approved by the EU. The financial statements for the parent company have been prepared in accordance with the simplified application of IFRS and section 3-9 of the Norwegian Accounting Act.

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 are of the opinion that the going concern assumption is appropriate and the accounts are prepared under this assumption.

People and Work Environment

At Keystone, we expand each individual's capability to be the best they can be. Together, we are creating an environment that encourages creativity and new paths to success. d

As per 31 December 2022, the Group had a total of 686 Full Time Equivalents, which were 544 employees and 142 contractors. This compares to 566 FTEs on 31 December 2021. The increase is mainly driven by acquisitions (~75%) but also organic growth (~25%).

The Group works actively to ensure diversity and equal opportunities, and as a result, our workforce consists of talented employees of around 20 different nationalities, and we are proud to say that we no longer feel 'international' - it has become an integral part of who we are.

We are also proud of our gender distribution. 56% of our employees are females and 47% of all management, while there were 30% women in the executive management team. The Group focuses on diversity and equality in its hiring process as these numbers illustrate.

In 2022, the sick leave for the group was 1,82% compared to 1,78% during 2021. 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 2022, 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 2022.

As an employer we have zero tolerance towards all forms of discrimination, harassment, sexual harassment, or degrading treatment. Our Anti-Harassment policy aims to protect everyone at Keystone from unwanted behaviours and provide guidelines to report incidents. During 2022, we had no reported incidents.

In 2022 we launched a whistle blowing tool for external and internal stakeholders to raise a concern in reference to Keystone Education Group's Whistleblowing policy. The purpose of Keystone Education Group's Whistleblowing Policy is to encourage and provide protection to employees, partners, customers, and other external stakeholders who report illegal or unethical behavior within the organization.

Technology Update

At Keystone, technology is fundamental to our mission to match and connect every individual student with their most suitable school and learning program to achieve their learning goals.

To help drive this mission, we welcomed Julian Skeels as Keystone's new Chief Product & Technology Officer in 2022. Julian brings over 20 years of expertise, having previously lead Product Growth for DAZN, the leading OTT sports streaming service, often referred to as the 'Netflix of Sports'. Prior to DAZN, he was a Senior Manager for Customer Growth at Amazon Prime Video.

Through his leadership, we are making major advances in our technology platforms and teams to bring new levels of performance, scale and customers delight.

We have invested heavily in the user experience of our mobile and web products through major investments in new 'headless CMS' technologies. These investments have delivered significant improvements in SEO best practices and page load performance, as measured by independent tools including Google Core Web Vitals. Keystone has not only improved upon the benchmarks of our previous platform but also grown the gap between ourselves and our major competitors. In 2023, we will continue to double down on these investments by launching them across more of our network of student web sites and continuing to improve our customer experience.

In 2022, we have also continued to invest in our data insights, automation, and AI capabilities. Our UniQuest division provides universities with unparalleled data insights into their entire student funnel that help universities to understand their student audience better and use data to plan and optimize acquisition strategies and investments.

We also launched a new long term technology plan to consolidate disparate acquired technology platforms to achieve new levels of cost efficiency and increase output by reducing reliance on external parties in favour of expanding in-house product and engineering teams.

In 2023, we will expand on these investments to harness our unique group data assets across the entire student value chain combined with industry leading machine learning algorithms to provide students and universities with 'matchmaking' scores. These scores will provide clear and reliable indications of the suitability of each student for each school, with actionable insights behind each score, and help make the whole recruitment process easier and better for both parties than any alternative.

As we execute large parts of this plan on our journey towards achieving our long-term



vision and serving institutions as a complete, end-to-end platform that handles every part of the student journey – from initial inquiry all the way through the entire lifecycle of the student.

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 2022, USD 3.7 million (2.0) in engineering salaries were expensed in the financial statement. USD 2.9 million (2.6) in development costs were capitalized in 2022.

Risk factors

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.

Keystone Education Group is exposed to a variety of risk factors; currency, interest rate, price, credit liquidity, and capital 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.

Foreign exchange 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. In 2022, 89% of the Group's revenues and 97% of operational expenses were in foreign currencies (other than USD). During 2022 and 2021, the Group did not use forward exchange contracts, or any other class of derivatives, to hedge its foreign exchange risk

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 risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation, as well as having sufficient flexibility to invest in attractive investment opportunities. To ensure sufficient available cash at hand to meet expected cash outflows, the Group uses cash flow forecasts, to monitor cash flow requirements. 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 USD 12.0 million up from USD 9.4 million in 2021.

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.

Environmental responsibilities

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

Transparency Act reporting

Keystone is working towards its first Transparency Act reporting, due in June 2023. The report will be available at www.keg.com.

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.

Subsequent events

Successful refinancing of the debt with extended maturity to December 2025 and improved financial covenants.

Private Placement of NOK 65 million completed in April 2023 to fund M&A activities:

- Acquired a company in Germany within the Search & Discovery business.
- Acquired a company in Spain and a company in UK within the Sport Agent business.



Strategy and outlook

Keystone's overall strategy is to increase its reach and help more students every year. We are also adding new services to enable us to further help the students in their journey from early interest in studying to actual enrollment. Our vision is to help everyone in the world to find the right education and our strategy is guided by this.

In 2022 Keystone has continued to deliver on its strategy with the fast expansion of the enrollment services which grew organically by 49% in revenue last year and helped enroll 70 000 students, an increase of more than 20 000 students compared to 2021.

Keystone will continue growing in search and discovery to reach more students both via organic initiatives and via M&A into new markets. We will also continue expanding our enrollment services in 2023.

Milestones in 2022 included launching a new product within admissions services in Q1'22 which quickly grew beyond USD 1 million in revenue and we have a growing pipeline for 2023 and onward. We have also grown our agency business with 2 new acquisitions as well as delivering organic growth beyond 50%. The number of students enrolled directly via Keystone agents grew throughout the year and we expect this growth to continue in the coming year. Other milestones included continued consolidation of the student athlete

placement business and becoming the number one provider of European students to US schools.

Moving forward, the company's strategy will be guided by the following principles:

- Deliver profitable growth
- Invest in technology to continuously improve our products and provide better services to students and schools
- Make acquisitions in new markets to reach more students and provide better local enrollment services
- Combine enrollment services with search and discovery to create a seamless flow for the students
- Offer a valuable digital journey combined with personal guidance to help the student enroll at the right school
- Consolidate a streamlined product line which scales globally across our customers
- Lead with dedication and passion guided by our vision and mission

Keystone has an ambition to be the global industry leader within 3-5 years and grow significantly in size, led both by organic and M&A driven growth. Our ambition is to further establish Keystone as a global brand and trustworthy partner and service provider for both students and schools.



Board of Directors and CEO of Keystone Education Group AS,

Fornebu, 24 May 2023

Sign.

Keith Barry Fransson
Chair of the Board of Directors

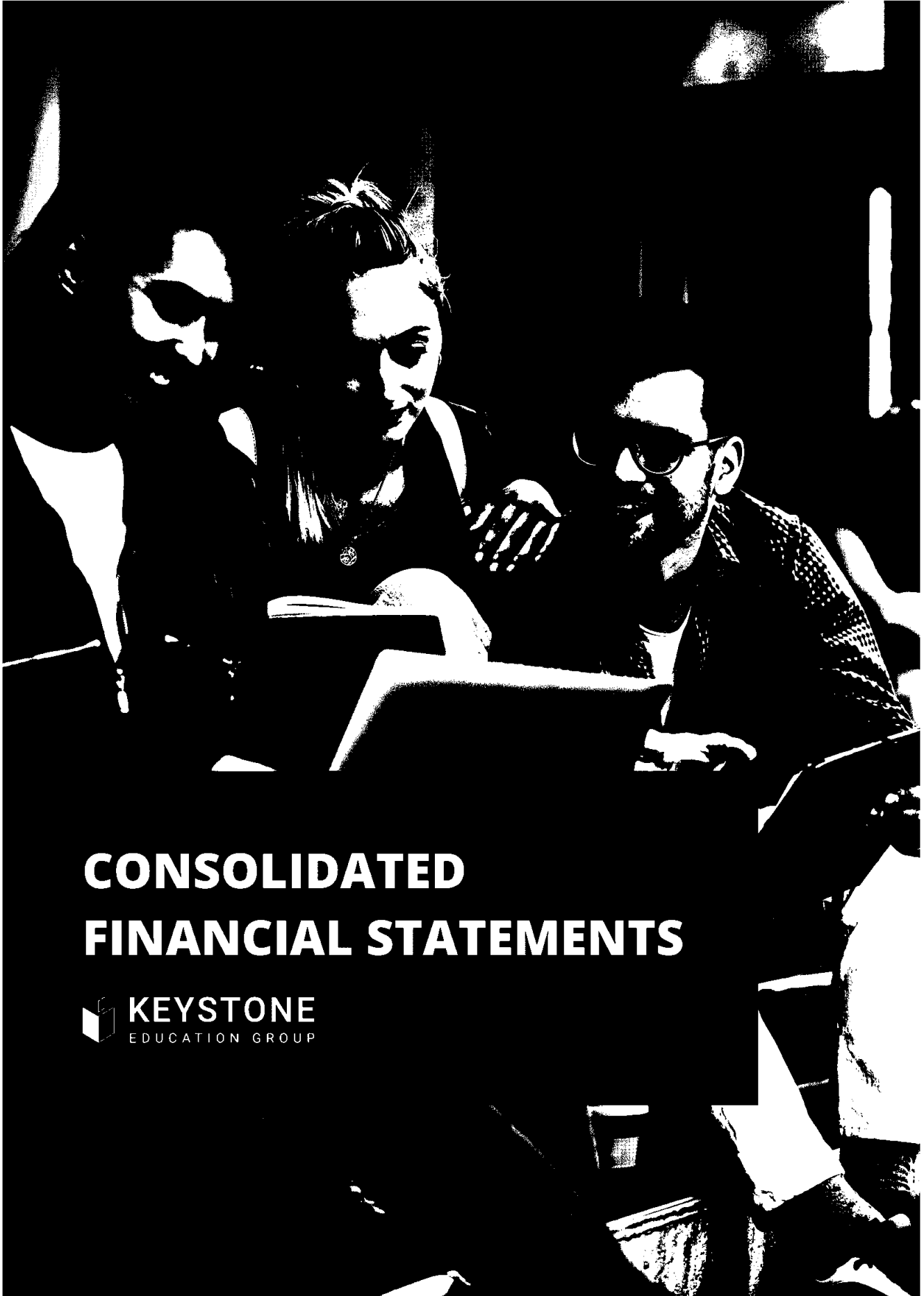
Carl Fredrik Gustav Søderlindh
Director

Jostein Vik
Director

Thorstein Berg
Director

Henrik Aspén
Alternate Director

Björn Fredrik Högemark
CEO



CONSOLIDATED FINANCIAL STATEMENTS





Consolidated statement of comprehensive income

<i>USD thousands</i>	Note	<u>2022</u>	2021
Revenue			
Revenue from contracts with customers	5, 13	72 102	43 806
Operating expenses			
Cost of services	6	(7 936)	(5 886)
Payroll and related expenses, excl. share-based payments	7	(41 374)	(25 299)
Share-based payments	7	(260)	(418)
Depreciation, amortization, and impairment expenses	14, 15, 16	(8 221)	(5 151)
Other operating expenses	8	(8 996)	(5 776)
Total operating expenses	12, 13	(66 786)	(42 529)
<hr/>			
Operating profit ("EBIT"), excluding non-recurring costs		5 315	1 277
<hr/>			
Non-recurring costs (Business combinations, restructuring and other similar costs)	9	(1 642)	(3 001)
<hr/>			
Operating profit ("EBIT")		3 674	(1 724)
Finance income and costs			
Finance income		1 352	1 518
Finance cost		(5 203)	(3 883)
Change in fair value of contingent considerations (earn-outs)	23	(6 594)	(231)
Net finance income/(costs)	10	(10 445)	(2 596)
<hr/>			
Net profit/(loss) before income tax		(6 771)	(4 320)
<hr/>			
Income tax expense	11	(1 609)	433
<hr/>			
Net profit/(loss)		(8 380)	(3 887)
<hr/>			
Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		(13 060)	(2 114)
<hr/>			
Total comprehensive income/(loss)		(21 440)	(6 001)
<hr/>			
Net profit is attributable to:			
Owners of KEG AS		(8 368)	(3 887)
Non-controlling interests		(12)	-
<hr/>			
Total comprehensive income for the period is attributable to:			
Owners of KEG AS		(21 429)	(6 001)
Non-controlling interests		(11)	-



