

Board of Directors Report

Financial review

These financial statements comprise Keystone Academic Solutions AS ("Keystone" or "the Company"). The financial statements for the Company 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 2022.

Revenue

The Company's revenue for 2023 amounted to USD 19.2 million, compared to USD 19.5 million in 2022. The organic underlying growth in revenues was negative 1%.

Operational Cost

Operating expenses (excluding depreciation and amortization and non-recurring items) amounted to USD 14.3 million in 2023, compared to USD 16.4 million in 2022. This is a decrease of 13% compared to a decrease in revenues of 1%.

Around 65% of the cost base in Keystone Academic Solutions is FTE related.

Non-recurring items amounted to USD 1.5 million in 2023 and USD 1.3 million in 2022. Non-recurring items in 2023 mainly consist of restructuring costs and business combinations.

EBITDA

The Company reported adjusted EBITDA (excluding non-recurring items) of USD 5 million for 2023, compared to USD 3 million in 2022.

Including non-recurring items, the EBITDA for 2023 was USD 3.5 million compared to USD 1.8 million in 2022.

Depreciation, amortization, and impairment

Depreciation, amortization and impairment totaled USD 1.9 million compared to USD 8.8 million last year. This reflects an impairment of the value of one of the subsidiaries' book values against its fair value in 2022.

No impairment was recognized in 2023. In 2022 the impairment recognized was USD 6.3 million.

Operating results EBIT

The operating result (EBIT) for 2023 showed a profit of USD 3.0 million, compared to a loss of USD 5.7 million in 2022.

Net financial items

Total finance income amounted to USD 15.5 million in 2023 (1.5).

Total finance costs were USD 14.9 million (12.3), comprising both interest on debt and interest on financial leases under IFRS 16. The main reason for the increase in finance costs in 2023 is because 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 2023 and are also expected to do so in 2024, an increase in the earn-out liability of USD 3.3 million was recognized in 2023. We also had higher interest expenses in 2023 due to increased interest rates and higher debt.

Net finance costs were hence USD 4.4 million in 2023 (10.8).

Profit/loss

Net loss before tax was USD 2.9 million in 2023, compared to a net loss before tax of USD 17.8 million in 2022.

Income tax expense amounted to USD 0.4 million (negative 0.4), and net loss after tax was USD 1.9 million (18.2). The increase in income taxes is driven by improved profitability.

Assets

Total assets for the Company were USD 171.3 million per the end of 2023 compared to USD 150.4 million at the end of 2022.

Goodwill and other intangible assets amounted to USD 2.8 million, versus USD 3.2 million at the end of 2022.

Total non-current assets amounted to USD 158.3 million, compared to USD 140.4 million at the end of 2022.

Cash and cash equivalents amounted to USD 7.1 million at the end of 2022, compared to USD 3.9 million at year-end 2022.

Total current assets amounted to USD 13.0 million at the end of the year, compared to USD 10.0 million at the end of 2022.

Equity and liabilities

The Company's equity amounted to USD 68.9 million at the end of 2023, up from USD 66.2 million at the end of 2022. 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 due to changes in foreign exchange rates and the impairment identified for one of the

subsidiaries and is not reflective of the underlying performance of the businesses.

Non-current liabilities amounted to USD 80.4 million at the end of 2023, compared to USD 61.8 million at the end of 2022.

The non-current liabilities comprised interest-bearing liabilities of USD 69.3 million (53.4), lease liabilities of USD 1.3 million (1.5), and contingent liabilities (earn-out) of USD 5.1 million (6.9).

Current liabilities increased to USD 22.5 million from USD 22.4 million at the end of 2022, with trade payables decreasing to USD 1.0 million from USD 1.2 million at year-end 2022.

Current contingent consideration liabilities at USD 11.6 million (10.7), deferred revenue at USD 7.6 million (6.6), the current portion of lease liabilities at USD 0.1 million (0.1), current tax payable at USD 0.7 million (1.0), and other current liabilities at USD 1.7 million (2.4). The latter comprises salary accruals and other operational accruals.

Cash flow and investments

The Company had a positive operating cash flow of USD 10.8 million in 2023, compared to USD 4.7 million in 2022.

Cash outflow from investing activities amounted to USD 23.8 million for 2023, compared to USD 10.5 million in 2022. Investing activities mainly relate to acquisition of companies.

Capital expenditure (excluding acquisition of companies) accounted for USD 1.4 million (2.5) 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 16.4 million, compared to a cash inflow of USD 8.7 million in the same period last year.

Cash inflow from loan proceeds was USD 15.8 million in 2023 and 12.9 million in 2022. Interest payments amounted to USD 5.4 million in 2023 and 3.3 million in 2022. The increase is driven by higher debt and higher interest rates.

Funding

The company's cash position was USD 7.1 million at the end of 2023, compared to a cash position of USD 3.9 million at the end of 2022.

Allocation of comprehensive profit

The Board of Directors proposes the following allocation of the reported comprehensive loss: USD 4.5 million transferred to other equity.

Accounting principles

The financial statements of Keystone Academic Solutions have been prepared in accordance with the Norwegian accounting act and regulation on simplified application of international accounting standards (forskrift om forenklet anvendelse av internasjonale regnskapsstandarder – simplified IFRS).

Going concern

In the view of the Board, The Company 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. As per 31 December 2023, the Company had a total of 88 Full Time Equivalents.

The Company 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 44% of all management, while there were 40% women in the executive management team. The Company focuses on diversity and equality in its hiring process as these numbers illustrate.

In 2023, the sick leave for the Company was 1.79% compared to 1,82% during 2022. 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 2023, no incidents or injuries directly relating to work conducted at the Company's premises were reported. No occupational injuries were reported to the Norwegian Labour Inspection Authority in 2023.

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 provide guidelines to report incidents. During 2023, 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 sits at the core of our mission to match and connect every individual student with their most suitable school and learning program to achieve their learning goals.

Student recruitment is a multi-billion-dollar industry that has yet to be fully revolutionized by technology. It remains a frustratingly fragmented, slow, and offline experience for many students, and institutions alike. Students live in a world of connected and immediate digital experiences, where a world of choice in retail, food, and transport is available to them within minutes, and they expect education to be the same. It is our fundamental belief that students need a fully digitized experience that helps them choose the right education to meet their life goals, supports them throughout their application and enrolment experience, gives real-time feedback and results, and stays with them through their learning journey. At Keystone, we are building these experiences today, and helping institutions deliver the experience to students to help them gain a competitive edge.

In 2023, we have made large strides towards delivering this vision. Our investments have been focussed into three key strategies; delivering a first-rate student experience, using data, machine learning and generative AI to help students and institutions get high value insights, and consolidation are technology estate into a single customer platform.

Our student experiences are powered by industry leading technology that allows us to operate a network of more than 450 destinations, in multiple countries and languages from a single central platform

offering unprecedented levels of scale and reach. Our destinations outperform their peers in terms of performance, and user value, leading to Keystone sites generating more traffic, engagement and conversion than any other market competitor.

In 2023, we have investment in growing the content available on our sites, publishing tens of thousands additional institution and program profiles that offer students a complete selection from a single essential destination. Keystone is using the latest Generative AI technology to help summarise and structure this information to make it easier for students to search and understand if a program meets their learning goals.

In 2024, we will double down on these investments with further Generative AI investments, and will shortly launch a beta version of a new chatbot based feature that will operate as an independent student advisor. Unlike similar features available elsewhere in the market that only answer broad student questions in a generic fashion, we aim to answer highly specific student questions, in a personalised way, in real time, and at least as well as a human agent. In addition to the benefits for students, for our institution customers this will only them to focus their energies on the high value recruitment activities that still require human reasoning.

Elsewhere, in 2023 we have also invested in machine learning technologies that help institutions process and prioritise the large number of applications they receive, predict their rate of enrolment, and provide actionable insights to help improve both measures. Working with leading industry partners including AWS, we are using these technologies today with real customers, and in 2024 we will continue to invest and improve.

Finally, we are making good progress on consolidating our multiple acquired group

technology assets into a single scalable global customer platform. In January 2024, we relaunched our popular site “educations.com” on our new global platform, and offered thousands of customers visibility and reach to millions of new students from the same platform that they already use today. In 2024, we will continue to progress this program, offering customers access to tens of millions of new students across the world, and unifying our technology teams from one world class platform.

