

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 LV Sverige AB which is the holding company for the preschool and schools the group operates in Sweden. The group operates 200 preschools with 16 500 children in Norway and 74 preschools and schools in Sweden with a capacity of 750 pupils in the schools and 3 7 000 children in the preschools.

True and fair overview of development and profits

The company

The company had a turnover increase of over 50%. Most of the turnover is the sale of services to Group companies and the increase reflects the group's increase in activity. The company has in 2017 organized all the Norwegian administrative functions and resources into Læringsverkstedet Gruppen AS. Focus in 2017 has been to further develop structures, systems and organization for further growth and development of the group. Margins and results in 2017 is effected by this.

The company has an equity ratio of 23%, an increase from 2016. In 2017, the Group restructured parts of its loan facilities. The company's external loan of NOK 75 million has been repaid through withdrawals on the group's cash pool. The company was previously the formal counterparty in the Group cash pool. This cash pool has been terminated in 2017. These actions explain the movement on intercompany balances and long term debt.

The company has in 2017 invested in preschools and schools in Sweden. This is made by establishing LV Sverige AB as a holding company for the Swedish business. This company has made the investment in Sweden.

The Group

The Group has through acquisitions in 2017 established activity in Sweden. On 1 August Inspira was acquired, while the chains Palmlunds and Helianthus was acquired 1 September. In Norway acquisitions of 30 preschools and start up/takeover of additional 5 has been made in 2017.

The group has completed the construction of five new preschools in Norway during the year. Two opened in August 2017 and three opened in October. At year-end the construction of one new preschool is ongoing and is due to open in August 2018. Three rehabilitation and expansion projects are also ongoing.

The employees in the Norwegian preschools have a defined benefit pension plan, that also includes a disability pension. In 2016 a change in laws regarding financing of the disability pension was implemented changing the plan from a defined benefit to a defined contribution plan. The actuary calculation for 2016 contained a minor gain related to this change for employees still active, but not for employees already on disability pension. The gain regarding these employees was first calculated and identified by the actuary in the 2017 calculation. The numbers for 2016 has been changed with this gain. Total gain from the 2016 and 2017 calculation is presented in a separate line showing a gain of approximately NOK 49,7 million for the Group.

Acquisition in 2017 and full year effect of acquisitions in 2016 has resulted in a total revenue increase of over 50% for the Group. Profit before tax margin is 4,5% versus 5,1% in 2016 (adjusted for the gain on change in pension plan). The operating margin in Sweden is lower than in Norway, particularly in the 2 half of the year and this is the main reason for the reduction in margin.

The Group has a stable equity ratio of approximately 6.0%.

Cash flow from operations may be affected by the date of payment of first quarter subsidies from the municipalities. This can vary from year to year and has had some negative effect in 2017. In 2017 it is paid approximately 40 million more in pension premium than the calculated pension cost. Beyond this, the difference between operating profit and cash flow from operations is mainly related to depreciation and interest payments.

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 preschools are mainly financed through long-term loans at Husbanken, while other types of long-term loans are primarily at DnB. One of the subsidiaries in the Group has in June 2017 issued a bond loan of NOK 1 200 million. The bonds is tradable and the loan was in October 2017 listed on the Oslo ABM. The loan has a duration of five year and is due in full on 1 June 2022.

The interest on large parts of the financing is secured. Subsidiaries in the Group has has fixed interest loans totaling MNOK 1 800 with an interest rate of 2.1% to 5.1%. The interest on the bond loan is based on Nibor 3 month and a margin on 4%. The Group has for the period of 1 September 2017 to 1 June 2022 (due date of the bond) entered into an interest swap agreement, swapping 3 month NOK Nibor for a fixed interest rate of 1,36% on an amount of 800 million. This secures the floating part of the interest on 800 million of the bond loan. For this part of the loan, the interest will therefore be fixed at 5,36%.

The loan repayment profile is well adapted to the company's strategy for the next few years. The company expects further growth through acquisitions in the future and continuously assesses the optimal financing structure in relation to this.

A central Market risk is the subsidy scheme for private preschools. Today's scheme involves great variations between individual municipalities and is unpredictable from year to year. The Group's portfolio of preschools distributed over many municipalities significantly reduces this risk.