Consolidated statement of financial position

<i>USD thousands</i>	Note	31-Dec 2022	31-Dec 2021
Non-current assets			
Intangible assets	16	139 403	159 057
Right of use assets	15	4 993	8 068
Property, plant and equipment	14	770	900
Deferred tax assets	11	288	971
Other non-current assets	17	196	67
Total non-current assets		145 650	169 063
Current assets			
Cash and cash equivalents	13, 19	12 477	9 779
Trade receivables	13, 18, 19	12 573	12 380
Other current assets	13, 18, 19	7 267	5 891
Total current assets		32 317	28 050
Total assets		177 968	197 113
Equity			
Equity attributable to owners of the company		79 598	99 346
Non-controlling interests		(11)	-
Total equity	24	79 588	99 346
Non-current liabilities			
Interest bearing liabilities	13, 19, 20, 21	37 774	28 408
Lease liabilities	15, 19, 20, 21	4 591	8 089
Deferred tax liabilities	11	8 999	11 063
Contingent consideration liabilities	19, 23	6 946	11 758
Total non-current liabilities		58 309	59 317
Current liabilities			
Trade payables	19, 22	2 699	2 529
Deferred revenue	22	15 130	15 626
Taxes payable	11	734	1 295
Current portion of lease liabilities	15, 19, 20, 21	1 044	1 739
Other current liabilities	19, 22	9 462	12 665
Current contingent consideration liabilities	19, 23	11 002	4 596
Total current liabilities		40 071	38 451
Total liabilities		98 380	97 767
Total equity and liabilities		177 968	197 113



Board of Directors and CEO of Keystone Education Group AS,

Fornebu, 24 May 2023

Sign.

Keith Barry Fransson
Chair of the Board of Directors

Carl Fredrik Gustav Søderlindh
Director

Jostein Vik
Director

Thorstein Berg
Director

Henrik Aspén
Alternate Director

Björn Fredrik Högemark
CEO



Consolidated statement of changes in equity

For the year ended 31 December 2022

USD thousands	Number of shares outstanding (million)	Paid-in capital (par value)	Paid-in capital (share premium)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Subtotal	Non-controlling interests	Total equity
Balance 1 January 2022	6 429	976	104 960	408	-	(2 114)	(4 884)	99 346	-	99 346
Profit/(loss)	-	-	-	-	-	-	(8 368)	(8 368)	(12)	(8 380)
Other comprehensive income/(loss) for the period	-	(63)	(10 148)	(49)	-	(3 186)	385	(13 061)	1	(13 060)
Total comprehensive income/(loss) for the period	-	(63)	(10 148)	(49)	-	(3 186)	(7 982)	(21 429)	(11)	(21 440)
Contributions by and distributions to owners										
Issuance of ordinary shares related to incentive program	265	14	846	-	-	-	-	860	-	860
Share-based payment transactions	-	-	-	307	-	-	519	826	-	826
Total contributions by and distributions to owners	265	14	846	307	-	-	519	1 696	-	1 696
Other equity changes										
Other changes	-	-	-	-	-	-	(5)	(5)	-	(5)
Total other equity changes	-	-	-	-	-	-	(5)	(5)	-	(5)
Balance 31 December 2022	6 694	927	95 658	666	-	(5 300)	(12 352)	79 598	(11)	79 588

Face value of the shares

The face value of the shares is NOK 1.35, and there are outstanding 6 693 753 shares as of 31 December 2022. Please refer to note 24 for more information about the share capital and shareholder information.

Issuance of ordinary shares related to equity increase

During 2022 KEG issued 264 624 shares of which USD 0.9 million was paid in cash and USD 3.9 million was paid through contributions in kind in 2021 (capital increase was registered in 2022).

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 the end of 31 December 2022, the company had no treasury shares. During the year, KEG purchased and sold no treasury shares.

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.



For the year ended 31 December 2021

USD thousands	Number of shares outstanding (million)	Paid-in capital (par value)	Paid-in capital (\$share premium)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Subtotal	Non-controlling interests	Total equity
Balance 1 January 2021	2 182	325	2 662	(686)	(12)	-	(1 130)	1 159	-	1 159
Profit/(loss)	-	-	-	-	-	-	(3 887)	(3 887)	-	(3 887)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(2 114)	-	(2 114)	-	(2 114)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(2 114)	(3 887)	(6 001)	-	(6 001)
Contributions by and distributions to owners										
Issuance of ordinary shares related to equity increase	6 429	985	104 951	-	-	-	-	105 936	-	105 936
Share-based payment transactions	-	-	-	408	-	-	550	958	-	958
Total contributions by and distributions to owners	6 429	985	104 951	408	-	-	550	106 894	-	106 894
Other equity changes										
Other changes	-	-	-	-	-	-	3	3	-	3
Change in legal structure	(2 182)	(334)	(2 653)	686	12	-	(421)	(2 710)	-	(2 710)
Total other equity changes	(2 182)	(334)	(2 653)	686	12	-	(417)	(2 707)	-	(2 707)
Balance 31 December 2021	6 429	976	104 960	408	-	(2 114)	(4 884)	99 346	-	99 346



Consolidated statement of cash flow

<i>USD thousands</i>	Note	2022	2021
Cash flows from operating activities			
Net profit/(loss) before income tax		(6 771)	(4 320)
Income tax paid	11	(2 565)	(723)
<i>Adjustments for:</i>			
Depreciation, amortization and impairment	14, 16	8 221	5 151
Share-based payments		307	408
Finance income	10	(1 352)	(1 518)
Finance costs	10	11 797	4 114
Net (gain)/loss from disposed assets	14	506	-
FX differences related to changes in balance sheet items		(354)	(935)
Other non-cash		(131)	(70)
<i>Working capital changes:</i>			
Changes in trade receivables, trade and other payables		(2 808)	(4 038)
Changes in other working capital items		(570)	2 088
Net cash from operating activities		6 279	158
Cash flows from investment activities			
Acquisition of equipment	14	(786)	(680)
Capitalized Research & Development	16	(2 891)	(2 722)
Payment for acquisitions of subsidiaries, net of cash acquired	16	(7 687)	(21 701)
Net cash to/from investment activities		(11 364)	(25 103)
Cash flow from financing activities			
Net proceeds from issuance of shares – private placement	24	656	6 227
Net proceeds from issuance of shares – incentive program	24	724	3 067
Net payments from new loans	21	12 885	29 319
Down payments of interest-bearing liabilities	21	-	(6 336)
Interest paid	21	(3 315)	(1 562)
Principal payment of lease liabilities	15	(1 976)	60
Net cash to/from financing activities		8 974	30 775
Net change in cash and cash equivalents		3 890	5 829
Currency effects on cash		(1 192)	-
Cash and cash equivalents at period start		9 779	3 949
Cash and cash equivalents at period end ¹⁾		12 477	9 779

1) Restricted cash as of 31 December 2022 is USD 0.5 million.



Notes to the consolidated financial statements

1. Company information

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

Keystone Education Group ("the Group"/"KEG") consists of Keystone Education Group AS and its subsidiaries. Keystone Education Group AS is a limited liability company incorporated in Norway. The Company's registered office is at Rolfsbuktheien 4d, 1364 Fornebu, Norway. The consolidated financial statements of Keystone Education Group AS (referred to as the Company or Parent) incorporate the financial statements of the company and its subsidiaries collectively referred to as "the Group".

These consolidated financial statements were approved for issue by the Board of Directors on 24 May 2023.

These consolidated financial statements have been presented in USD, and rounded to the nearest thousand, unless stated otherwise. Minor rounding differences may exist due to the rounding to thousands for presentation purposes. The Group has changed the level of rounding with respect to the consolidated financial statements for the period ended 31 December 2021, as it was determined that the information provided with a lower level of rounding improve the understanding of the figures presented.

The following subsidiaries are included in the consolidated financial statements:

Company name	Country of incorporation	Ownership and voting share interest
Keystone Education Group AS	Norway	
Keystone Academic Solutions AS	Norway	100 %
Find A Solutions Ltd	UK	100 %
Find a University Ltd	UK	100 %
Keystone Sports AS	Norway	100 %
Keystone Sports GmbH	Germany	100 %
Uni-Quest LTD	UK	100 %
UniQuest, Inc	USA	100 %
Athletes Global Management Sports, S.L.	Spain	100 %
Keystone Education Group AB	Sweden	100 %
EMG-Educations Media Group AB	Sweden	100 %
Blueberry College & Universitet AB	Sweden	100 %
Find Courses PRO AB	Sweden	100 %
Keystone Group APS	Denmark	100 %
Studentum AS	Norway	100 %
Kursfinder GmbH	Germany	100 %
Keystone Education Group OY	Finland	100 %
The Alliance App	UK	68 %



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 a 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.

The preparation of financial statements in accordance with IFRS 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 reassess whether 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 unrealized 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 recognized 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 derecognizes 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 recognized 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.

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 recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognized 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 amortized, 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 recognized directly in profit or loss. An impairment loss recognized 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 recognized 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 classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognized 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 recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized 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

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

The Group recognizes revenue when (or as) it transfers control of services to its customers. Revenue is recognized in the amount of the transaction price, which represents the consideration to which the Group expects to be entitled in a contract with a customer, excluding amounts collected on behalf of third parties, and net of value-added tax, discounts, and rebates. When the transaction price includes elements of variable consideration, the Group estimates the amount of consideration to which the entity will be entitled for the services provided. If a customer contract consists of multiple performance obligations, the consideration is allocated among the performance obligations based on their estimated relative stand-alone selling price. In instances where final acceptance of the product or service is specified by the customer, revenue is deferred until all acceptance criteria have been met.

Payment terms vary between customer segments and regions.

Revenue streams

The services rendered are split into the following main revenue streams:

Search and discovery

Core service comprises of website listings of the respective education provider and its programs on Keystone's education websites, with various possibilities to increase visibility through add-on services. Add-on services increase visibility of universities' further and include, e.g., priority listings, sponsored content, and student recruitment.

Revenue from sale of subscription website services to customers is generally invoiced monthly/quarterly/yearly and recognized over the contract period.

Some larger contracts have variable performance-based consideration based on the number of interested students and leads generated. These series of distinct performance obligations are considered as one and the variable consideration is measured and allocated in line with the specific outcome.

As additional services the Group delivers customized social media and direct media campaigns and marketing packages at specific points in time. Revenue from sale of social media and direct media campaigns is recognized when these performance obligations are fulfilled, at point in time.

Student recruitment (Enrollment services)

Keystone helps universities with lead-to-Enrollment services combining personal guidance with a conversion engine that works invisibly to improve student engagement and conversion. By managing all incoming leads to a university, Keystone improves the student journey and increases the lead-to-Enrollment conversion rates for both international and domestic cohorts.

The Group acts as an agent and matches students with learning institutions for a fixed Enrollment fee. Revenue is recognized at a point in time when the Group has both fulfilled its performance obligation and when the Group has an enforceable right to the fee, which is when



the student pays their tuition fee at the end of any “come and try” period during which the student can walk away without paying. The services are generally invoiced after the revenue is recognized.