To handle our growth in technology complexity we have continued to improve our team, and have added engineering leaders from large scale technology organisations such as Electrolux, as well as mass consumer brands such as Viaplay.

R&D activities

The Company 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 2023, USD 1.4 million (2.0) in development costs were capitalized.

Risk factors

Risk management in the Company 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 Company under the approved policies.

Keystone Academic Solutions 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 Company 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 Company 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 Company is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. The Company 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 2023, 85.4% of the Company's revenues and 13.8% of operational expenses were in foreign currencies (other than USD). During 2023 and 2022, the Company 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 Company would suffer if a counterparty failed to perform its financial obligations. The Company's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer. The Company's bad debt expenses in 2023 were 4% of trade receivables at year end. No single customer accounted for more than 10% of the Company's revenue during the financial year. Further, the Company 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 company's maximum exposure to credit risk at the balance sheet date. The Company has limited exposure in terms of credit risk related to loans and other receivables.

Liquidity risk

The Company'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 Company'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 Company uses cash flow forecasts, to monitor cash flow requirements. The Company manages its capital requirements through the credit facility agreement with Ture Investment group, hence the Company is subject to externally imposed capital requirements. Unrestricted cash year end 2023 was USD 1.9 million down from USD 3.8 million in 2022.

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 responsibility

The Company 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 second Transparency Act reporting, due in June 2024. The report will be available at www.keg.com.

The Director & 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 event

Acquisition of global education providers, Edunation and Asia Exchange. Asia Exchange will bring substantial strategic benefits to Keystone Education Group as the Asia authority of study abroad with a unique model enabling accessible study abroad for

the many, not the few. Eduration has been committed to revolutionizing international student recruitment, guided by a vision of creating pathways for students worldwide to access high-quality education opportunities in the Nordics.

Strategy and outlook

Keystone's vision is to help everyone in the world find the right education and our strategy is focused on this. To achieve our vision, we need to help more students every year and grow into new markets to provide better guidance to students in these countries.

We will continuously expand both organically and via acquisitions to help students in more countries find the right education. 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.

To better help millions of students with the right guidance, we are investing in several AI solutions within student counselling and guidance, matchmaking and content tools. In 2023, we increased our R&D investments by over 20% and we will continue to invest in and leverage new technologies to provide the best experience for students and schools.

In 2023, several new companies joined Keystone. Studddy (former TAR Media Group) joined in Q1 2023, enabling us to take the market leading position in search & discovery in Germany and Austria. Future Elite in the UK and I-Con Sport in Spain also joined Keystone's agency business, further strengthening our position in these countries.

In Q1 2024, two new companies were acquired and became part of Keystone; Eduration and Asia Exchange, further strengthening our offering in Asia.

Keystone's strategy will continue to 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 enrollement services with search & discovery to create a seamless flow for the students
- Offer a valuable digital journey combined with personal guidance to help students enroll at the right schools
- Consolidate a streamlined product line which scales globally across our customers
- Lead the industry with dedication and passion guided by our vision and mission

Keystone's ambition is to be the global industry leader within 3-5 years and grow significantly in size, led both by organic and M&A driven growth. We will continue growing 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, 28 June 2024

Sign.

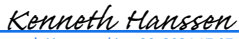


Roar Olbergsveen
Chair of the Board of Directors



Fredrik Söderlindh (Jun 28, 2024 17:04 GMT+2)

Carl Fredrik Gustav Söderlindh
Director



Kenneth Hanssen (Jun 28, 2024 17:07 GMT+2)

Kenneth Nyhus Hanssen
Director



Fredrik Högemark (Jun 28, 2024 17:02 GMT+2)

Björn Fredrik Högemark
CEO

Keystone Academic Solutions AS

Annual Report 2023

Statement of profit or loss and other comprehensive income

<i>USD thousands</i>	Note	2023	2022
Revenue			
Revenue from contracts with customers	5, 13	19,232	19,475
Operating expenses			
Cost of services	6, 13	(860)	(369)
Payroll and related expenses, excl. stock-based compensation	7	(9,280)	(13,693)
Share-based payments	7	(2)	(237)
Depreciation, amortization, and impairment expenses	14, 15, 16	(1,924)	(8,768)
Other operating expenses	8	(4,121)	(2,134)
Total operating expenses	13	(16,187)	(25,201)
Operating profit ("EBIT"), excluding non-recurring costs		3,045	(5,725)
Non-recurring costs (Business combinations, restructuring and other similar costs)	9	(1,516)	(1,291)
Operating profit ("EBIT")		1,529	(7,016)
Financial income and costs			
Finance income		1,734	1,548
Finance cost		(11,556)	(6,053)
Dividend income		8,727	0
(earn-outs)		(3,319)	(6,257)
Net finance income/(costs)		(4,415)	(10,762)
Net profit/(loss) before income tax		(2,886)	(17,778)
Income tax expense	11	431	(406)
Net profit/(loss)		(2,455)	(18,185)
Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		(2,039)	(9,122)
Total comprehensive income/loss		(4,494)	(27,307)
Net profit is attributable to:			
Owners of KAS AS		(2,455)	(18,185)
Non-controlling interests		0	0
Total comprehensive income for the period is attributable to:			
Owners of KAS AS		(4,494)	(27,307)
Non-controlling interests			

Consolidated statement of financial position

<i>USD thousands</i>	<i>Note</i>	<i>31-Dec 2023</i>	<i>31-Dec 2022</i>
Non-current assets			
Intangible assets	16	2,771	3,175
Right of use assets	15	1,352	1,582
Property, plant and equipment	14	244	352
Deferred tax assets	11	299	9
Contract assets		0	104
Investments in subsidiaries		129,135	132,483
Other non-current assets	17	24,472	2,692
Total non-current assets		158,273	140,398
Current assets			
Cash and cash equivalents	13, 19	7,111	3,919
Trade receivables	13, 18, 19	3,883	3,855
Contract assets		386	317
Other current assets	13, 18, 19	1,660	1,887
Total current assets		13,040	9,978
Total assets		171,313	150,376
Equity			
Equity attributable to owners of the company		68,354	66,170
Non-controlling interests		0	0
Total equity	24	68,354	66,170
Non-current liabilities			
Interest bearing liabilities	13, 19, 20, 21	69,260	53,381
Lease liabilities	15, 19, 20, 21	1,298	1,504
Other non-current liabilities		4,739	0
Non-current contingent consideration liabilities	19, 23	5,115	6,946
Total non-current liabilities		80,412	61,832
Current liabilities			
Trade payable and other payable	19, 22	980	1,199
Deferred revenue	22	7,558	6,604
Taxes payable	11	0	0
Current portion of lease liabilities	15, 19, 20, 21	97	119
Borrowings	13, 19, 20, 21	289	305
Employee benefit obligations		955	1,359
Public duties payable		679	1,068
Other current liabilities	19, 22	419	1,055
Current contingent consideration liabilities	19, 23	11,571	10,665
Total current liabilities		22,547	22,374
Total liabilities		102,959	84,206
Total equity and liabilities		171,313	150,376

Board of Directors and CEO of Keystone Academic Solutions AS,
Fornebu, June 28, 2024
Sign.



Roar Olbergsveen
Chair of Board of Directors



Kenneth Hanssen (Jun 28, 2024 17:07 GMT+2)
Kenneth Nyhus Hanssen
Director



Fredrik Soderlindh (Jun 28, 2024 17:04 GMT+2)

Carl Fredrik Gustav Soderlindh
Director



Fredrik Högemark (Jun 28, 2024 17:02 GMT+2)
Björn Fredrik Högemark
CEO

Statement of changes in equity

For the year ended 31 December 2023

<i>USD thousands</i>	Number of shares outstanding (thousand)	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 2023	4,906	751	97,361	(85)	(8)	(9,035)	(22,815)	66,170		66,170
Comprehensive income/loss										
Profit/(loss)							(2,455)	(2,455)	-	(2,455)
Other comprehensive income/(loss) for the period		(100)	(14,095)	33	1	7,996	4,126	(2,039)	-	(2,039)
Total comprehensive income (loss) for the period	-	(100)	(14,095)	33	1	7,996	1,671	(4,494)	-	(4,494)
Contributions by and distributions to owners										
Issuance of ordinary shares related to equity in	-	314	5,823	-	-	-	-	6,137		6,137
Share-based payment transactions		-	-	(1)	-	-	-	(1)	-	(1)
Total contributions by and distributions to owners	-	314	5,823	(1)	-	-	-	6,136	-	6,136
Other equity changes										
Other changes	-	-	-	-	-	-	542	542	-	542
Total other equity changes	-	-	-	-	-	-	542	542	-	542
Balance 31 December 2023	4,906	965	89,090	(53)	(6)	(1,040)	(20,603)	68,354	-	68,354

Non-controlling interests

There is no non-controlling interests in KAS.

