

## **Type of business and where it is operated**

Læringsverkstedet Gruppen AS is a knowledge company located in the municipality of Ullensaker. The company is the management company in the Group whose main strategy is work related to child development and learning. The company's main focus area is the operation of preschools. The goal is to develop a quality concept in the field of child development and learning to create market demand.

Læringsverkstedet Gruppen AS is the parent company for Læringsverkstedet AS, which is an operating and real estate company for preschools in Norway, for Læringsverkstedet Prosjektutvikling AS which is a Norwegian property development company related to preschools and for Dibber Sverige AB which is the holding company for the preschool and schools the group operates in Sweden. The group operates 230 preschools with 18 000 children in Norway and 75 preschools and schools in Sweden with a capacity of 2 000 pupils in the schools and 3 850 children in the preschools.

## **True and fair overview of development and profits**

### **Company**

The company had a turnover increase of approximately 20%. Most of the turnover is sale of services to Group companies and the increase reflects the group's increase in activity. The company started a process in 2017 to further develop structures, systems and organization for further growth and development of the Group. The development continues in 2018. Margins and results are affected by this.

The company has an equity ratio of 7.6%, a reduction from 2017. The Group has changed somewhat on its internal loan structure. As of 2018, all investments and loans that do not apply to preschools in Norway are made through Læringsverkstedet Gruppen AS. This explains the movements of intercompany balances.

Investments in system development are related to the further development of structures, systems and organization discussed above.

In 2018, the company made two minor investments in health and private school operations in Norway.

### **The Group**

In Norway, 26 kindergartens were acquired and the start-up or takeover of another four kindergartens found place in 2018. In Sweden, three acquisitions were carried out during the year.

In 2018, the company has completed the construction of two new kindergartens in Norway. At the end of the year, construction of another two new kindergartens is started in Norway, one of which opens early in 2019 and one in autumn 2019. Two major rehabilitation and expansion projects have also taken place in 2018.

## Læringsverkstedet Gruppen AS –Bord of Directors report for 2018

Acquisitions in 2018 and full-year effect of acquisitions in 2018 have contributed to a total revenue increase of approximately 30% for the Group. Profit before tax margin is 3.0%, compared to 4.5% in 2017. The margin in Sweden is somewhat lower than in Norway. The first Swedish companies were acquired in August 2017 and thus had no full-year effect in 2017. This explains some of the margin decline.

In autumn 2018, the Group had a certain imbalance in its staff to child numbers both in Norway and Sweden, which is the reason for the increased employee cost ratio in 2018 compared to 2017.

In addition to this, the result is also effected with one-off costs related to organizational changes and administrative investments, primarily IT systems. Total additional costs related to this compared to a normal year amount to about 20 million.

The board and management are not fully satisfied with the result for 2018 and have a strong focus on margin development.

The Group's equity ratio increases from 6.4% to 6.9%

Cash flow from operations is affected by the time of payment of the first quarter subsidy from the municipalities. This may vary from year to year and has had a somewhat larger negative effect in 2017 than in 2018. Cash flow from operations in 2017 is to a larger extent than in 2018 affected by the difference in pension cost and paid pension premium. Apart from this, the difference between operating profit and cash flow from operations is mainly depreciation and interest paid.

The Board believes that the annual accounts give a true and fair view of the company's and the Group's assets and liabilities, financial position and profits.

### **Financial and operational risk**

Direct investments in kindergartens are mainly financed through long-term loans in Husbanken. Other than this, debt to credit institutions is primarily in DnB. As of September 1, 2018, the Group increased its bond loan by NOK 300 million, so that the total bond loan at the end of 2018 was NOK 1 500 million. The bond loan is now fully drawn up. The related bonds are tradable, and the loan is listed on Oslo ABM. The loan has a five-year maturity and matures in full on 1 June 2022.

The interest rate on most of the financing is secured. Fixed-interest loans totaling MNOK 1 900 have been entered in the Group with interest rates of 1.6% to 4.6%. The interest rate related to the bond loan is based on Nibor 3 month and a margin of 4%. An interest rate swap agreement of 800 million of the principal amount has been entered, where Nibor is received 3 months and 1.36% interest is paid. This ensures a fixed interest rate of 5.36% throughout the term of 800 million of the bond loan.

The bond loan and the DnB financing have covenant conditions, of which the most important are an interest coverage ration of at least three, available liquidity of NOK 100 million and value-adjusted equity of at least 20% (only DnB). The conditions are measured on Læringsverkstedet Gruppen AS Group level. The interest coverage ratio was approximately 3.15 per 31.12.2018 compared to 3.29 as at 31.12.2017. The reduction is due to the margin development commented on above and the interest coverage ratio at 31.12.18 is lower than what is wanted. The Board of

Directors and management have a strong focus on improving this over the course of 2019. With regard to the other covenant conditions, the requirements were met with a very good margin.

The loan repayment profile is well adapted to the Group's strategy in the coming years. The Group expects opportunities for further growth through acquisitions in the future and makes continuous assessments of total loans and optimal financing structure in relation to this.

### **Staffing norm in Norway**

The group operates in a highly regulated industry, and the possibility of changes in these is a central risk.

The Norwegian Parliament has decided to introduce a staffing norm. This norm regulates minimum staffing per child. The norm must be complied with no later than August 1, 2019. However, several factors related to the norm are unresolved, including whether requirements for use of extra personell during sick leave, minimum requirements regarding local management and how the norm will be monitored.

The norm applies to the entire industry, both private and municipal kindergartens. The income model for private kindergartens is such that the income is dependent on the municipality's costs for the operation of municipal kindergartens in the relevant municipality. When the norm is fully implemented, it will affect both revenue and the cost composition for the Norwegian part of the group. The current technical implementation of the income model means that the municipal costs that generate income are based on the last available financial year, ie two years difference. The revenue for 2019 is thus based on the relevant municipality's 2017 accounts. With the current income model, the introduction of a norm entails a 2-year difference from the introduction of the norm until it is fully reflected in the municipal costs that form the basis for the income payments to private kindergartens. Handling this difference is one of the elements that is still being discussed in relation to the introduction of the norm.

Læringsverkstedet supports the introduction of a staffing norm but finds it very unfortunate that the norm is not financed for private kindergartens in the first 2 years. Læringsverkstedet has towards the end of 2018, started a gradual adaptation to the norm in order to satisfy the requirements as of 1 August 2019.

The Group will also after August 1, 2019, continue its policy of combining healthy economic operations with delivering high quality preschools services in line with legislation and general governmental expectations. In the long term, Læringsverkstedet expects to be able to maintain the required operating margin even after the introduction of a staffing standard. Another central market risk is subsidy scheme for kindergartens and schools. The current scheme provides great variations

between the individual municipalities and is unpredictable from year to year. The Group's portfolio of kindergartens in many municipalities reduces this risk.

### **Research and development activities**

The Group continuously works on the development of the paedagogical and operational concept for the preschools of Læringsverkstedet.

### **Continued operation**

The annual accounts for 2018 were prepared on the basis of continued operations. It is hereby confirmed that there is the assumption of continued operation.

In the current year, continued growth in turnover is expected.

### **Work environment**

Sick leave at the company was 6.3% in 2018.

The Group companies in Norway are IA enterprises and have a strong focus on sick leave and measures in this area. The Group will continue its long-term work in 2019 of reducing the level of sick leave.