Agents

The Group delivers consultancy services to prospective students to help them obtain a scholarship. The Group performs several activities depending on packages chosen by the student. Most of the services are performed soon after signing the contract, but timing will depend on the package and the timeline before the student will go to university.

The timing of invoicing varies based on the contract. Revenues are recognized at a point in time as the performance obligation has been fulfilled.

For students already enrolled, the Group renders other consultancy services monthly over the contract period, recognizing revenue over time.

Professional training

The Group buys courses from a variety of suppliers and sells the courses to their customers. Customers are set up on the PRO platform and have access to their own site on this platform. Revenues from course and administration fees are recognized when the courses are held (at a point in time). Revenues from installation and implementation services for the PRO platform are recognized at a point in time when the installation has been completed.

Other services

The Group delivers events such as, e.g., career fairs, and revenue from sales of events is recognized when the services are performed (at a point in time).

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 recognized as an asset if the costs are expected to be recovered. Subsequently, the asset is amortized 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 amortization period varies across the business. Management considers that the average customer’s life and other factors are similar across geographies and business lines.

Trade receivables

Trade receivables are initially recognized at the amount of consideration that is unconditional. Trade receivables are non-interest bearing and trading terms range from 30 to 90 days and therefore classified as current.

Costs to fulfil a contract

In addition to the contract balances discussed above, the Group has also recognized an asset in relation to costs to fulfil some of the Group’s contracts. Such costs are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify. The costs generate or enhance resources of the entity that will be used in satisfying and the costs are expected to be recovered. These costs relate primarily to implementation services and are presented within other assets in the balance sheet. As of 31 December 2022, USD 0 million (USD 0 million) was the balance of assets recognized from cost to fulfill a contract.

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 from clients for partially satisfied performance obligation in relation to subscription and maintenance services.

Disaggregation of revenue

In accordance with IFRS 15 management analyze the revenue contracts with customers and disaggregates the revenue into the following product categories, which depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenue from customers is disaggregated in note 5 by geographical location, by type of services, and by the timing of the revenue. The basis for the geographic segments is the location of the customer.

2.5 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes 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 recognizes 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 recognized 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 recognized 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 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) are recognized 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 recognized 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 recognized 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 recognized 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 from 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 recognized in other comprehensive income.

2.7 Government grants

Government grants are recognized 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 recognized 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 recognized 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 most of the group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a 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 recognized as an



expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in 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 recognized 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 recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized 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 recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize 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 assets 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 realized 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 recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 amortized 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 recognized separately from goodwill are recognized 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 amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 amortization and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortization 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 recognized 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 recognized 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 recognized 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 recognized, development expenditure is recognized 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 amortization 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 recognized 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 recognized at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized 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 capitalized, replaced parts are derecognized and any remaining net carrying amount is recognized in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognized 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 the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Any impairment loss recognized 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 categorization 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 recognized immediately in profit or loss.

Financial assets

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

Impairment of financial assets and trade receivables

The Group always recognizes lifetime expected credit losses (ECL) for contract assets and trade receivables. The expected credit losses on these financial assets and trade receivables 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 derecognizes a financial asset only when the contractual rights to the cash flow 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 recognizes 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 recognize the financial asset and also recognizes a collateralized 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 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 recognized in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortized cost using the effective interest rate method.

The effective interest method is a method of calculating the amortized 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 amortized cost of a financial liability.

The Group derecognizes 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 derecognized, and the consideration paid and payable is recognized 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.

3. Adoption of new and revised International Financial Reporting Standards and Interpretations

3.1 Standards and Interpretations affecting amounts reported in the current period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2022 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

Certain new accounting standards, amendments, and interpretations are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. These standards, amendments, and interpretations are not expected to have a material impact on the entity in the current future of reporting periods and on foreseeable future transactions.

4. Critical accounting judgements 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 judgements 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 recognized 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.

Amortization of intangible assets (see note 16)

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

Deferred tax asset (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 recognized. 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 losses carry forwards can be utilized. The main part of the net recognized deferred tax liability as of December 31, 2022, relates 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.

Goodwill and intangible assets were tested for impairment at the end of 2022. The carrying amount of each cash generating unit was tested against the recoverable amount based on value in use and fair value. These tests suggested no impairment was required. 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 revenue and margins, and assumptions of the future market conditions. 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 performed 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 and 23)

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 regard 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.

5. Revenue

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 unbilled revenue and note 22 for more information about contract liability (deferred revenue/prepayment from customers).

Disaggregation of revenue

In accordance with IFRS 15 management analyze the revenue contracts with customers and disaggregates the revenue into the following product categories, which depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors:

- Student Marketing – Search & Discovery
- Student Engagement & Enrollment Management
- Sports & Academic Recruitment – Agents
- Professional Courses

Revenue from customers is disaggregated in the table below by geographical location, by type of product, and by the timing of the revenue. The Group does not have single customers that generate 10% or more of the entity's total revenue.



2022 Disaggregation of revenue

<i>USD thousands</i>	Search & Discovery	Enrollment Services	Agents	Professional courses	Total 2022
Americas	4 728	1 229	1 666	127	7 750
Europe and Middle East	37 839	12 565	5 634	5 972	62 011
Asia Pacific	1 187	116	504	-	1 807
Rest of world	345	10	178	-	534
Revenue from contracts with customers	44 100	13 921	7 982	6 099	72 102
Over time revenue recognition					
Subscription revenue	33 744	13 920	-	-	47 665
Total over time revenue recognition	33 744	13 920	-	-	47 665
At a point in time revenue recognition					
Subscription related revenue	9 300	-	-	-	9 300
Sport Agents	-	-	5 523	-	5 523
Academic Agents	-	-	2 450	-	2 450
Professional courses	-	-	-	6 099	6 099
Other revenues	1 056	-	10	-	1 066
Total at a point in time revenue recognition	10 356	-	7 982	6 099	24 437

2021 Disaggregation of revenue

<i>USD thousands</i>	Search & Discovery	Enrollment Services	Agents	Professional courses	Total 2021
Americas	4 497	755	194	74	5 520
Europe and Middle East	23 836	1 584	2 093	3 622	31 136
Asia Pacific	260	-	-	1	261
Rest of world	6 235	532	95	28	6 890
Revenue from contracts with customers	34 829	2 871	2 382	3 725	43 806
Over time revenue recognition					
Subscription revenue	29 682	2 871	-	-	32 552
Total over time revenue recognition	29 682	2 871	-	-	32 552
At a point in time revenue recognition					
Subscription related revenue	4 666	-	-	-	4 666
Sport Agents	-	-	1 737	-	1 737
Academic Agents	-	-	645	-	645
Professional courses	-	-	-	3 725	3 725
Other revenues	481	-	-	-	481
Total at a point in time revenue recognition	5 147	-	2 382	3 725	11 254



6. Cost of services

Specification of cost of services

Cost of services are all the direct costs associated with running or performing the customer services including direct marketing, event, project, cost for courses and other costs.

<i>USD thousands</i>	2022	2021
External services	(5 472)	(3 311)
Marketing	(974)	(956)
Events and project costs	(553)	(320)
Hosting	(475)	(407)
Other	(461)	(891)
Total	(7 936)	(5 886)

7. Payroll costs and remuneration to Management

Specification of payroll costs

<i>USD thousands</i>	2022	2021
Salary incl. bonus and commissions	(30 143)	(20 197)
Social security cost	(5 293)	(3 518)
Payments to long-term contractual staff	(5 657)	(2 609)
Pension costs	(1 568)	(1 008)
Other payments	(1 262)	(689)
Capitalized development costs	2 551	2 722
Total	(41 374)	(25 299)
<i>Average number of full-time equivalents</i>	<i>650</i>	<i>566</i>

The Norwegian companies in the Group are obligated to follow the Act on Mandatory company pensions and "these companies pension schemes follow the requirement as set in the Act".

Compensation to the CEO and Chairman of the Board

The CEO is employed under a service agreement with Keystone Education Group AB, and the CEO has waived his rights in his employment agreement which corresponds to 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.

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 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.

No accrual for 2022 bonuses and commissions for senior executives has been recognized in the consolidated financial statements.



Compensation to Executive Management and Board of Directors 2022

<i>USD thousands</i>	Salary	Bonus	Other	Pension	Options/ RSUs	Total 2022
Björn Fredrik Högemark – CEO ¹	18	-	-	1	-	19
Mark Ivin – CEO ²	-	-	-	-	-	-
Erik Harrell – CEO ³	292	-	21	16	293	622
Keith Barry Fransson – Chairman	31	-	-	-	-	31
Executive Management excl. CEO	1 364	106	36	125	34	1 665
Board of Directors excl. Chairman	-	-	-	-	-	-

1) Björn Fredrik Högemark – CEO from 15 November 2022

2) Mark Ivin – CEO from July 5 and until 14 November 2022

3) Erik Harrell – CEO until 5 July 2022

Presented in the table above are the bonuses earned in 2022 and paid in both 2022 and 2023.

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 in 2022 or 2021 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 2022 and 2021, there has been no significant additional compensation given to directors regarding special services performed outside of their normal function.

Compensation to Executive Management and Board of Directors 2021

<i>USD thousands</i>	Salary	Bonus	Other	Pension	Options/ RSUs	Total 2022
Erik Harrell – CEO	227	103	27	17	123	497
Keith Barry Fransson – Chairman ¹	17	-	-	-	-	17
Jostein Vik – Chairman ²	12	-	-	-	-	12
Executive Management excl. CEO	1 222	222	46	64	191	1 745
Board of Directors excl. Chairman	26	-	-	-	-	26

1) Keith Barry Fransson – Chairman from 15 July 2021

2) Jostein Vik – Chairman until 15 July 2021 and Board Member from 15 July 2021

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

Share-based 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. The 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 decides 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 the grant date. Vesting of options requires 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 considered 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 up to three years after the vesting date, the estimate assumes that the employees, on average, are exercising their options 12 months after the vesting date.

As of 31 December 2022, the Company had 185 764 (2021: 186 864) warrants issued and 167 923 (2021: 216 036) options issued. In addition, the CEO holds 0 (2021: 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.

Share-based compensation cost – Equity settled

<i>USD thousands</i>	2022	2021
Balance as of 1 January	715	408
Cost recognized in the period (IFRS 2 expense)	307	307
Balance as of 31 December	1 022	715
Unamortized - rest of lifetime	118	305

Share-based compensation cost – Cash settled

<i>USD thousands</i>	2022	2021
Balance as of 1 January	342	100
Cost recognized in the period (IFRS 2 expense)	(155)	243
Balance as of 31 December	188	342



Outstanding warrants

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	186 864	225	-	-
Granted	-	-	186 864	225
Adjusted	900	225	-	-
Cancelled	(1 000)	225	-	-
Terminated	(1 000)	225	-	-
Outstanding 31 December	185 764	225	186 864	225
<i>Of which vested</i>	56 727	225	-	-

The average contractual lifetime as of 31 December 2022 is three years. The strike price for all warrants is NOK 225.

Outstanding options

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	216 036	111	138 700	82
Granted	32 000	225	124 800	136
Exercised	(88 333)	82	(46 464)	87
Adjusted	12 000	-	-	-
Terminated	(3 780)	130	(1 000)	130
Outstanding 31 December	167 923	156	216 036	111
<i>Of which vested</i>	81 372	143	104 835	91

The below table reconciles the total outstanding options and vested options per strike price category.