Face value of the shares

The face value of the shares was increased in May 2023 from NOK 1.35 to NOK 2.0. There are currently outstanding 4,906,204 (Issued shares of 4,955,307 and treasury shares of 49,103) shares as of December 31, 2023. Please refer to note 24 for more information about the share capital and shareholder information.

Issuance of ordinary shares related to equity increase

During 2023 KAS issued no new shares.

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

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.

Statement of changes in equity

For the year ended 31 December 2022

	Number of shares outstanding (thousand)	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
<i>USD thousands</i>										
Balance 1 January 2022	4,906	751	97,361	(316)	(8)	87	(4,630)	93,245	-	93,245
Comprehensive income/loss										
Profit/(loss)	-	-	-	-	-	-	(18,185)	(18,185)	-	(18,185)
Other comprehensive income/loss for the period	-	-	-	-	-	(9,122)	-	(9,122)	-	(9,122)
Total comprehensive income/loss for the period	-	-	-	-	-	(9,122)	(18,185)	(27,307)	-	(27,307)
Contributions by and distributions to owners										
Issuance of ordinary shares related to incentive program	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	232	-	-	-	232	-	232
Total contributions by and distributions to owners	-	-	-	232	-	-	-	232	-	232
Other equity changes										
Other changes	-	-	-	-	-	-	(1)	(1)	-	(1)
Total other equity changes	-	-	-	-	-	-	(1)	(1)	-	(1)
Balance 31 December 2022	4,906	751	97,361	(85)	(8)	(9,035)	(22,815)	66,170	-	66,170

Statement of cash flow

USD thousands	Note	2023	2022
Cash flows from operating activities			
Net profit/(loss) before income tax		(2,886)	(17,778)
Income taxes paid	11	432	(0)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment expenses	14, 16	1,924	8,768
Share-based payments		(1)	232
Finance income	10	28,128	3,439
Finance costs	10	-	-
Net (gain)/loss from disposed assets	14	0	366
Net (gain) loss from sale of discontinued operations		0	-
FX differences related to changes in balance sheet items		2,884	(97)
Other non-cash		-	-
<i>Working capital changes:</i>			
Changes in trade receivables, trade and other payables		491	(1,344)
Changes in other operating working capital		(20,182)	11,135
Net cash from operating activities		10,789	4,720
Cash flows from investment activities			
Acquisition of equipment	14	(21)	(517)
Capitalized Research & Development	16	(1,415)	(2,032)
Payment for acquisitions of subsidiaries, net of cash acquired	16	(22,393)	(7,929)
Net cash from investment activities		(23,829)	(10,477)
Cash flow from financing activities			
Purchase of treasury shares		-	-
Proceeds from issuance of shares - private placement	24	6,137	-
Proceeds from issuance of shares - incentive program	24	-	-
Net payments from new loans	21	15,848	12,886
Down payments of interest-bearing liabilities	21	-	-
Interest paid	21	(5,388)	(3,315)
Principal payment of lease liabilities	15	(210)	(893)
Net cash to/from financing activities		16,387	8,678
Net change in cash and cash equivalents		3,347	2,921
Currency effects on cash		(156)	(464)
Cash and cash equivalents at period start		3,919	1,463
Cash and cash equivalents at period end ¹⁾		7,111	3,919

¹⁾ Of which \$5.18 million (2022: \$0.18 million) is restricted cash as of December 31, 2023.

Keystone Academic Solutions AS

Financial Statements 2023

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Note 1 - General information

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

These financial statements were approved for issue by the Board of Directors on June 28, 2024. Minor rounding differences may exist and the total may deviate from the total of the individual amounts. This is due to the rounding of whole amounts to millions for presentation purposes.

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

The KAS' subsidiaries as at 31 of December 31, 2023 are listed below:

Company name	Owned by	Location	Ownership and voting share interest
Keystone Academic Solutions AS	Keystone Education Group AS	Norway	100%
Find A Solutions Ltd	Keystone Academic Solutions AS	UK	100%
Find a University Ltd	Find A Solutions Ltd	UK	100%
Keystone Sports AS	Keystone Academic Solutions AS	Norway	100%
Keystone Sports GmbH	Keystone Academic Solutions AS	Germany	100%
Uni-Quest LTD	Keystone Academic Solutions AS	UK	100%
UniQuest, Inc	Uni-Quest LTD	USA	100%
Athletes Global Management Sports, S.L.	Keystone Academic Solutions AS	Spain	100%
Keystone Education Group AB	Keystone Academic Solutions AS	Sweden	100%
EMG-Educations Media Group AB	EMG Holding AB	Sweden	100%
Blueberry College & Universitet AB	Keystone Education Group AB	Sweden	100%
Find Courses PRO AB	Keystone Education Group AB	Sweden	100%
Keystone Group APS	Keystone Education Group AB	Denmark	100%
Studentum AS	Keystone Education Group AB	Norway	100%
Kursfinder GMBH	Keystone Education Group AB	Germany	100%
Keystone Education Group OY	Keystone Education Group AB	Finland	100%
The Alliance App	Keystone Sports AS	Norway	44%
The Alliance App	Keystone Sports GmbH	Germany	10%
The Alliance App	Keystone Academic Solutions AS	Spain	15%
Future Elite Sports Ltd	Keystone Academic Solutions AS	UK	100%
Future Elite Players Ltd	Keystone Academic Solutions AS	UK	100%
Icon Sports SL	Keystone Academic Solutions AS	Spain	100%
TarGroup Media GmbH	EMG Holding AB	Germany	100%

Note 2 – Summary of Significant Accounting Policies

2.1 Basis for preparation

The financial statements of Keystone Academic Solutions have been prepared in accordance with the Norwegian accounting act and regulation on simplified application of international accounting standards (forskrift om forenklet anvendelse av internasjonale regnskapsstandarder – simplified IFRS). The parent Keystone Education Group AS, prepares consolidated financial statements which can be found here: <https://www.keg.com/investor-relations>. The financial statements have been prepared on the historical cost basis except for contingent considerations measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Company 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 simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Shares in subsidiaries and associates

Shares in subsidiaries are presented according to the cost method. Shares in subsidiaries 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.

2.3 Revenue recognition

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

The Company 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 Company 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 Company 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 Company 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 Company 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 Company has both fulfilled its performance obligation and when The Company 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.

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 2023, 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.

2.4 Leases

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

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

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

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

The lease liability is presented as separate line items (current and non-current) in the 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 Company 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 Company 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 Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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

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

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

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

2.5 Foreign currency translation

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

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

2.6 Government grants

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

2.7 Employee benefits

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

2.8 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company 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 Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

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

2.9 Intangible assets**Internally generated intangible assets**

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

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

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

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

2.10 Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Property, plant and equipment are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

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

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

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

2.11 Impairment of non-financial assets

At the end of each reporting period, the Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised 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 recognised when the Company 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 recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Company's obligation.

2.13 Financial Instruments

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

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

Financial assets

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

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

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

Impairment of financial assets and trade receivables

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

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

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

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

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

2.14 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.

2.15 Cash Flow statement

The Company 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 2023 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 2023 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 Company'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.

Amortization of intangible assets (see note 16)

One of the Company'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.

Impairment (see note 16)

In accordance with IAS 36, the Company 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 2023. 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 Company 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.