No serious workplace accidents have occurred or been reported during the year which resulted in major damage or personal injury.

The work environment is considered to be good, and ongoing measures are being taken for improvements.

### **Equality and anti-discrimination**

Læringsverkstedet Gruppen AS has 89 employees, of which 37 are men. Total employees for the Group are 6 499, of which 913 are men.

The Group undertakes active and targeted measures for gender equality. When recruiting, both internally and externally, personal qualifications rather than gender are prioritised, and the underrepresented gender will be increasingly encouraged to apply. In this way, the company will try to increase the proportion of men in the job categories where this is particularly low.

Equal conditions are applied for all applicants for positions as well as employees in terms of recruitment, pay and working conditions, promotion, development opportunities and protection against harassment in accordance with the Anti-Discrimination Act. Salary and working conditions are determined according to collective agreements and are free of subjective assessment to ensure equal treatment.

The preschools have a universal design so that they are accessible for those with disabilities. The staff in preschools work in a shift scheme whereby two adults may have sole responsibility of the children. If one adult has to leave the group of children, the remaining adult is required to be sufficiently capable of ensuring his/her own safety and that of the children.

### **External environment**

Neither the company nor the Group's activities are regulated through licences or directives in this area. The company and the Group pollute the external environment to an very limited degree. All business areas participate in source sorting schemes. When purchasing and transporting goods, the company seeks to find suppliers who actively work with environmental measures. During construction of new buildings, we, as the builder, require that contractors have their own environmental plans for their work.

Læringsverkstedet shall be environmentally smart preschools and focus on that nature and the environment the children surround themselves with are of the best possible quality. The environmental focus of Læringsverkstedet is linked to the following three main areas:

- Create good attitudes among the children concerning the environment and environmental protection
- Reduce the use of plastic
- Reduce environmental toxins

To be environmental smart preschools means to focus on; awareness among the adults, collaboration with the local community, research and measures and The environmentally smart kindergarten in practice.

### **Statement of annual accounts and allocation of profit**

In the opinion of the Board, the submitted income statement and balance sheet with notes express the company and the Group's earnings for 2018 and financial position at year-end. There are no circumstances after the end of the financial year that are of significance to the assessment of the accounts.

For 2018, the company had a profit of NOK 12 560 606,- which is proposed for use as follows:

Transferred other equity NOK 12 560 606,-

Jessheim, 29.03. 2019

---

Gunnar Johansson  
Board Chairman

---

Hans Jacob Sundby  
Board Member/CEO

# Læringsverkstedet Gruppen AS

## Income statement

	Note	2018	2017
Revenue from sale	11	151 251 506	127 349 352
Other income	11	3 214 006	2 263 584
<b>Total revenue</b>		<b>154 465 512</b>	<b>129 612 936</b>
Cost of goods sold		1 265 303	1 163 428
Employee benefits expense	1	75 546 214	63 738 932
Depreciation	3	5 928 072	4 100 364
Other operating expenses	1	52 597 674	56 956 675
<b>Total operating expenses</b>		<b>135 337 263</b>	<b>125 959 399</b>
<b>Operating profit</b>		<b>19 128 248</b>	<b>3 653 537</b>
Interest income from group companies		0	114 584
Other interest income		104 517	88 349
Other finance income		132 177	744 362
Interest paid to group companies		2 913 769	461 183
Other interest expenses		21 764	127 600
Other finance expenses		47 129	38 156
<b>Net finance</b>		<b>-2 745 967</b>	<b>320 356</b>
<b>Profit before income tax</b>		<b>16 382 283</b>	<b>3 973 893</b>
Tax on ordinary result	6	3 821 677	998 369
<b>Net profit</b>	8	<b>12 560 606</b>	<b>2 975 523</b>
<b>Brought forward</b>			
To other equity	8	12 560 606	2 975 523
<b>Net brought forward</b>		<b>12 560 606</b>	<b>2 975 523</b>

# Læringsverkstedet Gruppen AS

## Balance sheet

	Note	2018	2017
<b>Assets</b>			
<b>Non current assets</b>			
<b>Intangible assets</b>			
Research and development	3	18 820 807	4 246 756
<b>Total intangible assets</b>		<b>18 820 807</b>	<b>4 246 756</b>
<b>Fixed assets</b>			
Land, buildings and other property	3, 10	15 410 917	16 227 592
Equipment and other movables	3, 10	2 021 090	2 923 180
<b>Total fixed assets</b>	3	<b>17 432 007</b>	<b>19 150 772</b>
<b>Financial assets</b>			
Investments in subsidiaries	10, 12	70 006 095	21 236 590
Loan to group companies	7, 9	414 248 924	55 231 276
Investment in shares and units		1 651 049	1 401 999
Other receivables		327 145	0
<b>Total financial assets</b>		<b>486 233 213</b>	<b>77 869 865</b>
<b>Total non current assets</b>		<b>522 486 028</b>	<b>101 267 394</b>
<b>Current assets</b>			
<b>Inventories</b>	4	<b>487 837</b>	<b>498 316</b>
<b>Receivables</b>			
Accounts receivables	10	385 340	97 537
Accounts receivables group companies	7, 10	8 337 284	7 833 831
Other receivables		10 199 687	9 946 499
<b>Total receivables</b>		<b>18 922 311</b>	<b>17 877 867</b>
<b>Cash and cash equivalents</b>	2	<b>3 619 599</b>	<b>3 287 388</b>
<b>Total current assets</b>		<b>23 029 746</b>	<b>21 663 571</b>
<b>Total assets</b>		<b>545 515 774</b>	<b>122 930 965</b>

# Læringsverkstedet Gruppen AS

## Balance sheet

	Note	2018	2017
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5, 8	100 000	100 000
<b>Total paid inn equity</b>		<b>100 000</b>	<b>100 000</b>
<b>Retained earnings</b>			
Other equity	8	41 017 612	28 457 007
<b>Total accumulated profits</b>		<b>41 017 612</b>	<b>28 457 007</b>
<b>Total equity</b>		<b>41 117 612</b>	<b>28 557 007</b>
<b>Liabilities</b>			
<b>Provisions</b>			
Deferred tax	6	34 669	182 840
<b>Total provisions</b>		<b>34 669</b>	<b>182 840</b>
<b>Other long-term debt</b>			
Debt group companies	7	355 230 105	0
<b>Total other long-term debt</b>		<b>355 230 105</b>	<b>0</b>
<b>Current liability</b>			
Accounts payable		4 149 431	5 607 448
Accounts payable group companies	7	0	8 621 672
Tax payable	6	3 963 964	1 065 140
Public duties payable		8 846 876	9 062 570
Current liabilities group companies	7	123 464 829	58 096 862
Other short term liabilities		8 708 287	11 737 426
<b>Total current liability</b>		<b>149 133 387</b>	<b>94 191 118</b>
<b>Total liabilities</b>		<b>504 398 162</b>	<b>94 373 958</b>
<b>Total equity and liabilities</b>		<b>545 515 774</b>	<b>122 930 965</b>

Jessheim 29.03.2019

Board of Læringsverkstedet Gruppen AS

---

Gunnar Johansson  
Chairman of the board

---

Hans Jacob Sundby  
Board member /CEO

**Note 0 Accounting principles**

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

**Estimates**

The preparation of financial statements in accordance with the Accounting Act requires the use of estimates. In addition, the appliance of the company's accounting principle requires the management's use of assessments. Areas that largely requires such assessments, high degree of complexity, or areas where assumptions and estimates is material for the financial statement are described in the notes.