Strike price	Outstanding options			Vested options	
	Number of instruments	Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price
95.00	24 218	2.33	95.00	13 655	95.00
130.00	88 205	3.11	130.00	51 240	130.00
225.00	29 000	3.76	225.00	7 109	225.00
225.26	26 500	3.87	225.26	9 368	225.26
	<u>167 923</u>			<u>81 372</u>	



Outstanding PSUs

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	11 000	95	11 000	95
Exercised	(9 200)	95	-	-
Terminated	(1 800)	95	-	-
Outstanding 31 December	-	-	11 000	95
<i>Of which vested</i>	-	-	-	-

Outstanding options, warrants and PSUs to Management

Outstanding Options – Previous CEO Erik Harell

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	26 722	95	37 000	95
Granted	-	-	-	-
Exercised	(11 304)	95	(10 278)	95
Adjusted	(15 418)	95	-	-
Outstanding 31 December	-	-	26 722	95
<i>Of which vested</i>	-	-	7 194	95

The options were related to the previous CEO. The current CEO has no options.

Outstanding PSUs – Previous CEO Erik Harell

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	11 000	95	11 000	95
Exercised	(9 200)	95	-	-
Terminated	(1 800)	95	-	-
Outstanding 31 December	-	-	11 000	95
<i>Of which vested</i>	-	-	-	-

The PSUs were related to the previous CEO. The current CEO has no PSUs.



Outstanding Warrants – CEO Fredrik Högemark

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	-	-	-	-
Adjusted	8 150	225	-	-
Outstanding 31 December	8 150	225	-	-
<i>Of which vested</i>	2 490	225	-	-

The warrants to Fredrik Högemark were granted before he was elected as CEO (from 15 November 2022). The average contractual lifetime as of 31 December 2022 is three years. The strike price for all warrants is NOK 225.

Outstanding Options – Executive Management excl. CEO

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	136 814	99.41	101 700	76.60
Granted	30 000	225.13	71 300	124.45
Exercised	(27 818)	73.94	(36 186)	84.64
Adjusted	(47 000)	80.70	-	-
Terminated	(3 196)	130.00	-	-
Outstanding 31 December	88 800	158.67	136 814	99.41
<i>Of which vested</i>	41 210	140.70	85 316	84.30

The cost of the options related to instruments granted to the Executive Management excluding the CEO was NOK 1 181 273 in 2022 and NOK 1 645 759 in 2021.

The below table reconciles the total outstanding options and vested options per strike price category.

Strike price	Outstanding Instruments			Vested instruments	
	Number of instruments	Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price
67.40	0	0.00	0.00	0	0.00
95.00	8 800	3.11	95.00	4 405	95.00
130.00	50 000	3.11	130.00	30 555	130.00
225.26	15 000	4.00	225.26	4 582	225.26
225.00	15 000	4.59	225.00	1 668	225.00
	88 800			41 210	



Outstanding Warrants - Executive Management excl. CEO

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	33 300	225	-	-
Granted	-	-	33 300	225
Adjusted	(11 650)	225	-	-
Outstanding 31 December	21 650	225	33 300	225
<i>Of which vested</i>	6 612	225	-	-

The average contractual lifetime as of 31 December 2022 is three years. The strike price for all warrants is NOK 225.

Outstanding Warrants - Chairman

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	87 714	225	-	-
Granted	-	-	87 714	225
Outstanding 31 December	87 714	225	87 714	225
<i>Of which vested</i>	26 801	225	-	-

The average contractual lifetime as of 31 December 2022 is three years. The strike price for all warrants is NOK 225.

Outstanding Warrants - Board of Directors excl. Chairman

Activity	2022		2021	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	8 150	225	-	-
Granted	-	-	8 150	225
Outstanding 31 December	8 150	225	8 150	225
<i>Of which vested</i>	2 490	225	-	-

The average contractual lifetime as of 31 December 2022 is three years. The strike price for all warrants is NOK 225.



8. Other operating costs

Specification of other operating costs

<i>USD thousands</i>	2022	2021
Equipment	(3 099)	(1 318)
Audit, legal and other advisory services	(2 072)	(2 119)
Marketing expenses	(2 324)	(459)
Travel expenses	(586)	(210)
Training, meetings & updates	(205)	(84)
Corporate Liability Insurance	(119)	(52)
Bad Debt expenses	(351)	(287)
Other expenses	(557)	(572)
Rent and other office expenses	318	(675)
Total	(8 996)	(5 776)

Auditor's remuneration

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

<i>USD thousands</i>	2022	2021
Statutory auditing services	64	-
Tax advisory services	-	-
Other services	317	-
Total fee to auditor	381	-

PwC non-audit services were performed before they were elected as auditors for 2022.

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

<i>USD thousands</i>	2022	2021
Statutory auditing services	208	234
Tax advisory services	42	20
Other services	1 009	84
Total fee to auditor	1 259	337

9. Non-recurring costs

Specification of non-recurring costs

Non-recurring costs may not be indicative of the ongoing operating result or cash flows of the company. Profit measure excluding non-recurring costs is presented as an alternative measure to improve comparability of the underlying business performance between the periods. Non-recurring costs include restructuring costs and costs related to business combinations.

<i>USD thousands</i>	2022	2021
Salary restructuring cost (severance)	(839)	-
Legal fees related to business combinations	(286)	(2 242)
Other restructuring cost	(517)	(759)
Total	(1 642)	(3 001)



10. Finance income and costs

Specification of finance income and costs

The Group's other finance income and other finance costs mainly relate to gains and losses on foreign exchange from translation difference.

<i>USD thousands</i>	2022	2021
Interest income	182	23
Foreign exchange gains	1 030	1 493
Other finance income	140	2
Finance income	1 352	1 518
Interest expenses	(3 748)	(2 093)
Foreign exchange losses	(1 337)	(1 373)
Other finance costs	(118)	(416)
Change in valuation of contingent liabilities		
Finance costs	(5 203)	(3 883)
Change in fair value of contingent considerations (earn-outs)	(6 594)	(231)
Net financial costs	(10 445)	(2 596)

11. Income tax

Specification of income tax

<i>USD thousands</i>	2022	2021
Current income tax payable	(1 974)	(283)
Change in deferred tax	362	715
Settlement of tax payable from previous years	3	-
Income tax expense	(1 609)	433
<i>The foreign part of the income tax expense</i>	<i>(842)</i>	<i>(264)</i>

Reconciliation of effective tax rate

<i>USD thousands</i>	2022	2021
Profit/(loss) before income tax	(6 771)	(4 320)
Income tax using the corporate income tax rate in Norway (22%)	1 490	950
Effect of tax rates outside Norway different from 22%	214	(652)
Effect of non-taxable and non-deductible items	(3 136)	(134)
Other effects	(177)	268
Income tax expense for the year	(1 609)	433
<i>Effective tax rate</i>	<i>24%</i>	<i>-10%</i>

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 the balance sheet

<i>USD thousands</i>	2022	2021
Profit (loss) before income tax	(6 771)	(4 320)
Permanent and temporary differences	7 621	515
Basis for tax payable	850	(3 805)
Tax on profit for the year	1 223	563
Tax payable not yet settled	(489)	732
Tax payable in balance sheet	734	1 295

Recognized deferred tax assets and liabilities

<i>USD thousands</i>	2022	2021
Deferred tax assets related to tax loss carryforwards	1 732	696
Deferred tax assets related to other temporary differences	298	267
Deferred tax liabilities related to temporary differences	(160)	11
Deferred tax liabilities related to excess value from business combinations	(8 986)	(11 091)
Net deferred assets/(liabilities)	(7 116)	(10 116)
Deferred tax assets/deferred tax liabilities not recognized	(1 595)	25
Recognized deferred tax assets/(liabilities)	(8 711)	(10 091)

Reconciliation of changes in tax assets/(liabilities)

<i>USD thousands</i>	31-Dec-2021	Acquisitions	Recognized in Profit & Loss	Recognized in Equity	31-Dec-2022
Property, plant and equipment	5	-	85	-	90
Intangible assets	-	-	-	-	-
Accounts receivable	(14)	-	(9)	1	(21)
Payroll tax on share options	.	-	-	-	-
Provisions and accruals	256	(160)	(145)	(28)	(76)
Other	24	-	112	(2)	134
Total related to temporary differences	272	(160)	44	(29)	126
Deferred tax liabilities related to excess value from business combinations	(11 091)	2 949	-	(844)	(8 986)
Tax losses carried forward	695	-	1 109	(73)	1 731
Tax loss carried forward not recognized	33	-	(1 611)	(3)	(1 582)
Recognized tax losses	728	-	(502)	(76)	149
Net deferred tax assets/(liabilities) recognized	(10 091)	2 789	(459)	(950)	(8 711)

Tax losses carried forward of USD 1 731 thousand relates to Norway and Sweden and can be carried forward for indefinite.



<i>USD thousands</i>	31-Dec-2020	Acquisitions	Recognized in Profit & Loss	Recognized in Equity	31-Dec-2021
Property, plant and equipment	22	(13)	(4)	-	5
Intangible assets	-	-	0	-	-
Accounts receivable	8	-	(21)	-	(14)
Payroll tax on share options	-	-	0	-	-
Provisions and accruals	127	1	129	-	256
Other	9	-	15	-	24
Total related to temporary differences	166	(12)	118	-	272
Deferred tax liabilities related to excess value from business combinations	-	(11 602)	511	-	(11 091)
Tax loss carryforwards	47	211	437	-	695
Valuation allowance	-	(60)	60	-	-
Tax loss carried forward not recognized	-	0	33	-	33
Recognized tax losses	47	151	530	-	728
Net deferred tax assets/(liabilities) recognized	213	(11 462)	1 158	-	(10 091)

12. Related parties

The Group's management and Board are related parties to the Group, as specified in note 7 Remuneration to senior executives and Board members. Details of transactions between the Group and other related parties are disclosed below.

Members of the BOD, Executive team, and other related parties own a stake of Lansera Virtual Events AB that has had trading transactions with KEG during 2022. Lansera is a virtual event and interaction platform that enables meetings in tailor-made environments. It can include choosing the right platform and technology, designing a layout, and creating an interactive experience for visitors. They have provided the group with planning, designing and conducting virtual fairs in a professional manner. The fairs have been launched both nationally and internationally.

In addition, the Group entered trading transactions with the subcontractor Spinner Labs AS where USD 658 thousand (2021: USD 665 thousand) was expensed and USD 456 thousand (2021: USD 780 thousand) was capitalized as development expenses. Spinner Labs AS is owned by Spinner Holding AS who is a shareholder in KEG. Spinner Labs AS has been providing software development, including but not limited to, web development and website infrastructure, hosting consulting, content management, backoffice development, performance tracking, and website monitoring for Keystone Academic Solution AS during 2022.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 73.5% (2021: 78.6%) of the Group's voting share as per December 31, 2022. This includes 36% from funds and investment companies advised by board members (Verdane Capital and Viking Venture).

When acquiring a subsidiary, some of the considerations may be settled in shares and the sellers will then become a related. Please see note 16 and 23 for details of the transaction with the earnout participants.



Trading transactions and outstanding balances

During the year, the Group had the following trading transactions with related parties:

<i>USD thousands</i>	2022	2021
Spinner Labs	1 114	1 102
Lansera Virtual Events AB	218	-
Total	1 332	1 102

As of 31 December, KEG had the following unpaid trade payables to related parties:

<i>USD thousands</i>	2022	2021
Lansera Virtual Events AB	2	-
Total	2	-

13. Financial risk management

Overview

The Group is exposed to a variety of financial risks: currency, interest rate, price, credit, liquidity, and capital risk. The objective of financial risk management is to manage and control financial risks exposure and thereby increase predictability and minimize the potential adverse effects on the Group's financial performance. This also includes being able to meet the financial covenants related to the Group's borrowings.

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.

Risk management

Financial risk management in the Group is maintained by a central Finance Function in accordance with the guidelines approved by the Board. The Group's Finance Function identifies, measures, mitigates, and reports on financial risks in close cooperation with the various operating units. Risk management policies and procedures are reviewed regularly to consider changes in the market and the Group's activities.