Note 5 - Revenue

2023 Disaggregation of revenue

<i>USD thousands</i>	Search & Discovery	Enrolment Services	Agents	Professional courses	Total 2023
Continental Europe	6,758				6,758
Nordics	674				674
UK	4,175				4,175
US	2,828				2,828
Other	4,798				4,798
Revenue from contracts with customers	19,232	-	-	-	19,232
Recurring revenues	15,581				15,581
Re-occurring revenues	2,868				2,868
Total over time revenue recognition	18,449	-	-	-	18,449
Other revenues	783				783
Total point in time revenue rec	783	-	-	-	783

2022 Disaggregation of revenue

<i>USD thousands</i>	Search & Discovery	Enrolment Services	Agents	Professional courses	Total 2022
Continental Europe	7,154				7,154
Nordics	674				674
UK	4,150				4,150
US	3,166				3,166
Other	4,331				4,331
Revenue from contracts with customers	19,475	-	-	-	19,475
Recurring revenues	16,971				16,971
Re-occurring revenues	1,485				1,485
Total over time revenue recognition	18,456	-	-	-	18,456
Other revenues	1,019				1,019
Total point in time revenue rec	1,019	-	-	-	1,019

Revenues per currency

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

Trade receivables, contract assets and contract liability

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

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>	2023	2022
External services	(536)	(78)
Marketing	(45)	(45)
Events and project costs	(31)	0
Hosting	(237)	(222)
Other	(10)	(24)
Total	(860)	(369)

7. Payroll costs and remuneration to Management

Specification of payroll costs

<i>USD thousands</i>	2023	2022
Salary incl. bonus and commissions	(7,651)	(10,158)
Social security cost	(1,342)	(1,637)
Payments to long-term contractual staff	(576)	(3,140)
Pension costs	(479)	(657)
Other payments	(134)	(132)
Capitalized development costs	902	2,032
Total	(9,280)	(13,693)
<i>Average number of full time equivalents</i>	88	104

KAS is 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 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.

As of December 31, 2023, there was no existing severance agreement between KAS and the Chairman of the Board.

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

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

No accrual for 2023 bonuses and commissions for senior executives has been recognized in the consolidated financial statements.

7. Payroll costs and remuneration to Management

Compensation to Executive Management and Board of Directors 2023

<i>USD thousands</i>	Salary	Bonus/ commission	Other compensation	Pension compensation	Benefit exercised options/RSU s	Total compensation
Björn Fredrik Högemark - CEO	207	-	8	49	-	264
Keith Barry Fransson - Chairman	28	-	-	-	-	28
Executive Management excl. CEO	881	207	505	38	-	1,632
Board of Directors excl. Chairman	-	-	-	-	-	-

Presented above are the bonuses earned in 2023 and paid in both 2023 and 2024.

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

There has been no compensation or other economic benefit provided in 2023 or 2022 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 2023 and 2022, there has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

Compensation to Executive Management and Board of Directors 2022

<i>USD thousands</i>	Salary	Bonus/ commission	Other compensation	Pension compensation	Benefit exercised options/RSU s	Total compensation
Björn Fredrik Högemark - CEO ¹	18	-	0	1	-	19
Mark Ivin - CEO ²	-	-	-	-	-	-
Erik Harrell - CEO ³	292	-	21	16	293	622
Keith Barry Fransson - Chairman	31	-	-	-	-	31
<i>Executive Management</i>						-
Executive Management excl. CEO	1,044	106.3	21.0	53.7	34	1,259
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 above are the bonuses earned in 2022 and paid in both 2022 and 2023.

7. Payroll costs and remuneration to Management

Share-based compensation program

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

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

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

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

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

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

Share options are granted under service conditions, not market-based conditions. Such conditions are not taken into account in the grant date fair-value measurement. There are no market conditions associated with the share option grants. Given that employees have the right to exercise their options up to three years after the vesting date, the estimate is based on an assumption that the employees, on average, are exercising their options 12 months after the vesting date.

As of 12/31/23 the Keystone Education Group AS had 184 462 (2022: 185 764) warrants issued and 164 951(2022: 167 923) options issued.

Share-based compensation cost - Equity settled

<i>USD thousands</i>	2023	2022
Balance as of 1/1	829	724
FX Conversion Differences	(37)	(127)
IFRS 2 expense	(1)	232
Balance as of 12/31	791	829

Share-based compensation cost - Cash settled

<i>USD thousands</i>	2023	2022
Balance as of 1/1	188	342
IFRS 2 expense	(71)	(155)
Balance as of 12/31	117	188

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

Outstanding instruments by December 31, 2023 - Options

Activity	2023		2022	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	129,423	136	204,536	105
Granted	10,000	219	17,000	225
Exercised	-	-	(88,333)	82
Adjusted	(49,423)	195	-	-
Terminated	(15,000)	225	(3,780)	130
Outstanding 31 December	75,000	161	129,423	136
<i>Of which vested</i>	55,839	144	69,919	130

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 31.12.2023	Weighted Average Strike Price
130.00	50 000	2.11	130.00	47 221	130.00
219.00	10 000	4.34	219.00	1 946	130.00
225.00	15 000	3.59	225.00	6 672	225.00
	75 000	2.70	160.87	55 839	144.45

7. Payroll costs and remuneration to Management

Outstanding options, warrants and PSUs to Management

Outstanding options - CEO

Activity	2023		2022	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	-	-	26,722	95
Exercised	-	-	(11,304)	95
Adjusted	-	-	(15,418)	95
Outstanding 31 December	-	-	-	-
<i>Of which vested</i>	-	-	-	-

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

Outstanding PSUs

Activity	2023		2022	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	-	-	11,000	95
Exercised	-	-	(9,200)	95
Terminated	-	-	(1,800)	95
Outstanding 31 December	-	-	-	-
<i>Of which vested</i>	-	-	-	-

The PSUs were related to the previous CEO. The current CEO ha

Outstanding Warrants – CEO Fredrik Högemark

Activity	2023		2022	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	8,150	225	-	-
Adjusted	-	-	8,150	225
Outstanding 31 December	8,150	225	8,150	225
<i>Of which vested</i>	5,206	225	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 2023 is two years. The strike price for all warrants is NOK 225.

Outstanding Options – Executive Management excl. CEO

Activity	2023		2022	
	Number of instruments	Average Strike Price (NOK)	Number of instruments	Average Strike Price (NOK)
Outstanding 1 January	65,000	152	136,814	99
Granted	10,000	219	15,000	225
Exercised	-	-	(27,818)	74
Released	-	-	-	-
Adjusted	15,000	225	(55,800)	113
Performance Adjusted	-	-	-	-
Cancelled	-	-	-	-
Terminated	(15,000)	225	(3,196)	130
Outstanding 31 December	75,000	161	65,000	152
<i>Of which vested</i>	55,839	144	35,137	142

The cost of the options related to instruments granted to the Executive Management excluding the CEO was NOK 944 725 in 2023 and NOK 309 738 in 2022.

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

Strike price (NOK)	Outstanding Instruments			Vested Instruments	
	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2023	Weighted Average Strike Price
130.00	50 000	2.11	130.00	47 221	130.00
219.00	10 000	4.34	219.00	1 946	130.00
225.00	15 000	3.59	225.00	6 672	225.00
	75 000	2.70	160.87	55 839	144.45

Outstanding Warrants – Executive Management excl. CEO

Activity	2023		2022	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding 1 January	21,650	225	33,300	225
Adjusted	(10,000)	225	(11,650)	225
Outstanding 31 December	11,650	225	21,650	225
Of which vested	7,441	225	6,612	225

The average contractual lifetime as of 31 December 2023 is two years. The strike price for all warrants is NOK 225.

Outstanding Warrants – Board of Directors

Activity	2023		2022	
	Number of instruments	Weighted Average Strike Price (NOK)	Number of instruments	Weighted Average Strike Price (NOK)
Outstanding 1 January	16,300	225	87,714	225
Adjusted	(8,150)	225	(71,414)	225
Outstanding 31 December	8,150	225	16,300	225
Of which vested	5,206	225	4,980	225

The average contractual lifetime as of 31 December 2023 is two years. The strike price for all warrants is NOK 225.

Non of the current Board of Directors has been granted options due to holding the positions as a board member in KAS.

8. Other operating expenses

Specification of other operating costs

<i>USD thousands</i>	2023	2022
Equipment	(1,451)	(1,397)
Audit, legal and other advisory services	(1,219)	(1,181)
Marketing expenses	(242)	(206)
Travel expenses	(152)	(127)
Training, meetings & updates	(21)	(105)
Insurance	(5)	(25)
Bad Debt expenses	(508)	(109)
Other expenses	(126)	(153)
Rent and other office expenses	(398)	1,168
Total	(4,121)	(2,134)

Auditor's remunerations

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

<i>USD thousands</i>	2023	2022
Statutory auditing services	(36)	(36)
Tax advisory services	-	-
Other services	(18)	(317)
Total fee to auditor	(54)	(354)

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.