There is at the moment political discussions, particularly in Norway, if a minimum staffing norm (number of children per employee) should be implemented. Such a norm will affect both the revenue and the cost for the Group. Based on our knowledge today we expect to be able to maintain a necessary operating margin also after the implementation of a potential norm.

Research and development activities

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

Continued operation

The annual accounts for 2017 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 4% in 2017.

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 2018 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 88 employees, of which 17 are men. The numbers for the Group is 5 520 employees, of which 740 are men.

The Group undertakes active and targeted measures for gender equality in the company. 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 extremely limited degree. All business areas participate in source sorting schemes. In preschools, children are taught to source sort. 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.

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 2017 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 2017, the company had a profit of NOK 2 981 406,- which is proposed for use as follows:

Transferred other equity NOK 2 981 406,-

Jessheim, 22 March 2018

(sign)
Gunnar Johansson
Board Chairman

(sign)
Torill Eskeland
Board Member

(sign)
Helene Charlotte M Wego
Board Member

(sign)
Hilde F Martinsen
Board Member

(sign)
Linn K. Christensen
Board Member

(sign)
Hans Jacob Sundby
Board Member/CEO

Læringsverkstedet Gruppen AS

	Note	2017	2016
Revenue statement			
REVENUE			
Revenue from sales	11	127 349 352	82 387 297
Other operating income	11	<u>2 263 584</u>	<u>1 691 218</u>
TOTAL REVENUE		<u>129 612 936</u>	<u>84 078 515</u>
OPERATING COST			
Cost of goods sold		1 163 428	474 617
Employee expenses	1	63 738 932	45 887 447
Depreciation and amortisation expense	3	4 100 364	4 257 433
Other operating expenses	1	<u>56 956 675</u>	<u>27 443 459</u>
TOTAL OPERATING COST		<u>125 959 399</u>	<u>78 062 956</u>
OPERATING PROFIT		<u>3 653 537</u>	<u>6 015 560</u>
FINANCIAL INCOME AND EXPENSE			
Interest income from group entities		114 584	1 997 799
Other interest income		88 349	352 901
Other financial income		744 362	0
Interest expense to group entities		461 183	1 450 845
Other Interest expenses		127 600	539 756
Other financial expenses		<u>38 156</u>	<u>382 729</u>
NET FINANCE		<u>320 355</u>	<u>-22 631</u>
PROFIT BEFORE INCOME TAX		<u>3 973 892</u>	<u>5 992 929</u>
Tax on ordinary result	6	<u>992 486</u>	<u>1 529 855</u>
PROFIT AFTER INCOME TAX		<u>2 981 406</u>	<u>4 463 074</u>
NET PROFIT	8	<u>2 981 406</u>	<u>4 463 074</u>
BROUGHT FORWARD			
To other equity	8	2 981 406	4 463 074
NET BROUGHT FORWARD		2 981 406	4 463 074

Læringsverkstedet Gruppen AS

	Note	2017	2016
Balance sheet 31.12			
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Research and development	3	4 246 756	4 745 525
TOTAL INTANGIBLE ASSETS		<u>4 246 756</u>	<u>4 745 525</u>
Tangible fixed assets			
Buildings and land	3, 10	16 227 592	16 416 650
Equipment and other movables	3, 10	2 923 180	4 524 892
TOTAL TANGIBLE FIXED ASSETS		<u>19 150 772</u>	<u>20 941 542</u>
Financial fixed assets			
Investments in subsidiaries	10, 12	21 236 590	1 055 040
Loans to group companies	7, 9	55 231 276	41 727 240
Investments in shares		1 401 999	1 401 999
TOTAL FINANCIAL FIXED ASSETS		<u>77 869 865</u>	<u>44 184 279</u>
TOTAL FIXED ASSETS		<u>101 267 394</u>	<u>69 871 346</u>
CURRENT ASSETS			
Inventories	4	498 316	830 942
TOTAL INVENTORIES		<u>498 316</u>	<u>830 942</u>
DEBITORS			
Accounts receivables	10	97 537	18 991
Account receivables group companies	7, 10	7 010 919	10 802 406
Other receivables		9 946 499	3 501 813
Receivables group companies	7	822 912	45 463 088
TOTAL RECEVABLES		<u>17 877 867</u>	<u>59 786 298</u>
Cash and bank deposits	2	3 287 388	18 263 328
TOTAL CASH AND BANK DEPOSITS		<u>3 287 388</u>	<u>18 263 328</u>
TOTAL CURRENT ASSETS		<u>21 663 571</u>	<u>78 880 568</u>
TOTAL ASSETS		<u>122 930 965</u>	<u>148 751 914</u>