Market risk

Market risk can be defined as the risk that the Group's income and expenses, future cash flows or fair value of financial instruments will vary as a result of changes in market prices. The market price includes three types of risks: exchange risks, interest risks and price risks. Market risk is monitored and managed continuously by the Group.

The Group is also 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.

Foreign exchange risk

The majority of the financial risk that the Group is exposed to relates to foreign exchange risk. Both revenue and operating expenses (and corresponding trade receivables and payables) 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 NOK, SEK, GBP and EUR. Foreign exchange risk arises from transactions related to operations conducted, and financial assets and financial liabilities arising in foreign currencies. During 2022 and 2021, the Group did not use forward exchange contracts, or any other class of derivatives, to hedge its foreign exchange risk.

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

Please refer to note 10 for information on foreign exchange gains and losses and other finance income and costs.

Revenue split by currency

<i>USD thousands</i>	2022		2021	
GBP	23 342	32 %	12 370	28%
EUR	17 332	24 %	13 793	31%
SEK	14 974	21 %	8 480	19%
USD	8 071	11 %	7 000	16%
NOK	5 756	8 %	608	1%
Other	2 627	4 %	1 556	4%
Total	72 102	100 %	43 806	100 %

Operating costs (including non-recurring items) split by currency

<i>USD thousands</i>	2022		2021	
SEK	(20 631)	30 %	(11 843)	26 %
NOK	(20 459)	30 %	(20 437)	45 %
GBP	(16 940)	25 %	(7 763)	17 %
EUR	(7 142)	10 %	(3 712)	8 %
USD	(2 230)	3 %	(1 197)	3 %
Other	(1 025)	1 %	(581)	1 %
Total	(68 428)	100 %	(45 530)	100 %

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Lack of payments from customers may significantly and adversely impair the Group's liquidity and financial performance. 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 has limited exposure in terms of credit risk related to loans and other receivables. See also note 18 (trade receivables) for additional information related to the loss allowance and for the aging analysis of the accounts receivable.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Credit exposure as of 31 December:

<i>USD thousands</i>	Amortized cost / carrying value	
	31-Dec-2022	31-Dec-2021
Financial assets		
Cash and cash equivalents	12 477	9 779
Trade receivables	12 573	12 380
Other current assets	7 267	5 891
Total	32 317	28 050

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To ensure sufficient available cash at hand to meet expected cash outflows, the Group uses cash flow forecasts to monitor cash flow requirements. Please refer to note 20 for an overview of the contractual maturities of the financial liabilities.

In March 2023, KEG reached an agreement with its lender to extend the loan facility for one year to December 2025 and to amend the covenant structure. This change will allow for increased flexibility resulting from higher operational activity.

Liquidity reserve - cash and cash equivalents

<i>USD thousands</i>	2022	2021
Cash in hand and on deposit	12 477	9 779
Less restricted funds	474	400
Unrestricted cash	12 003	9 379



Cash and cash equivalents by currency

<i>USD thousands</i>	2022	2021
GBP	5 195	3 711
SEK	4 031	1 836
NOK	1 206	1 527
EUR	1 158	1 844
USD	394	238
Other	494	623
Total	12 477	9 779

Credit facility

The total credit facility was SEK 500 million as of 31 December 2022 and 2021. The change in credit facility from 2021 to 2022 in the table below is due to foreign exchange.

<i>USD thousands</i>	2022	2021
Total credit facility – SEK 500 million	48 116	56 006
Utilized as of 31 December	(37 774)	(28 408)
Unutilized as of 31 December	10 339	27 599

Interest rate risk

The Group's interest rate risk is mainly related to loans where an element of the interest rate is not fixed, where an increase in floating rates would lead to an increase in interest costs and reduce net income and cash flow.

The table below shows a sensitivity of exposure to interest rate risk at the reporting date. This analysis assumes that all other variables remain constant and ignores any impact of forecast transactions.

<i>USD thousands</i>	2022	2021
Nominal value of interest-bearing debt excl. lease liabilities	37 774	28 408
Nominal value of unrestricted cash	12 003	9 379
Net interest-bearing liabilities	25 770	19 029
Effect of 1 percentage point increase in interest rate on profit before tax	258	190

Capital management

The Group's objective for its capital management is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital. This includes being able to meet the financial covenants under the Group's credit facility. Also, the Group's objectives for capital management are to ensure that it generates sufficient free cash flows to have sufficient flexibility to invest in attractive investment opportunities. The Group still possesses a business model that anticipates considerable cash flow generation in the future.



14. Property, plant and equipment

<i>USD thousands</i>	Furniture, fixtures etc.	Machinery and equipment	Leasehold improvement	Total
Accumulated investment				
Balance 1 January 2021	79	239	609	928
Additions	289	390	-	679
Additions through business combinations	402	295	-	697
Disposal/retirements	-	-	-	-
Translation differences	-	-	-	-
Balance 31 December 2021	771	924	609	2 304
Additions	22	701	-	722
Additions through business combinations	2	2	-	4
Disposal/retirements	105	(136)	-	(30)
Translation differences	(100)	(148)	(59)	(307)
Balance 31 December 2022	799	1 776	668	2 693
Accumulated depreciation and impairment				
Balance 1 January 2021	79	179	420	678
Depreciation and impairment for the period	52	44	89	186
Additions through business combinations	334	206	-	541
Disposal/retirements	-	-	-	-
Translation differences	-	-	-	-
Balance 31 December 2021	465	430	509	1 404
Depreciation and impairment for the period	98	163	89	350
Additions through business combinations	(29)	29	-	-
Disposal/retirements	104	241	-	345
Translation differences	(61)	(65)	(52)	(177)
Balance 31 December 2022	577	528	546	1 922
Net carrying amounts				
Balance 31 December 2021	306	494	100	900
Balance 31 December 2022	221	1 247	122	770
<i>Estimated useful life</i>	<i>2-3 years</i>	<i>3 years</i>	<i>5 years</i>	
<i>Depreciation plan</i>	<i>Straight-line</i>	<i>Straight-line</i>	<i>Straight-line</i>	

15. Leases

The right-of-use 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.

The majority of the long-term leases relate to office leases for Keystone's offices in Fornebu, Stockholm and Sheffield.

Right-of-use-assets

<i>USD thousands</i>	2022	2021
Balance as of 1 January	8 068	3 813
Additions	1 643	-
Additions through business combinations	-	4 798
Depreciation	(1 834)	(1 132)
Derecognition	(2 042)	-
Translation differences	(843)	-
Right-of-use-assets as of 31 December	4 993	8 068

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

Lease liabilities

<i>USD thousands</i>	2022	2021
Balance as of 1 January	9 827	4 806
Additions	1 647	590
Additions through business combinations	-	5 356
Lease payments	(2 076)	(1 447)
Translation differences	(1 078)	0
Derecognition	(3 206)	0
Interest expense on lease liabilities	521	523
Lease liabilities as of 31 December	5 635	9 827
<i>Of which:</i>		
Current lease liabilities (less than 1 year)	1 044	1 739
Non-current lease liabilities (more than 1 year)	4 591	8 089
Balance as of 31 December	5 635	9 827

The Group's office leases have lease terms that vary from 2 to 10 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 has no potential future lease payments not included in the lease liabilities related to extension options as of 31 December 2022.



Future lease payments

The below table shows the future minimum lease payments under non-cancellable lease contract.

<i>USD thousands</i>	2022	2021
Less than one year	1 314	2 262
Between one to five years	3 094	6 137
More than five years	1 227	1 428
Total	5 635	9 827

16. Business combinations, goodwill and intangible assets

During 2022, Keystone Education Group acquired two companies: Uniexperts GmbH and Study Outside Norway AS (SONOR). Assets acquired, and liabilities assumed in connection with a business combination have been recognized at the estimated fair value on the date of the business combination. Management has identified proprietary technology, customer relationships, customer contracts and trademarks as major intangible assets. The table below shows the identifiable assets and liabilities recognized on the date of the business combination for each individual business combination, which also is the lowest cash generating group units (CGUs) identified.

<i>USD thousands</i>	Individually immaterial
Identifiable assets and liabilities	
Trademarks	155
Customer relationships	119
Customer contracts	103
Deferred tax liabilities	(99)
Fair value of other net assets acquired ¹⁾	104
Fair value of identifiable net assets	382
Consideration	
Consideration	1 336
Contingent Consideration	858
Total estimated consideration	2 194
Goodwill (consideration less identifiable net assets)	1 812

1) Fair value of other assets and liabilities acquired approximates their carrying value.

Goodwill originating from the business combination is related to anticipated synergies from ongoing operations. No impairment has been recognized after the business combinations. Goodwill from business acquisitions is not tax deductible.

Acquisition related expenses of USD 0.3 million (USD 2.2 million) are recognized as non-recurring costs.

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



Acquisition of Uniexperts GmbH and SONOR

In March 2022, Keystone Education Group (KEG) announced the acquisition of 100% of the shares of Uniexperts GmbH (Uniexperts) 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.

In June 2022, Keystone Education Group (KEG) announced the acquisition of 100% of the shares of SONOR to reinforce its academic agent business. Sonor is an academic agent helping Norwegian students find academic opportunities outside Norway, e.g., in UK, the US and Australia.

The below table reconciles the revenues and profit/(loss) from before and after the acquisition. The post-acquisition revenues and profit and loss are reflected in KEG's profit and loss for 2022.

<i>USD thousands</i>	Pre- acquisition	Post- acquisition	Full year 2022
Revenue from contracts with customers	597	2 197	2 794
Net profit/(loss)	118	857	974

Uniexperts has subsequently been merged with another KEG company (Sport-Scholarships KEG GmbH) and is currently operating under the name Keystone Sports GmbH. The post-acquisition number in the table above represents the merged number and consolidated number of Keystone Sports GmbH, and the pre-acquisition number represents the "stand alone" number of Uniexperts.



Intangible assets

<i>USD thousands</i>	Goodwill	Trademark	Proprietary technology	Other intangibles	Development	Total
Accumulated investment						
Balance 1 January 2021	-	-	-	-	3 932	3 932
Additions	-	95	-	-	2 580	2 675
Additions through business combinations	101 852	17 227	5 271	33 064	636	158 050
Disposals/retirements	-	-	-	-	-	-
Balance 31 December 2021	101 852	17 322	5 271	33 064	7 148	164 657
Additions	110	74	-	-	2 891	3 075
Additions through business combinations	1 812	155	-	222	-	2 190
Disposals/retirements	-	-	-	-	(148)	(158)
Translation differences	(11 809)	(2 087)	(654)	(3 979)	(802)	(19 321)
Balance 31 December 2022	91 965	15 464	4 616	29 308	9 090	150 443
Accumulated depreciation and impairment						
Balance 1 January 2021	-	-	-	-	1 886	1 886
Depreciation and impairment for the period	-	-	612	1 871	1 225	3 708
Additions through business combinations	-	-	-	-	6	6
Disposals/retirements	-	-	-	-	-	-
Balance 31 December 2021	-	-	612	1 871	3 117	5 600
Depreciation and impairment for the period	-	-	924	3 258	1 923	6 105
Additions through business combinations	-	-	-	-	-	-
Disposals/retirements	-	-	-	-	(22)	(22)
Translation differences	-	-	(75)	(223)	(346)	(644)
Balance 31 December 2022	-	-	1 462	4 906	4 672	11 039
Net carrying amounts						
Balance 31 December 2021	101 852	17 322	4 658	31 194	4 031	159 057
Balance 31 December 2022	91 965	15 464	3 155	24 402	4 418	139 403

Other intangibles mainly consist of customer relationships. The below table shows the useful life and depreciation plan split by type of intangible asset.