Special items

<i>USD thousands</i>	2023	2022
Salary restructuring cost	(727)	(635)
Office restructuring cost	-	(97)
Legal fees related to business combinations	(384)	(284)
Other restructuring cost	(405)	(275)
Total	(1,516)	(1,291)

10. Finance income and costs

Specification of finance income and costs

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

<i>USD thousands</i>	2023	2022
Interest income	1,381	433
Foreign exchange gains	353	1,114
Other finance income	8,727	0
Finance income	10,461	1,548
Interest expenses	(7,446)	(4,785)
Foreign exchange losses	(3,910)	(1,193)
Other finance costs	(200)	(75)
Finance costs	(11,556)	(6,053)
Interest, FX, and change in fair value of contingent consideration (earn-outs)	(3,319)	(6,257)
Net finance costs	(4,415)	(10,762)

11. Income tax

Current tax

The tax currently payable is based on taxable profit for the year. 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 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. Deferred tax assets and liability are offset as there is a legally enforceable right to offset current tax assets and liabilities as the deferred tax balances relate to the same taxation authority.

Specification of income tax

<i>USD thousands</i>	2023	2022
Current income tax payable	149	-
Change in deferred tax	282	(406)
Settlement of tax payable from previous years	-	-
Income tax expense	431	(406)
<i>The foreign part of the income tax expense</i>	-	-

Reconciliation of effective tax rate

<i>USD thousands</i>	2023	2022
Profit/(loss) before income tax	(2,886)	(17,778)
Income tax using the corporate income tax rate in Norway (22%)	(635)	(3,911)
Effect of non-taxable and non-deductible items	1,823	9,507
Other effects	(757)	(6,002)
Income tax expense for the year	431	(406)
<i>Effective tax rate</i>	<i>-14.9 %</i>	<i>2.3 %</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 balance sheet

<i>USD thousands</i>	2023	2022
Profit/(loss) before income tax	(2,886)	(17,778)
Permanent and temporary differences	2,886	17,778
Basis for tax payable	-	-
Tax on profit for the year	-	-
Tax payable not yet settled	-	-
Tax payable in balance sheet	-	-

Recognized deferred tax assets and liabilities

<i>USD thousands</i>	2023	2022
Deferred tax assets related to tax loss carryforwards	1,966	5,785
Deferred tax assets related to other temporary differences	133	318
Deferred tax liabilities related to temporary differences	102	374
Deferred tax liabilities related to amortizable excess value from business combinations	-	-
Net deferred assets/(liabilities)	2,200	6,477
Deferred tax assets/Deferred tax liabilities not recognized	(1,901)	(6,468)
Recognized Deferred tax assets(liabilities)	299	9

Reconciliation of changes in tax assets/(liabilities)

<i>USD thousands</i>	31-Dec 2022	Acquisitions	Recognized in Profit & Loss	Recognized in Equity	31-Dec 2023
Property, plant and equipment	413		(317)		96
Intangible assets	-		-		-
Accounts receivable	(94)		131		37
Payroll tax on share options	-		-		-
Provisions and accruals	374		(272)		102
Other	-		-		-
Total related to temporary differences	692	-	(458)	-	234
Deferred tax liabilities related to amortizable excess valu	-		-		-
Tax loss carryforwards	5,785		(3,819)		1,966
Set off of tax (valuation allowance)	-		-		-
Tax loss carryforwards not recognized	(6,468)		4,567		(1,901)
Recognized tax losses	(683)	-	748	-	65
Net deferred tax assets/(liabilities) recognized	9	-	290	-	299

Tax losses carried forward of USD 2 421 thousand relates to Norway and Sweden and can be carried forward for indefinite.

<i>USD thousands</i>	31-Dec 2021	Acquisitions	Recognized in Profit & Loss	Recognized in Equity	31-Dec 2022
Property, plant and equipment	18		395		413
Intangible assets	-		-		-
Accounts receivable	(14)		(81)		(94)
Payroll tax on share options	-		-		-
Provisions and accruals	2		371		374
Other	24		(24)		-
Total related to temporary differences	31	-	661	-	692
Deferred tax liabilities related to amortizable excess value from business combinations	-	-	-	-	-
Tax loss carryforwards	404		5,380		5,785
Set off of tax (valuation allowance)	-		-		-
Tax loss carryforwards not recognized	33		(6,500)		(6,468)
Tax loss carryforwards recognized	437	-	(1,120)	-	(683)
Net deferred tax assets/(liabilities) recognized	468	-	(459)	-	9

**Tax losses carried forward
Tax effect of losses carried forward in selected
countries expire as follows:**

<i>USD thousands</i>	Expires within 5 years	Expires within 5-10 years	More than 10 years	Indefinite	Total
Norway				1,966	1,966
Total	-	-	-	1,966	1,966

Note 12- Related parties

All subsidiaries, associates and joint arrangements as specified in the note 1 and 17 of the Consolidated companies, are deemed to be related parties of KAS. KAS’s management and Board are also defined as related parties, as specified in note 7 Remuneration to senior executives and Board members. Details of transactions between KAS and related parties are disclosed below.

Board of Directors and Executive team

KAS has not engaged in any related party transactions with any members of the board of directors or KAS executive management.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 66% (2022: 73.5%) of the Group's voting share as per December 31, 2023. This includes 36% from funds and investment companies advised by board members (Verdane Capital and Viking Venture).

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

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

In addition, the Group entered trading transactions with the subcontractor Spinner Labs AS where USD 330 thousand (2022: USD 658 thousand) was expensed and USD 667 thousand (2022: USD 456 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 2023.

Trading transactions

During the year, the KAS entered into the following trading transactions with related parties:

Purchase transactions

<i>USD thousands</i>	2023	2022
Spinner Labs	(985)	(1,114)
Total	(985)	(1,114)

Outstanding balances

As of December 31, 2023 the Company had the following outstanding balances with related parties:

Liabilities

<i>USD thousands</i>	2023	2022
Spinner Labs	(125)	0
Total liabilities	(125)	0

During the year, KAS entered into the following cost reimbursement transactions with other group companies (related parties):

Purchase and cost reduction transactions*USD thousands*

	2023	2022
Cost recharge from Keystone Sports S.L	(916)	(317)
Cost recharge from Find a Unversity Ltd	(408)	(317)
Cost recharge from Keystone Education Group AB	(1,307)	(960)
Cost recharge from Keystone Education Group AS	(14)	(0)
Cost recharge from Keystone Sports AS	(4)	(0)
Cost recharge from Keystone Sports GmbH	0	(0)
Cost recharge from Uni-Quest Ltd	(621)	(314)
Cost recharge from UniQuest, Inc	(138)	(68)
Cost recharge to Athletes Global Management Sports S.L.	12	38
Cost recharge to EMG Holding AB	0	0
Cost recharge to Find a Unversity Ltd	114	41
Cost recharge to Keystone Education Group AB	325	162
Cost recharge to Keystone Sports AS	136	29
Cost recharge to Keystone Sports GmbH	6	38
Cost recharge to Study Outside Norway AS	25	6
Cost recharge to Uni-Quest Ltd	284	43
Cost recharge to UniQuest, Inc	3	0
Cost recharge to Blueberry College & Universitet AB	18	0
Cost recharge to FES Player Limited	5	0
Cost recharge to Find Courses PRO AB	58	0
Cost recharge to Future Elite Sports Limited	5	0
Cost recharge to Icon Sports S.L.	1	0
Cost recharge to Keystone Education Group OY	11	0
Cost recharge to Keystone Group APS	7	0
Cost recharge to Kursfinder GMBH	10	0
Cost recharge to Studentum AS	1	0
Cost recharge to TarGroup Media GmbH	37	0
Total	(2,349)	(1,619)