**Revenue**

Revenues from sale of services are recognized in the income statement at the time of delivery.

**Current assets / current liabilities**

Current assets and current liabilities consist normally of items that is due within one year after the balance sheet date. Current assets are valued at the lower of cost and fair value.

Current liabilities consist normally of liability that is due one year after the balance sheet date.

**Non current assets / non current liabilities**

Non current assets consist of assets destined for lasting ownership and use. Non current assets is valued at cost. Fixed assets are capitalized and depreciated over the assets estimated economic useful life.

Non current liabilities consist of liability that is due more than a year after the balance sheet date, however next year's installment is not reclassified as current liability.

**Currency**

Monetary items in a foreign currency are translated at the exchange rate on the balance sheet date.

**Pension**

Contribution plans

In contribution plans, the company pays a contribution to an insurance company. Once the contribution is paid, the company has no further payment commitments. The contribution is booked as employee benefit expense. If a prepaid contribution is made, this is capitalized as an asset (pension fund) to the extent that the contribution can be refunded or reduce future payments.

**Tax**

The tax expense consists of the tax payable and changes to deferred tax. Income tax payable are calculated based on what is expected to be paid to the tax authorities when applying the tax rates that is decided on the balance sheet date.

Deferred tax is assessed and recorded based on the tax rates that is expected to be applied in the period when the asset is realized or the liability fulfilled, based on tax rates and tax rules in effect on the balance sheet date.

Deferred tax/tax assets is calculated on all tax increasing/tax reducing temporary differences that exist as of 31.12

**Investment in other companies**

With the exception for short-term investment in listed shares, acquisition cost is used as principle for investment in other companies. Acquisition cost is increased when funds is supplied through capital increase or when a group contribution is given to a subsidiary. Distributions are as a basis recognized as other financial income. Distributions that exceeds share of retained earnings after the acquisition is booked as a reduction of acquisition cost. Dividend/group contribution from subsidiaries is recognized in the same year as they are recognized in the financial statement of the provider. Dividend from other companies is recognized as financial income when it is decided.

**Write down of non current assets**

If there is indications that the carrying value of a non current asset exceeds fair value, an incurrence test is performed. The test is performed at the lowest level where the non current asset has independent cash flows. If carrying value is higher than both net realizable value and value in use (discounted cash flows as continuing use), the asset is written down to the highest of net realizable value and value in use. Impairment losses, with the exception of impairment of goodwill, is reversed if the reason for the impairment loss disappears in a later period.

**Subsidiaries and investment in associates**

Subsidiaries are valued at cost in the company accounts. The investment is valued at cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividend, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

**Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

**Bank deposits in group cash pool**

Læringsverkstedet Gruppen AS is at year end a participant in the group cash pool. The formal counterparty in the group cash pool is Læringsverkstedet AS. Læringsverkstedet Gruppen AS's deposit or withdrawal in the cash pool is presented as payables og receivables, see note 7.

**Note 1 Specification of salary and personnel cost**

**Specification of cost**

	<b>2018</b>	<b>2017</b>
Salary	59 487 975	51 492 096
Payroll tax	87 729 009	7 221 604
Pension cost	2 886 588	2 646 675
Other benefits	4 442 641	2 378 557
<b>Total</b>	<b>75 546 214</b>	<b>63 738 932</b>

Average full-time employees: 70

**Management remuneration**

Total cost to chief executive officer is NOK 2 295 000.  
Board remuneration is NOK 300 000.

The company has no agreement with CEO or chair of the board regarding payment in case of resignation or change of the employee relationship or board membership. Neither does it exist any pension agreement, bonus agreement, options or other similar economic benefits; with the exception of ordinary pension and bonus agreements, that also includes other employees.

**Specification of auditor's fee:**

Cost taken in 2018 is NOK 154 850 for statutory audit fee and NOK 18 450 for other services. The amounts is excluded of vat.

**Required occupational pension / pension cost**

The company is required to have an occupational pension scheme in accordance whit the Norwegian law on required occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirements of that law.

**Note 2 Bank deposits**

Out of the company's liquid funds NOK 2 967 034 is restricted tax deduction funds..

The company is part of the Læringsverkstedet AS Group Account System. The company's balance in the group accounts system is presented as a intercompany balance, see Note 7.

# LÆRINGSVERKSTEDET GRUPPEN AS

## Note 3 Fixed assets

	System Develop.	Buildings	Land	Equip.	Constr.in progress	Total
Acquisition cost 01.01.	9 510 495	12 276 492	7 860 422	13 676 545	325 615	43 649 569
Additions	18 135 775	13 246	0	493 050	196 289	18 838 360
Disposals	0	0	0	-55 000		-55 000
<b>Acquisition cost 31.12.</b>	<b>27 646 270</b>	<b>12 289 738</b>	<b>7 860 422</b>	<b>14 114 595</b>	<b>521 904</b>	<b>62 432 929</b>
Acc depreciation 31.12.	9 347 367	4 739 243	0	12 093 505	0	26 180 115
<b>Net carrying value 31.12.</b>	<b>18 298 903</b>	<b>7 550 495</b>	<b>7 860 422</b>	<b>2 021 090</b>	<b>521 904</b>	<b>36 252 814</b>
Depreciation for the year	4 083 625	504 306	0	1 340 141	0	5 928 072
Usful economic life linear	5 year	25 year	Unlimited	5 year	Indefinite	

## Note 4 Inventories

Inventory of finished goods is valued at the lower of acquisition cost (FIFO principle) and fair value. No provision for obsolete inventory has been made as of 31.12.2018.

	2018	2017
Finished goods	487 837	498 316

## Note 5 Share capital

The share capital in Læringsverkstedet Gruppen AS pr. 31.12. consist of the following

Owner	Amount	Face value	Accounted value
HJR Holding AS	100 000	1	100 000
<b>Total</b>	<b>100 000</b>	<b>1</b>	<b>100 000</b>

The company has only one shareclass.

**Note 6 Income taxes**

**Specifcation of the difference between the financial statement result and taxable result:**

Profit before income tax	16 382 283
Permanent differences	214 976
+Change in temporary differnces	637 372
<b>=Tax base</b>	<b>17 234 630</b>

Specification of income tax expense:

Tax payable	3 963 964
+Change in deferred tax	-148 171
<b>=Total income tax expence</b>	<b>3 815 793</b>

Specification of calculation of deferred tax:

	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>Change</b>
Fixed assets	-1 434 925	-716 969	717 956
+Liability	1 576 806	1 492 297	-84 509
+Temporary differences related to profit and loss account	15 703	19 630	3 926
<b>=Net temporary differences</b>	<b>157 585</b>	<b>794 958</b>	<b>637 372</b>
 <b>Deferred tax/tax asset</b>	 <b>34 669</b>	 <b>182 840</b>	 <b>148 171</b>

**Note 7 Intercompany balances**

	<b>2018</b>	<b>2017</b>
<b>Receivable group companies</b>		
Long term receivable	414 248 924	55 231 276
Short term receivable	8 337 284	7 833 831
Accounts receivable (bank group account)	0	0
<b>Total receivables group companies</b>	<b>422 586 207</b>	<b>63 065 107</b>
 <b>Payables group companies</b>		
Long term payables	355 230 105	0
Accounts payable	4 799 105	8 621 672
Short term payable (bank group account)	118 665 725	58 096 862
<b>Total payables group companies</b>	<b>478 694 935</b>	<b>66 718 535</b>

Balance bank group account represents the company's withdrawal in Læringsverkstedet AS's corporate account system.