Asset type	Useful life	Depreciation plan
Goodwill	Indefinite	NA
Trademark	Indefinite	NA
Proprietary technology	5 years	Straight-line
Other intangibles	1-10 years	Straight-line
Development	3 years	Straight-line



The Group reviews the useful life of its trademarks on an individual basis. They are considered to have an indefinite useful life when it is assessed there is no foreseeable limit to the period the asset is expected to generate net cash inflows for the entity.

Research and development (R&D)

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 2022, USD 3 647 thousand (2021: USD 2 013 thousand) in engineering salaries were expensed in the financial statement. USD 2 912 thousand (2021: USD 2 579 thousand) in development costs were capitalized in 2022. For additional information on judgements related to capitalized R&D costs, see note 4.

Impairment testing of goodwill and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization 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 recognized 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 Keystone Education AB (previous Education Media Group AB), UniQuest Limited, Find A Solution Limited, Keystone Sports AS (previous Pursue AS), Athletes Global Management Sports SL and Keystone Sports GmbH (previous Sport Scholarships USA GmbH). See above for the purchase price allocation analysis. Each acquisition and company acquired is considered a separate cash-generating unit (CGU).

Goodwill and intangible assets were tested for impairment at the end of 2022. The following carrying values were tested for impairment:

<i>USD thousand</i>	31-Dec-22	31-Dec-21
Goodwill	91 965	101 852
Trademarks/domains	15 464	17 322
Proprietary technology	3 155	4 658
Customer relationships	24 402	31 194
Carrying value	134 986	155 026

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).



Value in use

Value in use estimates the future cash flows to be derived from continuing use of the asset. Key assumptions when assessing the value in use as of 31 December 2022 were:

- Five-year cash flow projections are based on continued growth into 2023 and beyond. We have applied a four-year CAGR from 2023 to 2027 on all revenue of 15%, with an estimation of terminal value in subsequent periods (terminal growth of 1.5% applied).
- It is assumed a gradual improvement in EBITDA margin from 19% to 30% in the period 2023-2027
- Capex levels are aligned with revenue assumptions
- Tax is based on rates specific to the region of each cash generating unit
- Weighted average cost of capital (WACC) applied in the model is 13.9% (ranges from 12.7% to 16.2%). WACC of 12.7% is applied for testing of 85% of the total goodwill values.

The test suggests no impairment required. Sensitivity analysis has been performed on key assumptions. The table below shows the changes in key assumptions that may occur before any impairment is required for the most significant CGUs Keystone Education Group AS (KEG), Keystone Education AB (KEAB) and UniQuest Limited (UQ). These CGUs make up 85% of the total goodwill and intangible asset values. In addition to the value in use calculation, management has carried out an additional fair value test, concluding that there is no reasonably possible change in the assumptions that would lead to an impairment of the KEAB CGU.

<i>Carrying values (USD thousands)</i>	KEG	KEAB	UQ	Other	Total
Goodwill	28 656	38 446	10 144	14 719	91 965
Other intangible assets	-	32 219	4 392	6 409	43 021
Total	28 656	70 665	14 537	21 128	134 986

Key assumptions	KEG	KEAB	UQ
Revenue CAGR	15%	15%	15%
EBITDA margin 2023-2027	22-30%	21-25%	16-25%
Discount rate	13.7%	12.7%	14.8%

Sensitivities (break-even analysis)	KEG	KEAB	UQ
Long-term revenue reduction	Δ 33%	Δ 2%	Δ 50%
Long-term EBITDA margin reduction	Δ 74%	Δ 2%	Δ 50%
Discount rate increase	Δ 30%	Δ 1%	Δ 57%

17. Non-current financial assets

USD thousands	2022	2021
Receivables	186	62
Investments in affiliates	10	5
Equity-accounted investees	-	39
Total	196	120



18. Trade receivables, contract assets and other current assets

Specification of trade and other receivables

<i>USD thousands</i>	2022	2021
Other current assets		
Current tax assets	104	124
Prepayments	3 801	2 925
VAT receivable	328	406
Employee benefits	54	3
Other receivables	36	407
Other current assets	4 323	3 865
Unbilled revenue		
Unbilled revenue	2 944	2 026
Allowance for bad debts on unbilled revenue	-	-
Unbilled revenue	2 944	2 026
Trade receivables		
Accounts receivable	13 159	12 972
Allowance for bad debts	(586)	(591)
Trade receivables	12 573	12 380
Total	19 820	18 249

Aging of trade receivables

<i>USD thousands</i>	2022	2021
Not past due date	5 636	8 540
0-30 days	3 292	2 346
31-60 days	890	581
61-90 days	710	293
Over 90 days	2 044	619
Total carrying value trade receivables	12 573	12 380

Movements in trade receivables bad debt provision

<i>USD thousands</i>	2022	2021
Bad debt provision 1 January	(557)	(628)
Change in provision in the year	(156)	449
Receivables written off during the year	95	(413)
Translation differences	31	-
Bad debt provision 31 December	(586)	(591)



Trade receivables and unbilled revenue per region

<i>USD thousands</i>	2022	2021
EMEA	13 406	14 297
Americas	1 581	109
Asia Pacific	429	-
Rest of world	102	-
Total	15 517	14 406

The table above itemizes the trade receivables and unbilled revenue based on the location of the customers.

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 in the tables below.

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 amortized cost less loss allowances. In 2022, there were some minor investments in shares that are measured at fair value through profit and loss (see note 17).

All financial liabilities are measured at amortized cost except for 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 year end. 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.

Financial assets

<i>USD thousands</i>	2022	2021
Cash and equivalents (note 13)	12 477	9 779
Trade receivables (note 18)	12 573	12 380
Other financial assets	3 343	2 819
Total financial assets	28 393	24 978

Financial liabilities

<i>USD thousands</i>	2022	2021
Interest-bearing liabilities (note 21)	37 774	28 408
Trade payables (note 22)	2 699	2 529
Lease liabilities (note 15)	5 635	9 827
Contingent consideration liability (note 23)	17 949	16 354
Other financial liabilities	9 420	12 622
Total financial liabilities	73 476	69 741

20. Maturity analysis of financial liabilities

The tables below show the contractual maturities of the financial liabilities including interest payments at the end of the reporting period. Note that the group refinanced its loan facility in March 2023 and the maturity of the loan was extended to December 2025. The earnout payments are the estimated future payments (see note 23 contingent considerations).

Year ended 31 December 2022

<i>USD thousands</i>	Total	<1 year	2 years	3 years	4 years	>5 years
Loan facility (note 21)	43 523	3 833	39 690	-	-	-
Lease liabilities (note 15)	5 635	1 314	1 161	975	958	1 227
Contingent consideration (note 23)	19 639	11 419	8 221	-	-	-
Total interest-bearing liabilities	68 798	16 566	49 072	975	958	1 227
Trade payables (note 22)	2 699	2 699	-	-	-	-
Other financial liabilities	9 420	9 420	-	-	-	-
Total non-interest-bearing liabilities	12 119	12 119	-	-	-	-
Total financial liabilities	80 917	28 685	49 072	975	958	1 227

Year ended 31 December 2021

<i>USD thousands</i>	Total	<1 year	2 years	3 years	4 years	>5 years
Loan facility (note 21)	34 413	2 402	2 402	29 609	-	-
Lease liability (note 15)	11 289	2 262	2 107	1 947	1 774	3 199
Contingent consideration (note 23)	15 921	1 997	8 231	5 692	-	-
Total interest-bearing liabilities	61 623	6 661	12 741	37 248	1 774	3 199
Trade payables (note 22)	2 529	2 529	-	-	-	-
Other financial liabilities	12 622	12 622	-	-	-	-
Total non-interest-bearing liabilities	15 152	15 152	-	-	-	-
Total financial liabilities	76 775	21 813	12 741	37 248	1 774	3 199



21. Borrowings and interest-bearing liabilities

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

As of 31 December 2022, the equivalent of USD 37.77 million of the facility had been drawn up, drawn in SEK 265.0 million and EUR 11.4 million.

The credit facility has financial covenants related to maximum leverage and minimum cash. The Group is compliant with all financial covenants as of 31 December 2022.

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

Reconciliation of movements in loan facility

<i>USD thousands</i>	2022	2021
Balance 1 January	28 408	-
Additions through business combinations	-	6 350
New loan	12 885	29 319
Repayment of principal	-	(6 336)
Interest expense incurred	3 197	1 562
Interest expense paid	(3 315)	(1 562)
Translation differences	(3 402)	(925)
Balance 31 December	37 774	28 408

The full loan balance is classified as non-current liabilities as of 31 December 2022 and 2021. Interest-bearing liabilities are measured at amortized cost, and instalments falling due within 12 months after the reporting date are classified as current (this includes capitalized interest). Please also refer to note 13 and 20 for more information about FX and maturity.

Composition of net interest-bearing debt

<i>USD thousands</i>	2022	2021
Loan facility	37 774	28 408
Cash and cash equivalents	(12 477)	(9 779)
Net interest-bearing debt	25 297	18 629
Contingent considerations (earn-outs)	17 949	16 354
Lease liabilities	5 635	9 827
Net interest-bearing debt (including lease liabilities and earn-out liabilities)	48 880	44 811



22. Trade payable and other liabilities

<i>USD thousands</i>	2022	2021
Trade payable and other payable		
Trade payable	2 699	2 531
Other accruals	-	(2)
Trade payable and other payable	2 699	2 529
Contract liabilities		
Contract liability (Deferred revenue/prepayment from customers)	15 130	15 626
Employee benefit liabilities		
Accrued salaries, bonuses, and commissions	397	1 595
Accrued holiday pay	1 561	1 570
Other employee liabilities	112	948
Employee benefit liabilities	2 071	4 114
Public duties		
Employee withholding tax	1 211	1 237
Payroll tax	1 245	1 058
Payroll tax	773	968
Public duties payable	3 229	3 263
Other current liabilities		
Accrued expenses	3 490	3 429
Other current liabilities ¹⁾	631	1 816
Other current liabilities	4 121	5 245
Total	27 249	30 778

1) USD 1.7 million is related to UniQuest 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 recognized as revenue as (or when) the Group performs under the contract.

Bank guarantees and share pledges

The credit facility agreement with Ture is secured through a pledge in shares in Keystone Academic Solutions AS and its subsidiaries. Please also refer to note 21 for more information about the credit facility.

Below is an overview of outstanding guarantees as of 31 December 2022.

Description of security	Security type	Currency	Security amount (thousands)
Office lease in Finland	Bank guarantee	EUR	23
Office lease in Sweden	Bank guarantee	SEK	2 200
Office lease in Norway	Bank guarantee	NOK	1 476

23. Provisions; contingent liabilities and contingent consideration liabilities from business combinations

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

The Group has assumed earnout liabilities as part of the business combinations executed during 2022. For more information, please see note 16. The below explain the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

- Valuation technique
 - 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.
- Significant unobservable inputs
 - Forecasted annual revenue
 - Forecasted EBITDA
 - Risk-adjusted discount rate
- Inter-relationship between significant unobservable inputs and fair value measurement
 - The estimated fair value would increase/(decrease) if:
 - The annual revenue growth rate was higher/(lower)
 - The EBIT margin were higher/(lower); or
 - The risk-adjusted discount rate was lower/(higher)
 - Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBIT margin.

Reconciliation of movement in net present value of contingent liabilities (earn-outs) for year ended 31 December 2022

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
Balance 1 January 2022	5 474	9 376	14 851
Assumed in a business combination	858	-	858
Earn-out payments	(3 590)	(1 157)	(4 747)
Remeasurement during the year	1 894	3 146	5 040
Interest expenses	578	1 010	1 588
Translation differences	1 381	(1 022)	360
Balance 31 December 2022	6 596	11 353	17 949
Non-current portion	1 153	5 793	6 946
Current portion	5 443	5 559	11 002
Total	6 596	11 353	17 949

The table above shows the present value of the expected future payments, discounted at a 5.5% rate. 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.