Financial items*USD thousands*

	2023	2022
Interest income Intercompany - Sport-Scholarships KEG GmbH (not use)	0	1
Interest income Intercompany - EMG Holding AB	1,372	239
Interest income Intercompany - Keystone Sports GmbH	22	14
Interest income Intercompany - Keystone Education Group AB	4	0
Interest income Intercompany - Keystone Sports AS	12	0
Interest costs Intercompany - Keystone Education Group ASA	(1,463)	(951)
Interest costs Intercompany - Find a Unversity Ltd	(341)	(247)
Interest costs Intercompany - Uni-Quest Ltd	(80)	(120)
Interest costs Intercompany - Future Elite Sports Limited	(7)	0
Dividend received from Find A University Ltd	5,702	0
Dividend received from Uni-Quest Ltd	3,237	0
Total	8,459	(1,064)

Outstanding balances

As of December 31, 2023 the Company had the following outstanding balances with related parties:

Receivables

<i>USD thousands</i>	2023	2022
Cost recharge to Alliance App Ltd	0	
Cost recharge to Blueberry College & Universitet AB	18	
Cost recharge to FES Player Limited	1	
Cost recharge to Find a University Ltd	128	42
Cost recharge to Find Courses PRO AB	60	
Cost recharge to Future Elite Sports Limited	5	
Cost recharge to Icon Sports S.L.	1	
Cost recharge to Keystone Education Group AB	334	162
Cost recharge to Keystone Education Group OY	11	
Cost recharge to Keystone Group APS	7	
Cost recharge to Keystone Sports AS	91	
Cost recharge to Keystone Sports GmbH	45	39
Cost recharge to Keystone Sports S.L.	8	39
Cost recharge to Kursfinder GMBH	10	
Cost recharge to Studentum AS	2	
Cost recharge to Study Outside Norway AS	18	
Cost recharge to TarGroup Media GmbH	38	
Cost recharge to Uni-Quest Ltd	180	50
Cost recharge to UniQuest, Inc	3	
Amounts owed by related parties	961	42
Loan to EMG Holding AB	24,974	2,368
Loan to Keystone Sports GmbH	202	177
Loan to Keystone Sports AS	212	-
Borrowings to related parties	25,389	2,544
Total receivables	26,349	2,586

Liabilities

<i>USD thousands</i>	2023	2022
Cost recharge from Find A University Ltd	(73)	(27)
Cost recharge from Keystone Education Group AS	(15)	(44)
Cost recharge from Uni-Quest Ltd	(52)	(156)
Cost recharge from UniQuest, Inc	(23)	(10)
Cost recharge from Keystone Education Group AB	(172)	(971)
Cost recharge from Keystone Sports AS	(196)	0
Cost recharge from Keystone Sports S.L	(4)	0
Amounts owed to related parties	(535)	(1,207)
Loan from Keystone Education Group AS	(12,872)	(11,176)
Loan from Uni-Quest Ltd	0	(1,821)
Loan from Find A Solution Ltd	(289)	(279)
Loan from Find A University Ltd	(985)	(2,650)
Loan from FES Player Limited	(13)	0
Loan from Future Elite Sports Limited	(229)	0
Borrowings from related parties	(14,388)	(15,926)
Total liabilities	(14,923)	(17,134)

Note 13 - Financial instruments risk management objectives and policies

Financial risk

Risk management in KAS 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 KAS under the approved policies. This note explains KAS's exposure to financial risks and how these risks could affect the KAS's future financial performance. KAS is exposed to market (currency) risk, credit risk and liquidity risk. Management evaluates these risks and related risk management processes on an on-going basis.

Market risk

KAS 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. KAS manages the risk through continuous analysis of the interests and preferences of the users, by investing in products and services, and a continuous process of recruiting talent and developing the organization and the leadership.

Currency risk

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

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

Revenue split by currency

<i>USD thousands</i>	2023		2022	
SEK	48	0.2%	9	0.0%
NOK	2,808	14.6%	4,270	21.9%
GBP	2,487	12.9%	2,723	14.0%
EUR	8,090	42.1%	6,941	35.6%
USD	5,415	28.2%	5,141	26.4%
Other	384	2.0%	392	2.0%
Total	19,232		19,475	

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

<i>USD thousands</i>	2023		2022	
SEK	286	-1.6%	(479)	1.8%
NOK	(15,254)	86.2%	(24,044)	90.8%
GBP	(749)	4.2%	(751)	2.8%
EUR	(1,272)	7.2%	(582)	2.2%
USD	(719)	4.1%	(616)	2.3%
Other	7	0.0%	(19)	0.1%
Total	(17,703)		(26,492)	

Credit risk

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

No single customer accounted for more than 10% of the Company's revenue during the financial year. Further, the Company 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 Company's maximum exposure to credit risk at the balance sheet date. The Company has limited exposure in terms of credit risk related to loans and other receivables. For credit risk related to Trade receivables and Contracts assets, please refer to note 18 for more information.

Credit exposure as of 31 December:

Financial assets	Amortized cost / carrying value	
	31-Dec-2023	31-Dec-2022
<i>USD thousands</i>		
Cash and cash equivalents	7,111	3,919
Trade receivables	3,883	3,855
Other current assets	1,660	1,887
Total	12,654	9,661

13. Financial risk management

Liquidity risk

Liquidity reserve – cash and cash equivalents

<i>USD thousands</i>	2023	2022
Cash in hand and on deposit	7,111	3,919
Less restricted funds	5,185	203
Unrestricted cash	1,926	3,717

Cash and cash equivalents by currency

<i>USD thousands</i>	2023	2022
SEK	4,918	2,487
NOK	481	453
GBP	248	278
EUR	1,369	487
USD	95	214
Other	0	0
Total	7,111	3,919

Credit facility

<i>USD thousands</i>	2023	2022
Total Credit Facility	99,287	53,714
Utilized as of 31 December	(55,161)	(53,687)
Unutilized as of 31 December	44,126	28

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>	2023	2022
Nominal value of interest-bearing debt excl. lease liabilities	69,549	53,687
Nominal value of unrestricted cash	7,111	3,919
Net interest-bearing liabilities	62,438	49,768
<i>Effect of 1 percentage point increase in interest rate on profit before tax</i>	(624)	(338)

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 improvements	Total
Accumulated investment				
Balance 1 January 2022	79	566	609	1,255
Additions	3	512	-	515
Additions through business combinations	-	-	-	-
Disposal/retirements	106	(126)	(0)	(21)
Translation differences	(18)	(109)	(59)	(186)
Balance 31 December 2022	170	842	551	1,563
Additions	-	-	-	-
Additions through business combinations	-	21	-	21
Disposal/retirements	-	-	-	-
Translation differences	(8)	(41)	(12)	(61)
Balance 31 December 2023	161	822	539	1,523
Accumulated depreciation and impairment				
Balance 1 January 2022	79	210	509	798
Depreciation and impairment losses	0	92	89	181
Additions/disposal through business combinations	-	-	-	-
Disposal	106	239	0	345
Translation differences	(18)	(44)	(52)	(113)
Balance 31 December 2022	168	496	546	1,211
Depreciation and impairment losses	0	105	3	109
Additions/disposal through business combinations	-	-	-	-
Disposal	-	-	-	-
Translation differences	(8)	(22)	(10)	(41)
Balance 31 December 2023	160	579	539	1,279
Balance 31 December 2022	2	346	4	352
Balance 31 December 2023	2	242	(0)	244

*Estimated useful life
Depreciation plan*

*2-3 years
Straight-line* *3 years
Straight-line* *5 years
Straight-line*

15. Leases

IFRS 16 was implemented by the Company with effect as of January 1, 2020. The ROU assets and lease liabilities comprise office lease contracts. For financial subleasing contracts, the Company has recognized a lease receivable in the statement of financial position, with a corresponding reduction in the ROU asset. The movements of the Company's right of use assets, lease receivables and lease liabilities are presented below:

Right of use assets

<i>USD thousands</i>	2023	2022
Balance as of 1 January	1,582	3,278
Additions	-	1,573
Additions through business combinations	-	-
Lease receivable	-	(156)
Depreciation	(165)	(785)
Derecognition	15	(1,967)
Translation differences	(80)	(361)
Right of use assets as of 31 December	1,352	1,582

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

Lease liabilities

<i>USD thousands</i>	2023	2022
Balance as of 1 January	1,623	4,411
Additions	-	1,573
Additions through business combinations	-	-
Translation differences	(86)	(516)
Lease payments	(210)	(927)
Derecognition	(41)	(3,160)
Interest expense on lease liabilities	109	242
Lease liabilities as of 31 December	1,395	1,623
<i>Of which:</i>		
Current lease liabilities (less than 1 year)	97	119
Non-current lease liabilities (more than 1 year)	1,298	1,504
Balance as of 31 December	1,395	1,623