# LÆRINGSVERKSTEDET GRUPPEN AS

## Note 8 Equity

	Share Capital	Other equity	Total
As of 31.12.2017	100 000	28 457 007	28 557 007
Net profit		12 560 606	12 560 606
<b>As of 31.12.2018</b>	<b>100 000</b>	<b>41 017 612</b>	<b>41 117 612</b>

## Note 9 Receivables

Receivable that is due more than 1 year after the end of the accounting year.

	2018	2017
Loan to group companies	414 248 924	55 231 276

## Note 10 Liabilities and securities

The company's properties, fixture and fittings and accounts receivable are pledged for parts of the subsidiary Læringsverkstedet AS's bank debt. Book value of tangible fixed assets amounts to 19.1 million. The book value of trade receivables amounts to 7.1 million.

## Note 11 Revenue - segments

The company's revenue is mainly sale of services to Norway, and is distributed;

Segments	2018	2017
Other revenue group companies	11 254 667	6 020 691
Sale of administrative services to group companies	138 755 066	120 200 765
Other revenue	1 364 940	1 974 040
Rent	3 090 839	1 417 440
<b>Total revenue</b>	<b>154 465 512</b>	<b>129 612 936</b>

## Note 12 Subsidiaries

See group financial statement for information about subsidiaries.

# Læringsverkstedet Gruppen AS - Group

## Income statement

Numbers in 1 000

	Note	2018	2017
Revenue from sale	1	505 938	417 308
Other income	1	3 011 516	2 301 667
<b>Total revenue</b>		<b>3 517 454</b>	<b>2 718 976</b>
Cost of goods sold		1 264	1 164
Employee benefits expense	2	2 476 283	1 869 870
Depreciation	3	221 815	186 708
Other operating expenses	2, 3, 9	553 330	408 112
<b>Total operating expenses</b>		<b>3 252 692</b>	<b>2 465 854</b>
<b>Operating profit</b>		<b>264 761</b>	<b>253 122</b>
Interest income from group companies		0	4 145
Interest income		1 943	8 812
Finance income		1 004	1 378
<b>Total financial income</b>		<b>2 947</b>	<b>14 335</b>
Interest paid to group companies		0	532
Interest paid		161 187	144 853
Finance expense		467	158
<b>Total financial expenses</b>		<b>161 653</b>	<b>145 543</b>
<b>Net finance</b>		<b>-158 706</b>	<b>-131 208</b>
<b>Profit before income tax</b>		<b>106 055</b>	<b>121 914</b>
Income tax expense	10	15 852	22 995
<b>Net profit</b>		<b>90 202</b>	<b>98 918</b>
<b>Total majority share</b>		<b>90 222</b>	<b>98 918</b>
<b>Total minority share</b>		<b>-12</b>	<b>0</b>

# Læringsverkstedet Gruppen AS - Group

## Balance sheet

Numbers in 1 000

	Note	2018	2017
<b>Assets</b>			
<b>Non current assets</b>			
<b>Intangible assets</b>			
Research and development	3	18 581	4 362
Concessions, patents, licenses etc	3	270 298	201 051
Goodwill	3	582 137	469 746
<b>Total intangible assets</b>		<b>871 016</b>	<b>675 159</b>
<b>Fixed assets</b>			
Land, buildings and other property	3, 8	4 545 313	4 014 155
Fixtures and fittings	3, 8	53 335	40 454
<b>Total fixed assets</b>		<b>4 598 648</b>	<b>4 054 609</b>
<b>Financial assets</b>			
Loan to group companies	5, 9	60 598	60 598
Investments in affiliated companies		0	25
Investment in shares and units		1 708	1 458
Long term receivables	2, 9	32 862	28 428
Pension asset	2	9 526	22 853
<b>Total financial assets</b>		<b>104 695</b>	<b>113 362</b>
<b>Total non current assets</b>		<b>5 574 359</b>	<b>4 843 129</b>
<b>Current assets</b>			
<b>Inventories</b>		<b>1 083</b>	<b>651</b>
<b>Receivables</b>			
Accounts receivables	8	25 916	16 748
Other receivables	5	160 804	140 379
<b>Total receivables</b>		<b>186 720</b>	<b>157 127</b>
<b>Cash and cash equivalents</b>	7	<b>258 248</b>	<b>196 274</b>
<b>Total assets</b>		<b>6 020 411</b>	<b>5 197 182</b>

# Læringsverkstedet Gruppen AS - Group

## Balance sheet

Numbers in 1 000

	Note	2018	2017
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Owners equity</b>			
Share capital	4, 6	100	100
<b>Total paid inn equity</b>		<b>100</b>	<b>100</b>
<b>Retained earnings</b>			
Other equity	6	413 885	331 609
Minority interests	6	396	0
<b>Total accumulated profits</b>		<b>414 281</b>	<b>331 609</b>
<b>Total equity</b>		<b>414 381</b>	<b>331 709</b>
<b>Liabilities</b>			
<b>Provisions</b>			
Deferred tax	10	308 501	275 995
<b>Total provisions</b>		<b>308 501</b>	<b>275 995</b>
<b>Other non current liabilities</b>			
Bond loans	8	1 500 000	1 200 000
Liabilities to financial institutions	8	3 163 033	2 845 014
Other non current liability	8	17 846	26 037
<b>Total other non current liabilities</b>		<b>4 680 879</b>	<b>4 071 051</b>
<b>Current liability</b>			
Accounts payable	8	71 641	66 926
Income tax payable	10	47 195	42 085
Public duties payable		163 945	130 958
Other current liabilities		328 810	269 694
Dividend/group contribution	5	5 057	8 763
<b>Total current liability</b>		<b>616 648</b>	<b>518 427</b>
<b>Total liabilities</b>		<b>5 606 029</b>	<b>4 865 473</b>
<b>Total equity and liabilities</b>		<b>6 020 411</b>	<b>5 197 182</b>