Læringsverkstedet Gruppen AS

EQUITY AND LIABILITIES	Note	2017	2016
EQUITY			
Share capital	5, 8	100 000	100 000
Other equity	8	28 457 007	25 475 601
TOTAL EQUITY		28 557 007	25 575 601
LIABILITIES			
Provisions			
Deffered tax	6	182 840	255 494
TOTAL PROVISIONS		182 840	255 494
Other non current liabilities			
Liabilities to financial institutions	10	0	75 000 000
TOTAL OTHER NON CURRENT LIABILITIES		0	75 000 000
Current liabilities			
Trade creditors		5 607 448	2 419 480
Accounts payable group companies	7	8 621 672	1 807 116
Tax payable	6	1 065 140	1 826 516
Public duties payable		9 062 570	6 644 898
Current liabilities group companies	7	58 096 862	24 823 826
Other short term liabilities		11 737 426	10 398 984
TOTAL CURRENT LIABILITIES		94 191 118	47 920 819
TOTAL LIABILITIES		94 373 958	123 176 313
TOTAL EQUITY AND LIABILITIES		122 930 965	148 751 914

Jessheim, 22.03.2018
The board of Læringsverkstedet Gruppen AS

Gunnar Johansson
chairman of the board

Hans Jacob Sundby
member of the board/General Manager

Torill Eskeland
member of the board

Hilde Martinsen
member of the board

Charlotte Wego
member of the board

Linn Kvernberg Christensen
member of the board

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 consists normally of items that is due within one year after the balance sheet date. Current assets is 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 trough 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 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 lather 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 lather 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. Læringsverksetdet Gruppen AS's deposit or withdrawel in the cash pool is presented as payables og receivables, see note 7.

Comparative figures

Some reclassificating of last year have been made to improve the comparison basis.

Note 1 Specification of salary and personnel cost

Specification of cost

	2017	2016
Salary	51 492 096	37 117 221
Payroll tax	7 221 604	5 410 225
Pension cost	2 646 675	1 737 654
Other benefits	2 378 557	1 622 348
Total	63 738 932	45 887 447

Average full-time employees: 69

Management remuneration

Total cost to chief executive officer is NOK. 2 178 502,-

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 2017 is NOK 122 137,- for statutory audit fee and NOK 54 625,- for other services.

Required occupational pension / pension cost

The company is required to have an occupational pension scheme in accordance with 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. 2 558 569 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

	Fixture/fittings	System develop.	Property	Land	Work in progress	Total
Acquisition cost 01.01.	13 316 240	8 361 979	12 276 492	7 860 422	23 613	41 838 746
Additions	360 305	1 148 516	-		302 002	1 810 823
Disposals				-		
Acquisition cost 31.12.	13 676 545	9 510 495	12 276 492	7 860 422	325 615	43 649 570
Acc. depreciation as of 01.01.	8 791 347	3 616 455	3 743 877	-	-	16 151 679
Depreciation of the year	1 962 017	1 647 288	491 060			4 100 364
Acc depreciation as of 31.12.	10 753 364	5 263 742	4 234 937	-	-	20 252 043
Net carrying value 31.12.	2 923 182	4 246 754	8 041 555	7 860 422	325 615	23 397 528
Usful economice life	5 år	5 år	25 år	uendelig		
Amortisation plan	lineær	lineær	lineær			

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 31.12.2017.