The Company'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 Company assesses at the commencement date whether it is reasonably certain to exercise the renewal right. The Company has no potential future lease payments not included in the lease liabilities related to extension options as of 31

Future lease payments

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

<i>USD thousands</i>	2023	2022
Less than one year	97	229
Between one to five years	359	891
More than five years	939	503
Total	1,394	1,623

16. Intangible assets

Intangible assets

<i>USD thousands</i>	Goodwill	Trademark	Development	Total
Accumulated investment				
Balance 1 January 2022	647	95	5,912	6,653
Additions	-	2	2,032	2,034
Additions through business combinations	-	-	-	-
Disposal/retirements	-	-	-	-
Translation differences	-	(9)	(613)	(622)
Balance 1 December 2022	647	88	7,331	8,065
Additions	-	-	-	-
Additions through business combinations	-	-	1,415	1,415
Disposal/retirements	-	-	-	-
Translation differences	(29)	(4)	(330)	(363)
Balance 31 December 2023	617	83	8,416	9,117
Accumulated depreciation and impairment				
Balance 1 January 2022	647	-	3,039	3,685
Depreciation and impairment losses	-	-	1,222	1,222
Additions through business combinations	-	-	-	-
Disposal/retirements	-	-	-	-
Translation differences	-	-	(17)	(17)
Balance 31 December 2022	647	-	4,243	4,890
Depreciation and impairment losses	-	-	1,650	1,650
Additions through business combinations	-	-	-	-
Disposal/retirements	-	-	-	-
Translation differences	(29)	-	(165)	(194)
Balance 31 December 2023	617	-	5,729	6,346
Net carrying amounts				
Balance 31 December 2022	-	88	3,087	3,175
Balance 31 December 2023	-	83	2,687	2,771

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 Company 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

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 2023, USD 1 415 thousand (2022: USD 2 031 thousand) in development costs were capitalized. For additional information on judgements related to capitalized R&D costs, see note 4.

Note 17 - Investments in subsidiaries and other non-current financial assets

Investments in subsidiaries and other non-current financial assets

<i>USD thousands</i>	2023	2022
Investments in subsidiaries	129,135	132,483
Total	129,135	132,483

Other non-current financial assets consists of receivables.

Acquisitions

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

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

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 2023.

<i>USD thousands</i>	Pre aquisition	Post aquisition	Full year 2023
Revenue from contracts with customers	563	1,403	1,966
Net profit/(loss)	168	277	444

Note 17 - Investments in subsidiaries and other non-current financial assets

Impairment testing of investments in subsidiaries

Investments in subsidiaries are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purposes of assessing impairment, investments in subsidiaries are grouped at entity levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other entities (cash-generating units).

The Company had investments in subsidiaries related to the acquisitions of EMG, Uniquet, FAS, Keystone Sport AS, Keystone Sport SA and Keystone Sport GMBH, SONOR, I-Con and Future Elite.

FY 2023 Impairment testing

The Company has done an impairment test at Group level, with no indications of impairment. There has been no impairment bookings during FY 2023, nor has there been any impairment indicators at company levels (lowest CGU).

<i>USD millions</i>	EMG	UQ	FAS	KS AS	KS SA
Book value of shares in subsidiaries EOY	75,469	19,994	22,504	2,475	2,674
Carrying value	75,469	19,994	22,504	2,475	2,674

<i>USD millions</i>	KS GmbH	SONOR	I-CON	Future Elite
Book value of shares in subsidiaries EOY	1,416	1,336	1,381	1,885
Carrying value	1,416	1,336	1,381	1,885

FY 2022 Impairment testing

Investments in subsidiaries were tested for impairment at the end of 2022. An impairment loss was identified in 2022, as the determined recoverable amount was below the carrying value.

<i>USD millions</i>	EMG	UQ	FAS	KS AS	KS SA	KS GmbH	SONOR
Book value of shares in subsidiaries EOY	85.7	21.0	23.7	2.6	2.8	1.5	1.4
Carrying value	85.7	21.0	23.7	2.6	2.8	1.5	1.4

VALUE IN USE

EV	62.2	27.5	19.8	4.8	6.3	3.9	2.3
Headroom	(23.6)	6.5	(3.9)	2.2	3.5	2.4	0.9
Clearance	(38%)	24%	(20%)	46%	56%	62%	39%

FAIR VALUE

EV (less cost of disposal) - High	79.4	41.8	33.5	6.6	7.4	5.1	3.6
EV (less cost of disposal) - Low	61.3	18.0	11.6	1.1	2.0	0.3	0.9
Headroom	(6.3)	20.7	9.8	4.0	4.6	3.6	2.2
Clearance	(8%)	50%	29%	61%	62%	71%	61%

DECISION

Impairment	Yes	No	No	No	No	No	No
	(6.3)	-	-	-	-	-	-

The recoverable amount is calculated based on two methodologies:

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 4 year CAGR
- It is assumed a gradually 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 CGU
- Weighted average cost of capital applied in the model is 13.9%

Sensitivities (break-even analysis)

Long-term revenue reduction	Δ 33%
Long-term EBITDA margin reduction	Δ 74%
Discount rate increase	Δ 30%

Fair value

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

The multiples are constructed based on the following assumptions:

- The CGU’s are valued based on EV/sales and EV/EBITDAC multiples. Both past year actuals and one year forward looking estimates are applied. Final EV considered as the weighted average from 50% EV/Sales & 50% EV/EBITDA for both 2022 and 2023. Cost of disposal is estimated to be 1% of enterprise value.
- The peer group applied as basis for the trading multiples includes companies mainly within the segments “online marketplaces”.

<i>Sensitivities (break-even analysis)</i>	<i>2022 Actuals</i>	<i>2023 Budget</i>
Reduction in EV/Sales Multiple	Δ 20%	Δ 32%
Reduction in EV/EBITDA Multiple	Δ 60%	Δ 60%

18. Trade receivables, contract assets and other current assets

Specification of trade and other receivables

<i>USD thousands</i>	2023	2022
Other current assets		
Current tax assets	-	-
Prepayments	1,572	1,721
VAT receivable	84	146
Employee benefits	4	5
Other receivables	-	15
Other current assets	1,660	1,887
Unbilled revenue		
Contract assets (sublease receivable)	-	-
Unbilled revenue	386	317
Allowance for bad debts on unbilled revenue	-	-
Unbilled revenue	386	317
Trade receivables		
Accounts receivable	4,442	4,018
Allowance for bad debts	(559)	(163)
Trade receivables	3,883	3,855
Total	5,929	6,059

Aging of trade receivables

<i>USD thousands</i>	2023	2022
Not past due date	2,678	1,540
0-30 days	696	798
31-60 days	193	319
61-90 days	81	203
Over 90 days	235	995
Total carrying value trade receivables	3,883	3,855

Movements in trade receivables bad debt provision

<i>USD thousands</i>	2023	2022
Bad debt provision 1 January	(163)	(167)
Change in provision in the year	(403)	(115)
Receivables written off during the year	-	118
Translation differences	8	-
Bad debt provision 31 December	(559)	(163)

Trade receivables and unbilled revenue per region

<i>USD thousands</i>	2023	2022
EMEA	1,686	695
Americas	97	3,197
Asia Pacific	2,426	198
Rest of world	60	82
Total	4,269	4,172

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

Note 19 - Classes and categories of financial assets and liabilities

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

Financial assets

USD thousands

	2023	2022
Cash and equivalents (note 13)	7,111	3,919
Trade receivables (note 18)	3,883	3,855
Other financial assets	475	483
Total	11,469	8,257

Financial liabilities

USD thousands

	2023	2022
Borrowings (note 21)	69,549	53,687
Trade payables (note 22)	980	1,199
Lease liability (note 15)	1,395	1,623
Contingent consideration (note 23)	16,686	17,612
Other financial liabilities	9,611	10,086
Total	98,220	84,206

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

All financial liabilities are measured at amortized cost with the exception of contingent liabilities and other share investments which are measured at level 3. KAS 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 31/12/2023.