Jessheim 29.03.2019

The Board of Læringsverkstedet Gruppen AS

---

Gunnar Johansson  
Chairman of the board

---

Hans Jacob Sundby  
Board member /CEO

Læringsverkstedet Gruppen AS 2018  
CASH FLOW STATEMENT - INDIRECT MODEL

Parent			Group	
2017	2018		2018	2017
		<b>Cash flow from operating activities</b>		
3 974	16 382	Profit before income tax	106 054	121 914
-1 827	-1 065	Income tax payable	-43 081	-30 216
0	0	Loss/gain on sale of fixed assets		
4 100	5 928	Depreciation	221 815	186 708
		Difference on pension expense and paid pension premium	-10 538	-40 317
13 107	-10 861	Change in inventory, accounts receivable and accounts payable	-6 975	19 243
-2 688	-3 829	Change in other accruals	-3 386	-27 945
<b>16 666</b>	<b>6 555</b>	<b>Net cash flow from operating activities</b>	<b>263 889</b>	<b>229 387</b>
		<b>Cash flow from investing activities</b>		
0	55	Proceeds from disposal of fixed assets	9 126	6 079
-662	-703	Purchase of fixed assets	-265 726	-305 807
-20 182	-48 769	Net payment in acquisition of subsidiaries	-353 161	-486 587
-1 149	-18 136	Purchase of intangible assets	-15 075	-1 849
0	0	Proceeds from disposal of other shares	-	-
	-359 018	Net effect other shares and loans	-	-10 175
0	-249	Net cash flow from other investments	-201	-
<b>-21 993</b>	<b>-426 820</b>	<b>Net cash flow from investing activities</b>	<b>-625 037</b>	<b>-798 339</b>
		<b>Cash flow from financing activities</b>		
0	0	Proceeds from recent borrowings	776 685	1 778 374
-75 000	0	Full down payment of borrowings	-212 044	-1 050 939
0	0	Repayment (ordinary amortization) of borrowings	-131 899	-119 473
78 736	60 569	Net change participants deposit in group accounts		
-13 385	360 029	Net payment (-), proceeds (+) group companies		
		Payment of group contribution	-8 763	-5 592
<b>-9 649</b>	<b>420 598</b>	<b>Net cash flow financing activities</b>	<b>423 979</b>	<b>602 370</b>
<b>-14 976</b>	<b>333</b>	<b>Net change in cash and cash equivalents</b>	<b>62 831</b>	<b>33 418</b>
		Currency effect cash equivalent at 01.01	-857	
<b>18 263</b>	<b>3 287</b>	<b>Cash and cash equivalent at 01.01</b>	<b>196 274</b>	<b>162 856</b>
<b>3 287</b>	<b>3 620</b>	<b>Cash and cash equivalent 31.12</b>	<b>258 248</b>	<b>196 274</b>

## NOTES TO THE FINANCIAL STATEMENT 2018

### Accounting principles and the effect of change of principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

### Use of estimates

The preparation of financial statements in accordance with the Accounting Act requires the use of estimates. In addition, the appliance of the company's accounting principle requires the management's use of assessments. Areas that largely requires such assessments, high degree of complexity, or areas where assumptions and estimates is material for the financial statement are described in the notes.

### Shares in subsidiaries and associates

Subsidiaries is companies where the parent company has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares and can exercise control over the financial and operational strategy of the entity. Investments with 20-50% share of the votes and with significant influence, is considered an associate.

### Consolidation principle

Subsidiaries are consolidated from the date the control is transferred to the Group.

In the consolidated financial statement the item shares in subsidiary is substituted with the subsidiaries assets and liabilities. The consolidated financial statement is completed as if the Group was one economic entity. Transactions, unrealized gains and balances between group companies has been eliminated.

Acquired subsidiaries is accounted for in the group accounts based on the parents acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities in the subsidiary and recognized in the group account at fair value. The part of the price that exceeds the fair value of identifiable assets and liability is recognized as goodwill. Goodwill is treated as an residual and recognized with the share that is observed in the transaction. Excess values in the group accounts is depreciated over the expected useful lives of the acquired assets.

Companies which have been bough or sold during the year are included in the consolidated financial statements at the date when control has been achieved and until the date when control ceases.

Foreign subsidiaries is translated based on;

- The balance is converted to closing rate on the balance sheet date
- The income statement is converted to the average monthly exchange rate
- Currency translation difference is recognized towards the equity
- Loans from an entity within the group towards an foreign entity where repayment is not planned or is not likely in the foreseeable future, are considered a part of the net investment in the foreign activity. Exchange gain and losses related to such loans is recognized towards the equity.

### Revenue

Revenue regarding preschool access are recognized on time of delivery. Revenue from contributions is recognized in accordance with received decision. Decision regarding future contribution is recognized in the period the decision applies for. Decisions regarding previously received contribution is recognized entirely at the date that the decision is received.

### Classification in the balance sheet

Non current assets consist of assets destined for lasting ownership or use. Assets related to the commodity circulation is classified as current assets. Receivables is classified as current asset if repayment will take place within one year. Liabilities is mainly classified based on similar criteria's. Next year installment on non current receivables or payables is however not classified as current assets or current liabilities.

**Intangible assets and goodwill**

Goodwill occur in the connection with business combination. Goodwill is depreciated over the expected useful life. External expenses related to acquisition of IT systems and system development is capitalized providing that the future economic benefit exceeds recognized value.

Concessions and other rights acquired is recorded at cost reduced with accumulated depreciations. Time limited rights is depreciated over economic useful life. Indefinite rights is not depreciated. In acquisitions of preschool companies in Norway a preschool approval is acquired. This approval gives the right to future operating and capital contributions. This right is considered an intangible assets with indefinite duration. The right is capitalized provided that a future economical benefit is substantiated.

**Fixed assets**

Land is not depreciated. Other fixed assets is capitalized and depreciated linearly over the estimated useful life. Acquisition cost includes interest expense up until the building is taken into use, as well as internal management of the construction process. Depreciation of preschool buildings start at the time that the preschool starts operate. Work in progress includes expenses relating to development, regulating, planning and projecting. Work in progress is included in the category Buildings.

In the event of a change in depreciation plan the effect is distributed over the remaining depreciation period. Maintenance of fixed assets is expensed as operating cost. Additions and improvements is capitalized and depreciated in line with the fixed asset. The difference between maintenance and addition/improvement is evaluated towards the quality of the fixed asset on time of acquisition.

**Other long-term investment in shares**

Other long-term investment in shares are valued at cost. Distributions is recognized as financial income when it is decided. Distribution that materially exceeds share of retained earnings after the acquisition is recorded as a reduction of cost.

**Write down of non currents assets**

If there is indications that the carrying value of a non current asset exceeds fair value, an incurrence test is performed. The test is performed at the lowest level where the non current asset has independent cash flows. If carrying value is higher than both net realizable value and value in use (discounted cash flows as continuing use), the asset is written down to the highest of net realizable value and value in use.

Impairment losses, with the exception of impairment of goodwill, is reversed if the reason for the impairment loss disappears in a latter period.

**Receivables**

Accounts receivable is recorded in the balance sheet less deduction for provision for expected losses. Provision for losses is based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected losses. Material economic difficulties for the customer, probability for bankruptcy or financial restructuring, and delays or defects with the payment is considered indicators that a provision must be made.

Other receivables, both current and non current, is recorded at the lowest of face value or fair value. Fair value is the present value of expected future payments. However, discounting is not made, when the effect of discounting is immaterial for the financial statements. Provision for loss is evaluated in the same manner as for accounts receivable.

When acquiring a subsidiary that also includes acquiring a long-term rent contract with fixed price lower than marked value, this asset is allocated a fair value. The value is identified by the yearly underprice in the contract and remaining duration. The asset is considered prepaid rent and is classified as long-term receivable. The asset is amortized over remaining rent period. The amortization is classified as other operating expenses.

**Liability**

Long-term liability, is recorded at nominal value. Material costs relating to taking up loan is recognized in the balance sheet and depreciated linearly over the lifetime of the loan as interest paid. Such an item is classified as other receivables in the balance sheet.