Reconciliation of movement in net present value of contingent liabilities (earn-outs) for year ended 31 December 2021

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
Balance 1 January 2021	-	-	-
Assumed in a business combination	5 010	8 946	13 956
Earn-out payments	-	-	-
Change in provisions during the year	(41)	-	(41)
Interest expenses	510	284	794
Foreign exchange differences	(5)	146	142
Translation differences	-	-	-
Balance 31 December 2021	5 474	9 376	14 851
Non-current portion	3 513	8 244	11 758
Current portion	1 961	1 132	3 076
Total	5 474	9 376	14 834

In addition to the contingent liabilities above, GBP 1.25 million in sellers' credit is booked as other short-term liabilities. Please refer to note 16 for more information.

Best estimate of earn-outs to be paid (nominal values) as of 31 December 2022

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
March 2023	5 344	6 075	11 419
March 2024	1 657	6 564	8 221
March 2025	-	-	-
Total	7 001	12 639	19 639

Estimated maximum earn-out payments (nominal values) as of 31 December 2022

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
March 2023	5 344	6 075	11 419
March 2024	2 378	7 290	9 668
March 2025	-	-	-
Total	7 722	13 364	21 087



Sensitivity analysis of changes in key assumptions

Reasonably possible changes at the reporting date to one of the relevant assumptions (forecast annual revenue and forecast EBIT) would, holding the other assumptions constant¹⁾, have the following effects on the net present value and the fair value of the contingent consideration:

1) Generally, a change in the annual revenue is accompanied by a directionally similar change in EBITDA.

Effect on net present values

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
Annual revenue – 10% increase	230	678	907
Annual revenue – 10% decrease	(4 850)	(3 989)	(8 838)
EBITDA – 10% increase	-	-	-
EBITDA – 10% decrease	(1 449)	(1 592)	(3 041)

Effect on best estimate of earn-outs to be paid (nominal values)

<i>USD thousands</i>	Individually immaterial	UniQuest	Total
Annual revenue – 10% increase	235	726	960
Annual revenue – 10% decrease	(5 089)	(4 134)	(9 223)
EBITDA – 10% increase	2	-	2
EBITDA – 10% decrease	(1 613)	(1 704)	(3 318)



24. Share capital and shareholders

As of 31 December 2022, KEG had a share capital of NOK 9 036 566.55 (USD 926 563.62 converted) divided into 6 693 753 ordinary shares with a nominal value of NOK 1.35 each (USD 0.14 converted). 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 dividends in 2022 or 2021. The Board of Directors proposes that the 2022 Annual General Meeting does not approve any dividend payments.

Ownership structure

The largest shareholders of Keystone Education Group AS shares as of 31 December 2022 were as follows:

In number of shares	Shares	Ownership interest
Verdane Capital x (D) AB	1 104 186	16.5%
Fredrik Söderlindh	766 723	11.5%
Bjørk Invest AS	676 184	10.1%
Mattias Säker	509 509	7.6%
Fredrik Högemark	471 742	7.0%
Verdane Capital x (E) AB	437 484	6.5%
Viking Venture 15 AS	434 600	6.5%
Viking Venture 15B AS	421 346	6.3%
Marcus Boström	393 994	5.9%
Møsbu AS	207 271	3.1%
Jem Forvaltning AS	148 048	2.2%
Tema Invest AS	123 864	1.9%
S. Ugelstad Invest AS	114 822	1.7%
Andrew Stuart Holliday	109 088	1.6%
Andrew Pritchard	109 088	1.6%
IDL Solution AS	103 204	1.5%
Avanza Bank AB	46 807	0.7%
Subtotal	6 177 960	92.3 %
Other shareholders	515 793	7.7 %
Total numbers of shares	6 693 753	100.0 %

25. Events after the reporting date

Acquisition of Tar Group Media GmbH

Keystone Education Group expands its European reach with the acquisition of German online student search and discovery experts studddy. In April 2023, KEG announced the acquisition of 100% of the shares of Tar Group Media (TAR) GmbH. Studddy, formerly known as TarGroup Media, was launched in 2010 as an online study guide for prospective students in Germany and Austria. Following expansion over the past 13 years, studddy has grown to become the market leader for domestic student recruitment within the region, attracting over 12 million visitors each year to its websites. The German higher education market comprises over 3 million students, including 350 000 international students.

The acquisition was financed through a private placement of NOK 65 million. Total consideration is estimated to be EUR 20 million of which EUR 8 million is earn-out dependent on the financial performance.

At the date of issue of these financial statements, the Group has not yet completed the assessment of the business combination. Therefore, fair value of consideration transferred, fair value of assets acquired, and liabilities assumed are not provided in these financial statements.

Acquisition of I-Con Sports and Future Elite

In April 2023, Keystone Education Group (Keystone) has acquired 100% of the shares in two European-based student athlete placement agencies, I-Con Sports (Spain) and Future Elite Sports (UK). Together, the newly acquired companies have extensive experience across soccer and tennis placement, sending over 3 000 students to the United States and United Kingdom and securing over USD 60 million in scholarships for their students combined.

I-Con Sports is also well-known for its "Study and Play" program which provides financial support to students during studies, developed in partnership with the Rafa Nadal Foundation and Carlos Costa, former top 10 ATP tennis player, and current Rafa Nadal manager. Total consideration for the acquisition of I-Con Sports is estimated to be EUR 1 million.

Through Future Elite Sports, Keystone Sports will now also be able to offer students the ability to seek higher education while playing football and rugby in the United Kingdom, in addition to its US placement services. Total consideration for the acquisition of Future Elite Sports is estimated to be GBP 1.6 million.

At the date of issue of these financial statements, the Group has not yet completed the assessment of the business combination. Therefore, fair value of consideration transferred, fair value of assets acquired, and liabilities assumed are not provided in these financial statements.

Amendments to loan facility agreement

In March 2023, Keystone Academic Solution AS reached an agreement to make certain amendments to the loan agreement with Ture Invest AB, in which Keystone Education Group AS provides certain guarantees. The maturity was extended to December 2025 and the financial covenants were improved. A tap issue of SEK 115 million was made available and the proceeds were used to settle various earnout liabilities.



26. Alternative Performance Measures (APM)

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 are:

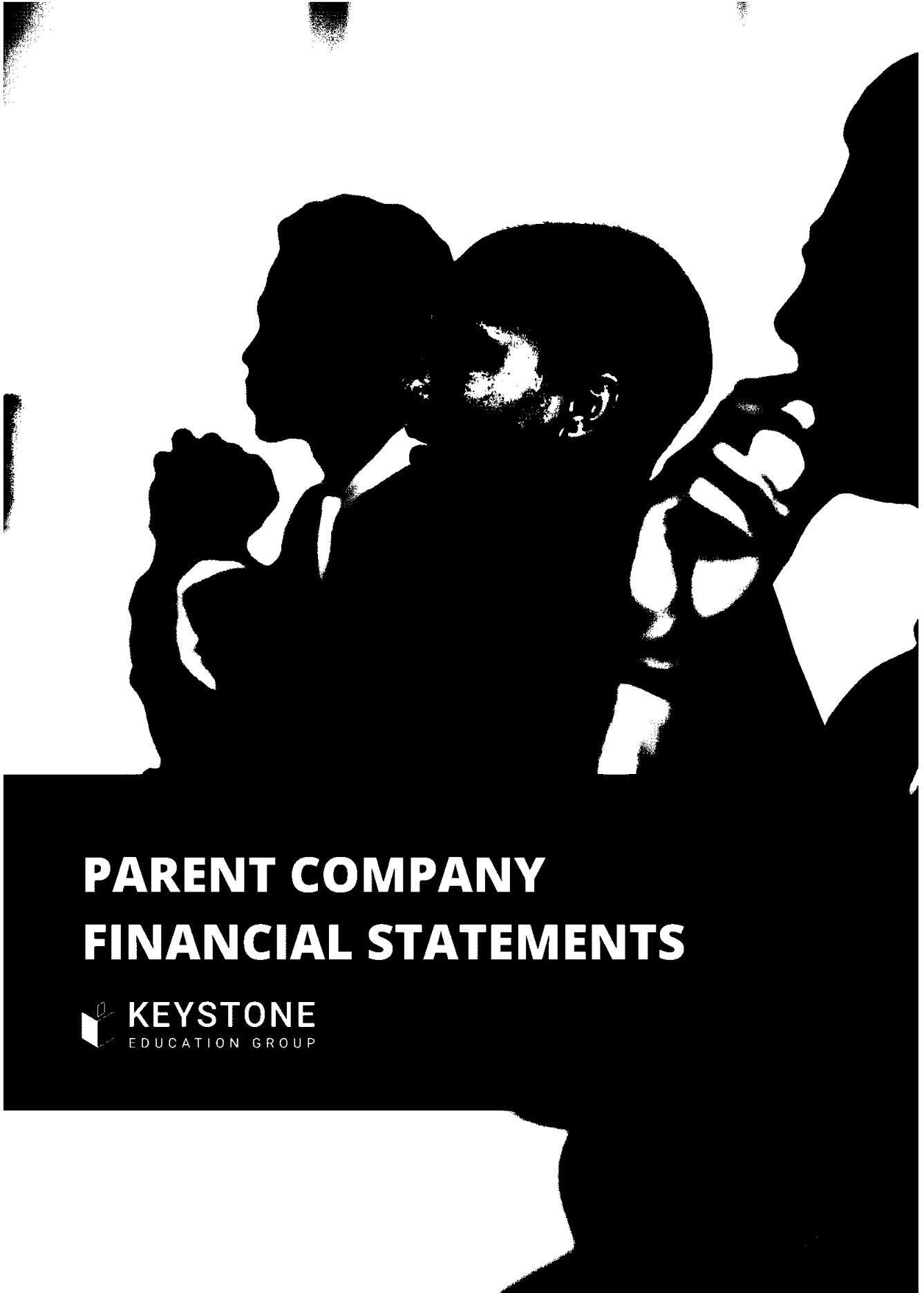
- Adjusted EBITDA: earnings before financial items, tax, depreciation and amortization
- Net cash (debt): Short- and long-term interest-bearing debt adjusted for the Groups liquidity positions. Only the utilized part of the credit facility is included in the calculations.

Reconciliation of Adjusted EBITDA

<i>USD thousands</i>	2022	2021
Operating profit ("EBIT"), excluding non-recurring costs	5 315	1 277
Share-based payments	260	(418)
Depreciation, amortization, and impairment expenses	8 221	5 151
Adjusted EBITDA	13 796	6 010

Reconciliation of net interest-bearing debt

<i>USD thousands</i>	2022	2021
Interest-bearing debt	37 774	28 408
Cash and cash equivalents	(12 477)	(9 779)
Net interest-bearing debt	25 297	18 629



PARENT COMPANY FINANCIAL STATEMENTS





Statement of profit or loss and other comprehensive income

<i>USD thousands</i>	Note	2022	2021
Operating expenses			
Other operating expenses	5	(144)	(194)
Total operating expenses		(144)	(194)
Operating profit ("EBIT"), excluding non-recurring costs		(144)	(194)
Non-recurring costs (Business combinations, restructuring and other similar costs)	6	(92)	-
Operating profit ("EBIT")		(236)	(194)
Finance income and costs			
Finance income		954	171
Finance cost		-	2
Net finance income/(costs)	7, 9	954	173
Net profit/(loss) before income tax		718	(22)
Income tax expense	8	(158)	(1)
Net profit/(loss)		560	(23)
Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		(10 398)	1
Total comprehensive income/loss		(9 839)	(22)
Net profit is attributable to:			
Owners of KEG AS		560	(23)
Non-controlling interests		-	-
Total comprehensive income for the period is attributable to:			
Owners of KEG AS		(9 839)	(22)
Non-controlling interests		-	-



Statement of financial position

<i>USD thousands</i>	Note	31-Dec 2022	31-Dec 2021
Non-current assets			
Investments in subsidiaries	11	88 458	96 832
Intercompany loans	9	11 150	6 801
Total non-current assets		99 607	103 634
Current assets			
Cash and cash equivalents	12	134	897
Other current assets	9, 12	100	3 619
Total current assets		233	4 517
Total assets		99 841	108 151
Equity			
Equity attributable to owners of the company	14	99 625	107 154
Total equity		99 625	107 154
Non-current liabilities			
Employee benefit obligations	12	-	943
Total non-current liabilities		-	943
Current liabilities			
Taxes payable	8	161	-
Other current liabilities	9, 12, 13	55	53
Total current liabilities		215	53
Total liabilities		215	996
Total equity and liabilities		99 841	108 151



Board of Directors and CEO of Keystone Education Group AS,

Fornebu, 24 May 2023

Sign.