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

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

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

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

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

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

Note 20 - Maturity analysis financial liabilities

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

For the year ended 31 December 2023

<i>USD thousands</i>	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	69,549	289	55,161			14,099
Lease liability (note 15)	1,394	97	106	119	134	939
Contingent consideration (note 23)	17,600	12,300	5,300			
Total interest-bearing liabilities	88,543	12,686	60,566	119		15,038
Trade payables (note 22)	980	980				
Other financial liabilities	2,053	2,053				
Total non-interest-bearing liabilities	3,033	3,033	-	-		-
Total financial liabilities	91,576	15,719	60,566	119	-	15,038

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

For the year ended 31 December 2022

<i>USD thousands</i>	Total	<1 year	2 years	3 years	4 years	> 5 years
Borrowings (note 21)	37,760	-	37,760	-		
Lease liability (note 15)	1,623	229	218	219	224	733
Contingent consideration (note 23)	19,303	11,082	8,221	-	-	-
Total interest-bearing liabilities	58,687	11,311	46,199	219		733
Trade payables (note 22)	1,199	1,199				
Other financial liabilities	3,481	3,481				
Total non-interest-bearing liabilities	4,680	4,680	-	-		-
Total financial liabilities	63,367	15,991	46,199	219	-	733

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. In March 2023, the credit facility was increased to SEK 1 000 million with maturity in December 2025.

As of 31 December 2023, the equivalent of USD 55.16 million of the facility had been drawn up, drawn in SEK 430.0 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 2023.

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

USD thousands

	2023	2022
Balance 1 January	37,760	28,394
Additions through business combinations		-
New loan	15,848	12,886
Repayment of principal		-
Interest expense incurred	5,388	3,197
Interest expense paid	(5,388)	(3,315)
Translation differences	1,552	(3,402)
Balance 31 December	55,161	37,760

The full loan balance is classified as non-current liabilities as of 31 December 2023 and 2022. 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

USD thousands

	2023	2022
Borrowings	69,549	53,687
Cash and cash equivalents	(7,111)	(3,919)
Net interest-bearing debt	62,438	49,768
Contingent considerations (earn-outs)	16,686	17,612
Lease liabilities	1,395	1,623
Net interest-bearing debt (including lease liabilities and earn-out liabilities)	80,519	69,003

Note 22 - Trade payables and other liabilities

Trade payable and other liabilities

USD thousands

	2023	2022
Trade payable	980	1,199
Other accruals	-	-
Trade payable and other payable	980	1,199
Contract liability (Deferred revenue/pre-payment from customers)	7,558	6,604
Accrued salary fee, bonus and commissions	239	280
Accrued vacation money	716	1,079
Other employee liabilities	-	-
Employee benefit obligations	955	1,359
VAT	-	-
Employee withholding tax	288	496
Payroll tax	391	572
Public duties payable	679	1,068
Accrued expenses	405	1,041
Other current liabilities	15	14
Other current liabilities	419	1,055
Total	10,591	11,284

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

KAS receives payments from customers based on a billing schedule, as established in our contracts.

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.

Description of security	Security type	Value of security
Office lease in Norway	Bank guarantee	NOK 1,782k

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

Note 23 - Provisions and contingent liabilities

Other contingent liabilities

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

The Company's Management and the Board are not aware of any such incidents that may have a negative impact on KAS.

Earnout provisions

The Company has assumed earnout obligations as part of the business combinations executed during 2023.

Valuation techniques and significant unobservable inputs

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

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

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

Reconciliation of movement in net present value of contingent liabilities (earn-outs) for year ended 31 December 2023

<i>USD thousands</i>	Individually immaterial	Uniquet	Total
Balance 1 January 2023	6,596	11,353	17,948
Assumed in a business combination	8,097	-	8,097
Earn-out payments	(5,898)	(6,413)	(12,311)
Remeasurement during the year	376	1,265	1,641
Interest expenses	554	464	1,018
Foreign exchange differences	134	962	1,096
Translation differences	(238)	(567)	(805)
Balance 31 December 2023	9,621	7,065	16,685
Non-current portion	5,115	-	5,115
Current portion	4,506	7,065	11,571
Total	9,621	7,065	16,686

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 2022

<i>USD thousands</i>	Individually immaterial	Uniquet	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)
Changes in provision during the year	1,594	3,238	4,832
Interest expenses	578	1,010	1,588
Foreign exchange differences	(37)	(92)	(130)
Translation differences	1,381	(1,022)	360
Balance 31 December 2022	6,259	11,353	17,612
Non-current portion	1,153	5,793	6,946
Current portion	5,106	5,559	10,665
Total	6,259	11,353	17,612

In addition to the contingent liabilities above, EUR 4.3 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 2023

<i>USD thousands</i>	Individually immaterial	Uniquet	Total
June 2023	-	-	-
June 2024	4,700	7,600	12,300
June 2025	5,300	-	5,300
Total	10,000	7,600	17,600

<i>Estimated maximum earn-out payments (n USD thousands)</i>	Individually immaterial	Uniquet	Total
June 2023	-	-	-
June 2024	5,500	7,600	13,100
June 2025	12,400	-	12,400
Total	17,900	7,600	25,500

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 constant 1), 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	Uniquet	Total
Annual revenue (10% increase)	1,844	12	1,856
Annual revenue (10% decrease)	(9,278)	(7,455)	(16,733)
EBITDA (10% increase)	1,265	(0)	1,265
EBITDA (10% decrease)	(9,730)	(7,455)	(17,184)

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

<i>USD thousands</i>	Individually immaterial	Uniquet	Total
Annual revenue (10% increase)	1,401	(30)	1,371
Annual revenue (10% decrease)	(9,542)	(7,600)	(17,142)
EBITDA (10% increase)	968	(43)	925
EBITDA (10% decrease)	(10,000)	(7,600)	(17,600)

Note 24 - Share capital and shareholders

As of December 31, 2023, KAS had a share capital of NOK 9,910,614 (USD 965,457.47) divided into 4,955,307 ordinary shares and 49,103 treasury shares with a nominal value of NOK 2 each (USD 0.19). 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

KAS did not pay dividends in 2023 or 2022.

The Board of Directors proposes that the 2023 Annual General Meeting does not approve any dividend payments.

Ownership structure

Keystone Education Group AS owes 100% of the shares and voting equity interest of the company as of December 31, 2023.

25. Events after the reporting date

Amendments to loan facility agreement

A tap issue of EUR 9 million was made available in March 2024 and the proceeds were used to settle upfront payment for acquisition of Asia Exchange and Edunation, in addition to various earnout liabilities. Asia Exchange and Edunation was acquired by Keystone Education Group OY, but financed through Keystone Academic Solutions AS.

Acquisition of Asia Exchange and Edunation

Asia Exchange will bring substantial strategic benefits to Keystone Education Group as the Asia authority of study abroad with a unique model enabling accessible study abroad for the many, not the few. Edunation has been committed to revolutionizing international student recruitment, guided by a vision of creating pathways for students worldwide to access high-quality education opportunities in the Nordics.

Asia Exchange has helped 10,000 students from 115 different countries to study at universities in unique destinations such as South Korea, Bali Indonesia, Thailand, Malaysia, Costa Rica, and Mexico.

Edunation focuses on expanding global access to Finnish education, cooperating with Finnish universities and colleges to provide degree programs, top-ups, language training and pathways for more than 1000 students every year. It has strong strategic partnerships with many Finnish employers, with the goal of not only helping with education, but also securing students a job in the “happiest country in world.

This acquisition brings Keystone closer to its ultimate goal of becoming “the global leader in education matchmaking,” offering a comprehensive one-stop solution for all student marketing and recruitment needs while helping students along their educational journey.

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, non-recurring costs and share-based payments
- Net cash (debt): Short- and long-term interest-bearing debt adjusted for the liquidity positions. Only the utilized part of the credit facilities is included in the calculations

Reconciliation of Adjusted EBITDA

USD thousands	2023	2022
Operating profit ("EBIT"), excluding non-recurring costs	3,045	(5,725)
Share-based payments	2	237
Depreciation, amortization, and impairment expenses	1,924	8,768
Adjusted EBITDA	4,971	3,279

Reconciliation of net interest-bearing debt

USD thousands	2023	2022
Interest-bearing debt	69,549	53,687
Cash and cash equivalents	(7,111)	(3,919)
Net interest-bearing debt	62,438	49,768

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Final Audit Report

2024-06-28

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