**Derivatives and hedging transactions**

When entering a derivative agreement the group defines if there is a hedging of fair value of an accounting item or hedging of cash flow. Derivatives that qualify as hedging is not recognized in the balance sheet, but underlying payments (such as interest in an interest swap agreement) is recognized in the income statement. Derivatives that does not qualify as hedging is recognized at fair value in the balance sheet, and change in fair value is recognizes in the income statement.

**Pensions**

The group has different pensions plans. Pension plans is funded trough payments to an insurance company, with the exception for AFP (Early Retirement Plan). The group has both defined contribution and defined benefit plans

*Defined contribution plans*

In contribution plans, the company pays a contribution to an insurance company. Once the contribution is paid, the company has no further payment commitments. The contribution is booked as employee benefit expense. If a prepaid contribution is made, this is capitalized as an asset (pension fund) to the extent that the contribution can be refunded or reduce future payments.

*Defined benefit plan*

A defined benefit plan is a pension plan that is not a defined contribution plan. A defined benefit plan is typically a pension plan that defines a pension payment that an employee will receive on retirement. Pension payments will normally depend on several factors as age, number of years employed in the company and salary. The recorded liability related to defined benefit plans is the present value of accrued future pension benefits at the balance sheet date less fair value of the pension plan assets (payments made to insurance company). The liability is adjusted for the unrecognized effects of actuarial gains/losses. The pension liability is calculated yearly by an independent actuary using a linear method.

Changes in the pension obligation due to changes in pension plans are recognized over the estimated average remaining service period. The same apply for estimation differences due to new information or changes in actuary assumptions, to the extend it exceeds 10% of the higher of defined benefit pension obligations and pension plan assets. (corridor)

**Taxes**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax is calculated on all tax increasing/tax reducing temporary differences that exist as of 31.12. Tax increasing and tax reducing temporary differences, which are reversed or can be reversed in the same period is netted. Deferred tax asset on net tax reducing differences which is not netted and tax loss brought forward are recorded on the basis of future earnings.

Deferred tax and deferred tax asset that can be recorded is presented net in the balance sheet.

Tax reduction as a result of given group contribution and income tax on received group contribution that is recorded as a reduction an investment in subsidiary, is recorded directly in the balance sheet (towards income tax payable if group contribution has affected income tax payable and as deferred tax if group contribution has affected deferred tax). Deferred tax in the financial statements of both the parent and group is recorded at nominal value.

**Public grants**

Investment contribution is recorded as a reduction of the assets acquisition cost, which is recorded with a net amount in the balance sheet. The contribution is indirectly taken as reduction in depreciation through reduced acquisition cost of the asset.

**Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includ cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

# LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

## Note 1 Revenue

Out of the group's revenue, Sweden account for approximately MNOK 550 and the rest is related to sale in Norway. Total revenue is distributed on the following areas:

Segments	Group	
	2018	2017
Parent payment	528 585	438 418
Public contributions	2 967 503	2 273 623
Rent income	7 189	1 726
Other operating revenue	14 177	5 209
Total Revenue	3 517 454	2 718 976

## Note 2 Specification of salary and personnel cost

### 2.1 Specification of cost:

	2017	2017
Salary	1 954 841	1 539 135
Pension cost	113 144	71 625
+ Payroll tax	346 214	213 659
+ Other benefits	71 339	45 451
= Total	2 485 538	1 869 870
Average full-time employees	5855	4407

### 2.2 Remuneration:

See note 1 in the company financial statements regarding fees for CEO

The Group has paid a total of NOK 300 000 in board remuneration.

### 2.3 Auditor:

	2018	2017
Statutory audit	4 199	3 749
Other certification services	1 487	610
Other services	705	930
Total remuneration to the elected auditor	6 392	5 289

### 2.4 Required occupational pension / pension cost:

The group is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The group's pension schemes meets the requirements of that law.

The group has a defined contribution plan for approximately 291 persons. The collective pension scheme for preschool employees in Norway also contains a disability pension that is considered as a defined contribution plan. Employees in the Swedish part of the business has collective pension schemes that is considered as a multi-employer plan and is accounted for as a defined contribution plan. Cost in 2018 related to all the defined contribution plans is kr 34 705 828.

The Norwegian preschool companies in the group has in addition a defined benefit plan. All employees in the preschool companies is part of a group pension plan in accordance with local legislation ("Lov om foretakspensjon"). The pension scheme gives the right to defined future benefits, which are mainly dependent on number of years worked, salary level at time of retirement and the amount of payment from the national insurance fund. The obligations are covered through an insurance company. The employees pay a certain % share of the pension premium. This premium is recorded as a reduction in pension expenses.

## LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

The group has an early retirement scheme (AFP). The new early retirement scheme implemented 1. January 2011 is considered a defined benefit multi-employer pension plan. The plan is treated in the accounts as a defined contribution plan until there is reliable and sufficient information in order for the Group to account for its proportional share of pension expense, pension obligation and pension asset. The Groups obligation is therefore not included as a liability.

The Groups pension plans meets the requirement of the Norwegian law on required occupational pension («Lov om obligatorisk tjenestepensjon»).

	2018	2017
Service cost	113 448	71 514
Recognised actuarial gains/losses	5 392	-1 297
Interest cost	5 515	9 411
<b>Pension cost before social security</b>	<b>124 355</b>	<b>79 628</b>
Social security tax	16 774	11 479
<b>Pensio cost</b>	<b>141 129</b>	<b>91 107</b>
Herof covered by employees	36 511	28 937
Pension obligation 31.12	1 041 288	708 318
Pension assets 31.12	846 664	615 878
<b>Net pension obligation 31.12</b>	<b>194 624</b>	<b>92 440</b>
Unrecognized effects of actuarial gains/losses	-204 150	-115 293
<b>Net booked pension obligation 31.12</b>	<b>-9 526</b>	<b>-22 853</b>
<b>Demographical factors</b>		
Number of persons employeeed	5 028	3 126
<b>Actuarial assumptions</b>		
Discount rate	2,70 %	2,50 %
Expected return on plan assets	4,00 %	3,00 %
Expected rate of salary increase	2,75 %	2,50 %
Expected regulation of pensions in effect	0,80 %	0,40 %
Expected G-regulation	2,50 %	2,25 %

### Note 3 Fixed asset

	<div style="display: flex; justify-content: space-between;"> <div>IT systems / syst. Dev</div> <div>Concessions , patents and licenses</div> </div>						
			Goodwill	Equip.	Buildings	Land	Total
Acquisition cost 01.01.	23 925	201 934	532 519	113 766	3 839 634	610 665	5 322 443
Currency effect 01.01			17 845	1 110	18	-	18 973
Additions through acquisitions		64 865	142 979	22 704	380 696	95 202	706 446
Additions	-	3 500	11 575	16 812	190 047	53 574	275 508
Disposals	-	-	-	1 986	7 774	4 945	14 705
Acquisition cost 31.12.	23 925	270 299	704 918	152 406	4 402 621	754 496	6 308 665
Acc depreciation 01.01.	5 289	-	62 676	80 288	447 714	-	595 967
Currency effect 01.01			25 206	1 568	25	-	26 799
Disposals depreciation	-	-	-	810	4 769	-	5 579
Depreciation for the year	55	-	34 899	18 025	168 835	-	221 814
Acc Depreciation 31.12.	5 344	-	122 781	99 071	611 805	-	839 002
Net carrying value 31.12	18 581	270 298	582 137	53 335	3 790 816	754 496	5 469 664

Goodwill, buildings and equipment is depreciated linear over economic useful life. Depreciation on building under construction starts when the building is completed. Land is not depreciated. Goodwill related to preschools acquired after 1.1.2011 is depreciated linearly over 15-20 year. The management has assessed that there is high probability for a long-term operation of the preschool.

## LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

Based on this a depreciation period of 15-20 year for goodwill gives a representative useful life period for this asset. Preschools acquired before 1.1.2011 was depreciated linearly over 5 year.

The Group has approximately 40 preschools located in rented buildings in Norway. Total yearly rent payment is approximately 19.0 million. Some of these are temporary locations on ongoing contracts. Rent contract on more permanent locations has an average 10 year remaining duration. Most of these contain options for renewal.

In addition to this, the Group rent office equipment and some vehicles. Rent regarding this in 2018 was approximately MNOK 7,0.

### Additions Goodwill:

Åstveit	15 189
Fyrkløveren Montessori	3 690
Kubikskolan	26 560
Kreavita	74 576
Langaard	3 703
Sætra	9 287
Blåbærstien	1 365
Knerten Føynland	3 649
Ådalen	1 118
Heimly	7 000
Havfrua	3 000
Other (6 entities)	5 417
<b>Total</b>	<b>154 554</b>

Total cost of acquisition of shares in units with allocated goodwill amounts to approximately MNOK 230. This consideration is mainly paid in cash. It is not recognized deferred tax on goodwill acquired by acquisition

### Note 4 Number of shares, shareholders etc

The company's share capital, NOK 100 000, is divided on 100 000 shares with a face value of NOK 1. HJR Holding AS owns all the shares. Consolidated financial statements for HJR Holding can be collected on the company's business address Aktivitetsvegen 2, 2069 Jessheim.

### Note 5 Transactions and intercompany balances

<b>Receivable group company</b>	<b>2018</b>	<b>2017</b>
Long term receivables group companies	60 598	60 598
<b>Total receivable group company</b>	<b>60 598</b>	<b>60 598</b>
 <b>Liability group companies</b>		
Current liability group company	-	-
Dividends/group contribution	5 057	8 763
Accounts payable group companies	-	-
<b>Total liability group company</b>	<b>5 057</b>	<b>8 763</b>

It has not been any sale or buy of goods or services of significance with related companies.

# LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

## Note 6 Equity

	Share capital	Other Equity	Minority interests	Total
<b>Equity 01.01.</b>	<b>100</b>	<b>331 609</b>		<b>331 709</b>
Currency effect		-3 822		-3 822
Acquisitions			415	415
Net profit		90 222	-19	90 203
Provision group contribution		-4 124		-4 124
<b>As of 31.12.</b>	<b>100</b>	<b>413 885</b>	<b>396</b>	<b>414 381</b>

## Note 7 Restricted cash

Restricted employees withholding tax TNOK	79 053
---	--------

## Note 8 Liabilities and securities

<b>Debt with more than five years maturity</b>	<b>2018</b>	<b>2017</b>
Liabilities to financial institutions	2 087 952	1 792 745

Other long-term liability is mainly investment contribution that is accrued as well as sellers credit on acquisition of subsidiaries.

The Groups construction loans is issued with security in a loan commitment to receive Husbank loan. Construction loan is therefore presented as debt with more than five years maturity

<b>Booked value of pledged assets</b>	<b>2018</b>	<b>2017</b>
Property	4 545 313	4 014 155
Fixture and fittings	53 335	40 454
Loan to group companies	60 598	60 598
Accounts receivable	25 916	16 747
<b>Total pledged assets</b>	<b>4 685 162</b>	<b>4 131 954</b>
<b>Secured debt</b>		
Liability to financial institutions	3 163 033	2 821 146
<b>Total secured debt</b>	<b>3 163 033</b>	<b>2 821 146</b>

Average interest rate on liabilities to financial institutions was 3.51 % in 2018.

### Fixed interest loan

Fixed interest loans totaling MNOK 1 900 has interests between 1.6% to 4.6%  
The fixed interest is fixed for a period of 5-20 year.

At 31 December 2018, the Group has a bond loan of MNOK 1 500. MNOK 1 200 were raised in 2017, while MNOK 300 were raised on 1.9.2018. The bonds are tradeable and the loan is listed on Oslo ABM. The loan is recognized at nominal value. The bond had a price of 99.25 as at 31.12.2018. The loan has a 5-year maturity and expires on 1 June 2022. The interest rate terms in the bond loan are Nibor 3 months + 4%. An interest rate swap agreement of 800 million of the principal has been entered into, where Nibor 3 months is received and 1.36% interest is paid. This ensures a fixed interest rate of 5.36% throughout the maturity for 800 million of the bond loan.

Fixed rate loans and interest rate swaps agreements have been entered into for hedging purposes and are not recognized at fair value.

# LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

## Note 9 Long term receivables

Receivable that is due more than 1 year after the end of the accounting year is TNOK 60 598.

	<b>Saldo 31.12</b>
Long term receivable - Group	60 598

Carrying value as of 31.12.2018 regarding identified excess value in rent contracts when acquiring a subsidiary is TNOK 32 363. This year's amortization expense is TNOK 3 155. The yearly future amortization will be approximately TNOK 3 155.

## Note 10 Taxes

### Specification of the difference between the financial statement result and taxable result;

Profit before income tax	106 054
+ Permanent differences (incl GW deprec in Group)	11 263
+ Change in temporary differences	91 426
- Group contribution - given	743
= Taxable profit	209 486
 - Tax loss brough forward	 -4 289
= Tax base	205 197

### Specification of income tax expense:

Tax payable	47 195
Change in deferred tax	-31 554
Change in deferred tax last year	-1 328
Tax cost on group contribution	1 539
*= Total income tax expense	15 852

### Specification of temporary differences:

	2018	2017	Change
Fixed assets	1 415 446	1 184 024	-231 422
Long term construction contracts	-9 667	2 871	12 538
Receivables	5 520	-5 375	-10 895
Other accruals	-	-	-
Pension obligation	11 037	22 477	11 440
Liabilities	-	-	-
Tax loss brough forward	-24 541	-5 385	19 156
Gains and losses account	-3 016	-37	2 979
<b>= Base deferred tax</b>	<b>1 394 779</b>	<b>1 198 575</b>	<b>-196 204</b>
 Deferred tax	 306 851	 275 672	 -31 179
 + Not recorded deferred tax assets in subsid.	 1 650	 323	 -1 327
 <b>Total</b>	 <b>308 501</b>	 <b>275 995</b>	 <b>-32 506</b>

The Group has during 2018 made several acquisitions, and balance movements contains the effect of this.

# LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

## Reconciliation of income tax expense

Profit before tax	106 054
Permanent differences	11 263
Total	117 317
23% Tax	26 983
Effect of change in tax rate	-5 761
Corrections previous years etc	-5 370
Total	15 852
<b>Calculated income tax expense</b>	<b>15 852</b>
Recorded tax expense	15 852
Difference	-
<b>Effective tax rate</b>	<b>15 %</b>

## Note 11 Acquisition 2018

### Acquisition preschools – business

	<u>Acquisition date</u>
Heimly	01.01.2018
Husmo	01.05.2018
Havfrua	01.06.2018
Askim	01.11.2018

### Acquisition of companies

		<u>Acquisition date</u>
Blindheim Barnehage AS	100%	04.01.2018
Bratteborg Barnehage AS	100%	15.06.2018
Dalgårdtunet Barnehage AS	100%	19.12.2018
Eplehagen Barnehage Lyngdal AS	100%	31.08.2018
Geitspranget Naturbarnehage AS	100%	01.11.2018
Glendrange Barnehage AS	100%	15.06.2018
Grandehagen Barnehage AS	100%	30.04.2018
Hannes Lekestue AS	100%	15.10.2018
Knerten Føynland AS	100%	22.10.2018
Langaard Barnehage AS	100%	01.02.2018
Langbølgen Barnehage AS	100%	25.05.2018
Leirvegen 21 AS	100%	03.12.2018
Lisko Eiendom AS	100%	28.09.2018
Læringsverkstedet IIseng AS	100%	15.11.2018
Læringsverkstedet Blåbærstien barnehage AS	100%	01.08.2018
Læringsverkstedet Opphaug Natur og Gårdsbarnehage AS	100%	01.02.2018
Læringsverkstedet Solkollen Skatval AS	100%	02.07.2018
Medås Gårdsbarnehage AS	100%	03.09.2018
Rørensletta Barnehage AS	100%	12.01.2018
Sandvoll Barnehage Eiendom AS	100%	01.11.2018
Sandvoll Barnehage Drift AS	100%	01.11.2018
Seraphin AS	100%	22.06.2018
Soløy Eiendom AS	100%	01.08.2018
Sætra-Barnehage AS	100%	07.08.2018
Tønsåsen Naturbarnehage AS	100%	01.11.2018
Vatnekrossen Barnehage AS	100%	15.06.2018
Vik Utbygging AS	100%	08.10.2018
Ådalen Barnehage AS	100%	29.06.2018
Åse Barnehage AS	100%	30.04.2018
Åstveit Helsesenter AS	100%	01.06.2018
Taurito AS	95%	01.11.2018
Fyrklöverns Montessorri AB	100%	30.04.2018
Kubikskolan AB	100%	03.10.2018
Kreavita AB	100%	17.12.2018

# LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

## Note 12 Overview Subsidiaries

In addition to the parent company Læringsverkstedet Gruppen AS the Group consists of the following entities and subgroups as of 31.12.2018.

Barnehagene på Ullem AS	100 %	Læringsverkstedet Opphaug Natur og Gårds	100 %
Blindheim Barnehage AS	100 %	Læringsverkstedet Prosjektutvikling AS	100 %
Borre Idrettsbarnehage AS	100 %	Læringsverkstedet Solkollen Skatval AS	100 %
Bratteborg Barnehage AS	100 %	Læringsverkstedet Søreidtunet AS	100 %
Bråvannsåsen Barnehage AS	100 %	Læringsverkstedet Sørengkaia AS	100 %
Dalgårdtunet Barnehage AS	100 %	Læringsverkstedet Tåsenløkka AS	100 %
Dibber Sverige AB	100 %	Medås Gårdsbarnehage AS	100 %
Du og Jeg Krokåsfeltet Nord AS	100 %	Midtunbråtet Barnehage AS	100 %
Eidet Barnehage AS	100 %	Munkebekken Idrettsbarnehage AS	100 %
Ekeberg Idrettsbarnehage AS	100 %	Naustdal Idrettsbarnehage AS	100 %
Eplehagen Barnehage Lyngdal AS	100 %	Nitor Eiendom & Drift AS	100 %
Fana Gårds- og Friluftsbarnhage AS	100 %	Nonneseter Kloster Barnehage AS	100 %
Fidje Barnehage AS	100 %	Nøstodden Barnehage AS	100 %
Fjeldebakkane barnhage AS	100 %	Presteheia Barnehage AS	100 %
Fjellhulen Barnehage AS	100 %	Rabben Barnehage AS	100 %
Flekkerøya Barnehage AS	100 %	Risenga AS	100 %
Forus Private Barnehage AS	100 %	Rørensletta Barnehage AS	100 %
Geitspranget Naturbarnehage AS	100 %	Sandvoll Barnehage Drift AS	100 %
Glendrange Barnehage AS	100 %	Sandvoll Barnehage Eiendom AS	100 %
Grandehagen Barnehage AS	100 %	Seraphin AS	100 %
Gårdsbarnehagene AS	100 %	Solkollen Barnehage Hellemyr AS	100 %
Hannes Lekestue AS	100 %	Solkollen Barnehage Søm AS	100 %
Kjøkkelvik Barnehage AS	100 %	Soløy Eiendom AS	100 %
Klengstua AS	100 %	Stien Eiendom AS	100 %
Knerten Føyenland AS	100 %	Strutsen et Pedagogisk Bamesenter AS	100 %
Kopervik Menighetsbarnehage AS	100 %	Sætra-Barnehage AS	100 %
Kreative Barnehager AS	100 %	Sørlandsparken Barnehage AS	100 %
Langaard Barnehage AS	100 %	Taurito AS	95 %
Langbølgen Barnehage AS	100 %	Tiriltoppen Barnehage Nøtterøy AS	100 %
Lervig Brygge Barnehage AS	100 %	Torshovhagen AS	100 %
Liantjønn Barnehage AS	100 %	Trollberget AS	100 %
Lillehammer Idrettsbarnehage AS	100 %	Tønsåsen Naturbarnehage AS	100 %
Lisko Eiendom AS	100 %	Vatnekrossen Barnehage AS	100 %
Lysaker Idrettsbarnehage AS	99 %	Vik Utbygging AS	100 %
Læringsverkstedet Ilseng AS	100 %	Østmarka Idrettsbarnehage AS	100 %
Læringsverkstedet Blåbærstien barnhage AS	100 %	Ådalen Barnehage AS	100 %
Læringsverkstedet Brattberg Barnehage AS	100 %	Åsane Gårds- og Friluftsbarnhage AS	100 %
Læringsverkstedet Gruppen AS	100 %	Åse Barnehage AS	100 %
Læringsverkstedet Hammersborg AS	100 %	Åstveit Helsesenter AS	100 %
Læringsverkstedet Maurtua AS	100 %		



KPMG AS  
Vangsvegen 73  
2317 Hamar

Telephone +47 04063  
Fax  
Internet [www.kpmg.no](http://www.kpmg.no)  
Enterprise 935 174 627 MVA

To the General Meeting of Læringsverkstedet Gruppen AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Læringsverkstedet Gruppen AS showing a profit of NOK 12 560 606 in the financial statements of the parent company and profit of TNOK 90 202 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Læringsverkstedet Gruppen AS (the Company), which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Læringsverkstedet Gruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Molde	Stord
Ålesund	Finnsnes	Mo i Rana	Strøms
Bergen	Hamar	Skien	Tromsø
Budal	Haugesund	Sandnessjøen	Tromsø
Drøbak	Kjevik	Stavanger	Tynset
	Kristiansund		Ålesund

### Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Hamar, 5. april 2019  
KPMG AS

Thore Kleppen  
*State Authorised Public Accountant*

*Note: This translation from Norwegian has been prepared for information purposes only.*