	2017	2016
Finished goods	498 316	830 942

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
Total	100 000	1	100 000

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	3 973 892
+ Permanent differences	194 588
+ Change in temporary differences	269 600
= Tax base	4 438 080

Specification of income tax expense:

Tax payable	1 065 139
+ Change in deferred tax	-72 654
= Total income tax expence	992 486

Specification of calculation of deferred tax:

	31.12.2017	31.12.2016	Change
Fixed assets	-716 969	282 779	999 748
+ Liability	1 492 297	757 242	-735 055
+ Temporary differences related to profit and loss account	19 630	24 537	4 907
= Net temporary differences	794 958	1 064 558	269 600
 Deferred tax/tax asset	 182 840	 255 493	 72 653

Note 7 Intercompany balances

	2017	2016
Receivable group companies		
Long term receivable	55 231 276	41 727 240
Short term receivable	432 912	0
Accounts receivable	7 400 919	22 199 048
Short term receivable (group account - old)	0	45 463 088
Short term receivable (group account - new)	0	0
Total receivables group companies	63 065 107	109 389 376
Payables group companies		
Long term payables	0	0
Accounts payable	8 621 672	1 807 116
Short term payables (group account - old)	0	22 066 891
Short term payable (group account - new)	58 096 862	2 756 934
Total payables group companies	66 718 535	26 630 941

During 2017, the company has discontinued its old group accounts. For 2016, the company was formally a counterparty to the Group's old group accounts and amounts were presented in line with this. This means that the balance of the group account old represents the sum of the participants' withdrawals or deposits. The scheme was settled in 2017 and the remaining balance bank is presented in the usual way.

Short term payables (group account - new) is the company's deposit or withdrawel in Læringsverkstedet AS group cash pool.

Note 8 Equity

	Share Capital	Other equity	Total
As of 31.12.2016	100 000	25 475 601	25 575 601
Net profit		2 981 406	2 981 406
As of 31.12.2017	100 000	28 457 007	28 557 007

Note 9 Receivables

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

	2017	2016
Loan to group companies	55 231 276	41 731 104

Note 7 Intercompany balances

	2017	2016
Receivable group companies		
Long term receivable	55 231 276	41 727 240
Short term receivable	432 912	0
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Short term payables (group account - new) is the company's deposit or withdrawel in Læringsverkstedet AS group cash pool.

Note 8 Equity

	Share Capital	Other equity	Total
As of 31.12.2016	100 000	25 475 601	25 575 601
Net profit		2 975 523	2 975 523
As of 31.12.2017	100 000	28 451 124	28 551 124

Note 9 Receivables

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

	2017	2016
Loan to group companies	55 231 276	41 731 104

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	2017	2016
Other revenue group companies	6 020 691	4 827 902
Sale of administrative services to group companies	120 200 765	77 459 785
Other revenue	1 974 040	373 388
Rent	<u>1 417 440</u>	<u>1 417 440</u>
Total revenue	<u>129 612 936</u>	<u>84 078 515</u>

Note 12 Subsidiaries

See group financial statement for information about subsidiaries.

Læringsverkstedet Gruppen AS - Group

Income statement

Numbers in 1 000

	Note	2017	2016
Revenue from sale	1	417 308	287 900
Other income	1	2 301 667	1 454 991
Total revenue		2 718 976	1 742 891
Cost of goods sold		1 164	6 028
Employee benefits expense	2	1 869 870	1 240 514
Gain on pension	2		-49 711
Depreciation	3	186 708	110 586
Other operating expenses	2, 3, 9	408 112	221 156
Total operating expenses		2 465 854	1 528 573
Operating profit		253 122	214 318
Interest income from group companies		4 145	325
Interest income		8 812	1 358
Finance income		1 378	861
Total financial income		14 335	2 544
Interest paid to group companies		532	491
Interest paid		144 853	77 739
Finance expense		158	385
Total financial expenses		145 543	78 615
Net finance		-131 208	-76 071
Profit before income tax		121 914	138 246
Income tax expense	10	22 995	35 886
Net profit		98 918	102 361