Keith Barry Fransson
Chair of the Board of Directors

Carl Fredrik Gustav Søderlindh
Director

Jostein Vik
Director

Thorstein Berg
Director

Henrik Aspén
Alternate Director

Björn Fredrik Högemark
CEO



Statement of changes in equity

For the year ended 31 December 2022

USD thousands	Number of shares outstanding (million)	Paid-in capital (par value)	Paid-in capital (share premium)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Subtotal	Non-controlling interests	Total equity
Balance 1 January 2022	6 429	985	104 951	687	-	1	531	107 154	-	107 154
Profit/(loss)	-	-	-	-	-	-	560	560	-	560
Other comprehensive income/(loss) for the period	-	(72)	(10 139)	(67)	-	548	(668)	(10 398)	-	(10 398)
Total comprehensive income/(loss) for the period	-	(72)	(10 139)	(67)	-	548	(108)	(9 839)	-	(9 839)
Contributions by and distributions to owners										
Issuance of ordinary shares related to incentive program	265	14	846	-	-	-	-	860	-	860
Share-based payment transactions	-	-	-	935	-	-	520	1 455	-	1 455
Total contributions by and distributions to owners	265	14	846	935	-	-	520	2 315	-	2 315
Other equity changes										
Other changes	-	-	-	-	-	-	(6)	(6)	-	(6)
Total other equity changes	-	-	-	-	-	-	(6)	(6)	-	(6)
Balance 31 December 2022	6 694	927	95 658	1 555	-	548	937	99 625	-	99 625

Face value of the shares

The face value of the shares is NOK 1.35, and there are outstanding 6 693 753 shares as of 31 December 2022. Please refer to note 24 for more information about share capital and shareholder information.

Issuance of ordinary shares related to equity increase

During 2022 KEG issued 264 624 shares of which USD 0.9 million was paid in cash and USD 3.9 million was paid through contributions in kind in 2021 (capital increase was registered in 2022).

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 the end of 31 December 2022, the company had no treasury shares. During the year, KEG purchased and sold no treasury shares.

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.

For the year ended 31 December 2021

USD thousands	Number of shares outstanding (million)	Paid-in capital (par value)	Paid-in capital (share premium)	Other reserves	Reserve for own shares	Translation reserve	Other equity	Subtotal	Non-controlling interests	Total equity
Balance 1 January 2021	-	-	-	-	-	-	-	-	-	-
Profit/(loss)	-	-	-	-	-	-	(23)	(23)	-	(23)
Other comprehensive income/(loss) for the period	-	-	-	-	-	1	-	1	-	1
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners										
Total contributions by and distributions to owners	6 429	985	104 951	687	-	-	-	106 623	-	106 623
Other equity changes										
Total other equity changes	-	-	-	-	-	-	554	554	-	554
Balance 31 December 2021	6 429	985	104 951	687	-	1	531	107 154	-	107 154



Statement of cash flows

<i>USD thousands</i>	Note	2022	2021
Cash flows from operating activities			
Net profit/(loss) before income tax		718	(22)
Income taxes paid		-	-
FX differences related to changes in balance sheet items		-	1
<i>Working capital changes:</i>			
Changes in trade receivables, trade and other payables		(18)	50
Changes in other operating working capital		(2 804)	(5 912)
Net cash from operating activities		(2 104)	(5 883)
Cash flow from financing activities			
Net proceeds from issuance of share – private placement	14	656	6 227
Net proceeds from issuance of shares – incentive program	14	724	550
Net cash to/from financing activities		1 380	6 777
Net change in cash and cash equivalents		(724)	894
Currency effects on cash		(39)	-
Cash and cash equivalents at period start		897	3
Cash and cash equivalents at period end ¹⁾		134	897

1) Of which USD 0.0 million (2021: USD 0.0 million) is restricted cash as of 31 December 2022.



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 Rolfsbuktveien 4d, 1364 Fornebu, Norway.

These consolidated financial statements were approved for issue by the Board of Directors on 24 May 2023. 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 thousands for presentation purposes.

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

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.



3. Adoption of new and revised International Financial Reporting Standards and Interpretations

Standards and Interpretations affecting amounts reported in the current period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2022 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.

4. Critical accounting judgments and key sources of estimation uncertainty

General

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 recognized 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 8)

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

Impairment (see note 11)

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



5. Other operating expenses

Specification of other operating expenses

<i>USD thousands</i>	2022	2021
Audit, legal and other advisory services	(144)	(194)
Total	(144)	(194)

Auditor's remunerations

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

<i>USD thousands</i>	2022	2021
Statutory auditing services	20	86
Tax advisory services	-	-
Other services	-	-
Total fee to auditor	20	86

PwC non-audit services were performed before they were elected as auditors for 2022.

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

<i>USD thousands</i>	2022	2021
Statutory auditing services	72	234
Tax advisory services	-	20
Other services	8	84
Total fee to auditor	80	337

6. Non-recurring costs

Specification of non-recurring costs

Non-recurring costs may not be indicative of the ongoing operating result or cash flows of the company. Profit measure excluding non-recurring costs is presented as an alternative measure to improve comparability of the underlying business performance between the periods. Non-recurring costs include restructuring costs and costs related to business combinations.

<i>USD thousands</i>	2022	2021
Legal fees related to business combinations	(2)	-
Other restructuring cost	(90)	-
Total	(92)	-



7. Finance income and costs

Specification of finance income and costs

<i>USD thousands</i>	2022	2021
Interest income	952	171
Foreign exchange gains	1	-
Finance income	954	171
Interest expenses	-	2
Finance expense	-	2

8. Income tax

Specification of income tax

<i>USD thousands</i>	2022	2021
Current income tax payable	(158)	(1)
Tax expense	(158)	(1)

Reconciliation of effective tax rate

<i>USD thousands</i>	2022	2021
Profit/(loss) before income tax	718	(22)
Income tax using the corporate income tax rate in Norway (22%)	(158)	5
Effect of non-taxable and non-deductible items	(1)	(6)
Other effects	-	-
Income tax expense for the year	(158)	(1)
<i>Effective tax rate</i>	<i>(22%)</i>	<i>4%</i>

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.

Reconciliation of tax payable in the balance sheet

<i>USD thousands</i>	2022	2021
Profit/(loss) before income tax	718	(22)
Permanent and temporary differences	(2)	(26)
Basis for tax payable	716	(47)
Tax on profit for the year	160	(1)
Tax payable not yet settled	1	1
Tax payable in balance sheet	161	-



9. Related parties

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

Board of Directors and Executive team

KEG 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 73.5% (2021: 78.6%) of the Group's voting share as per December 31, 2022. This includes 36% 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.

The aggregate value of transactions and outstanding receivables/payables with group companies were as follow:

Outstanding receivables with group companies

<i>USD thousands</i>	Group company	2022	2021
Long term loan	Keystone Academic Solutions AS	11 150	6 801
Short term loan	Keystone Academic Solutions AS	70	3 617
Total		11 220	10 419

There is a loan agreement in place. The loan is nominated in NOK.

There are no payables with group companies as of 31 December 2022 or 2021.

Aggregated value of transactions with group companies

<i>USD thousands</i>	Group company	2022	2021
Reimbursements	Keystone Academic Solutions AS	-	55
Interest income	Keystone Academic Solutions AS	951	169
Total		951	224

10. Financial instruments risk management objectives and policies

The Company's objective for its capital management is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital. This includes being able to meet the financial covenants under the Company's credit facility. Refer to note 13 in the Group's consolidated financial statements.

11. Investments in subsidiaries

Reconciliation of movements

Below is an overview of the investments in subsidiaries directly held by Keystone Education Group AS as of 31 December 2022.

Investments in subsidiaries	2022	2021
Balance 1 January	96 832	-
Investment during the year	-	96 832
Cost related to option program	934	-
Translation differences	(9 309)	-
Balance 31 December	88 458	96 832

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 31 December 2022, 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.

12. 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

<i>USD thousands</i>	2022	2021
Cash and equivalents (note 10)	134	897
Trade receivables (note 13)	44	-
Other financial assets	27	3 619
Total	205	4 517

Financial liabilities

<i>USD thousands</i>	2022	2021
Trade payables (note 16)	32	54
Other financial liabilities	23	943
Total	55	996

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 amortized cost less loss allowances.

All financial liabilities are measured at amortized 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 year end.

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

13. Other current liabilities

Other contingent liabilities

KEG is not involved in any disputes nor trials at the balance sheet date or as the date of the approval of these financial statements 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's financial statement.

Borrowings and interest bearing liabilities

There are no external borrowings in KEG. However, Keystone Academic Solutions AS has signed a credit facility agreement with Ture, in which Keystone Education Group AS provides certain guarantees. Please see note 21 in the consolidated financial statements for more information about borrowings and interest-bearing liabilities.



14. Share capital and shareholders

As of 31 December 2022, KEG had a share capital of NOK 9 036 566.55 (USD 926 563.62 converted) divided into 6 693 753 ordinary shares with a nominal value of NOK 1.35 each (USD 0.14 converted). 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 dividends in 2022 or 2021. The Board of Directors proposes that the 2022 Annual General Meeting does not approve any dividend payments.

Ownership structure

The largest shareholders of Keystone Education Group AS shares as of 31 December 2022, were as follows:

In number of shares	Shares	Ownership interest
Verdane Capital x (D) AB	1 104 186	16.5%
Fredrik Söderlindh	766 723	11.5%
Bjørk Invest AS	676 184	10.1%
Mattias Säker	509 509	7.6%
Fredrik Högemark	471 742	7.0%
Verdane Capital x (E) AB	437 484	6.5%
Viking Venture 15 AS	434 600	6.5%
Viking Venture 15B AS	421 346	6.3%
Marcus Boström	393 994	5.9%
Møsbu AS	207 271	3.1%
Jem Forvaltning AS	148 048	2.2%
Tema Invest AS	123 864	1.9%
S. Ugelstad Invest AS	114 822	1.7%
Andrew Stuart Holliday	109 088	1.6%
Andrew Pritchard	109 088	1.6%
IDL Solution AS	103 204	1.5%
Avanza Bank AB	46 807	0.7%
Subtotal	6 177 960	92.3 %
Other shareholders	515 793	7.7 %
Total numbers of shares	6 693 753	100.0 %

15. Events after the reporting date

Please refer to note 25 in the consolidated financial statement.

16. Alternative Performance Measures (APM)

Please refer to note 26 in the consolidated financial statement.



INDEPENDENT AUDITOR'S REPORT





To the General Meeting of Keystone Education Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Keystone Education Group AS, which comprise:

- the financial statements of the parent company Keystone Education Group AS (the Company), which comprise the statements of financial position as at 31 December 2022, profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Keystone Education Group AS and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2022, comprehensive income, changes in equity, and cash flows 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 statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with 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 as required by 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 24 May 2023

PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant
(This document is signed electronically)



Keystone Education Group

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