Læringsverkstedet Gruppen AS - Group

Balance sheet

Numbers in 1 000

	Note	2017	2016
Assets			
Non current assets			
Intangibel assets			
Research and development	3	4 362	4 862
Consessions, patents,licenses etc	3	201 051	153 283
Goodwill	3	469 746	244 664
Total intangible assets		675 159	402 809
Fixed assets			
Land, buildings and other property	3, 8	4 014 155	3 267 642
Fixtures and fittings	3, 8	40 454	58 256
Total fixed assets		4 054 609	3 325 898
Financial assets			
Loan to group companies	5, 9	60 598	50 423
Investments in affiliated companies		25	0
Investment in shares and units		1 458	1 406
Long term receivables	2, 9	28 428	30 485
Pension asset	2	22 853	0
Total financial assets		113 362	82 314
Total non current assets		4 843 129	3 811 022
Current assets			
Inventories		651	628
Receivables			
Accounts receivables	8	16 748	12 396
Other receivables	5	140 379	69 447
Total receivables		157 127	81 843
Cash and cash equivalents	7	196 274	162 856
Total assets		5 197 182	4 056 349

Læringsverkstedet Gruppen AS - Group

Balance sheet

Numbers in 1 000

	Note	2017	2016
Equity and liabilities			
Equity			
Owners equity			
Share capital	4, 6	100	100
Total paid inn equity		100	100
Retained earnings			
Other equity	6	331 609	234 249
Total accumulated profits		331 609	234 249
Total equity		331 709	234 349
Liabilities			
Provisions			
Pensjon obligations	2	0	3 877
Deferred tax	10	275 995	209 435
Total provisions		275 995	213 312
Other non current liabilities			
Bond loans		1 200 000	0
Liabilities to financial institutions	8	2 845 014	3 208 360
Other non current liability	8	26 037	6 636
Total other non current liabilities		4 071 051	3 214 995
Current liability			
Accounts payable	8	66 926	42 437
Income tax payable	10	42 085	27 669
Public duties payable		130 958	97 855
Other current liabilities		269 694	220 139
Dividend/group contribution	5	8 763	5 592
Total current liability		518 427	393 692
Total liabilities		4 865 473	3 822 000
Total equity and liabilities		5 197 182	4 056 349

Jessheim 22.03.2018

Board of Læringsverkstedet Gruppen AS

Hans Jacob Sundby
Board member /CEO

Gunnar Johansson
Chairman of the board

Torill Eskeland
Board Member

Hilde Martinsen
Board Member

Charlotte Wego
Board Member

Linn Kvernberg Christensen
Board Member

Læringsverkstedet Gruppen AS 2017
CASH FLOW STATEMENT - INDIRECT MODEL

Morselskap			Konsern	
2016	2017		2017	2016
		Cash flow from operating activities		
5 993	3 974	Profit before income tax	121 914	138 246
-448	-1 827	Income tax payable	-30 216	-20 077
1	0	Loss/gain on sale of fixed assets		186
4 257	4 100	Depreciation	186 708	121 586
		Difference on pension expense and paid pension premium	-40 317	-63 417
-6 119	13 107	Change in inventory, accounts receivable and accounts payable	19 243	1 985
7 656	-2 688	Change in other accruals	-27 945	-19 019
11 340	16 666	Net cash flow from operating activities	229 387	159 490
		Cash flow from investing activities		
6 300	0	Proceeds from disposal of fixed assets	6 079	2 198
-2 248	-662	Purchase of fixed assets	-305 807	-226 118
	-20 182	Net payment in acquisition of subsidiaries	-486 587	-668 675
	-1 149	Purchase of intangible assets	-1 849	-4 000
0	0	Proceeds from disposal of other shares	-	-
		Net effect other shares and loans	-10 175	-5 008
19	0	Net cash flow from other investments	-	-13
4 071	-21 993	Net cash flow from investing activities	-798 339	-901 616
		Cash flow from financing activities		
75 000	0	Proceeds from recent borrowings	1 778 374	1 231 627
-8 930	-75 000	Full down payment of borrowings	-1 050 939	-352 733
0	0	Repayment (ordinary amortization) of borrowings	-119 473	-105 628
-140 504	78 736	Net change participants deposit in group accounts		
-5 153	-13 385	Net payment (-), proceeds (+) group companies		
		Payment of group contribution	-5 592	-6 727
-79 587	-9 649	Net cash flow financing activities	602 370	766 539
-64 176	-14 976	Net change in cash and cash equivalents	33 418	24 413
82 439	18 263	Cash and cash equivalent at 01.01	162 856	138 443
18 263	3 287	Cash and cash equivalent 31.12	196 274	162 856

NOTES TO THE FINANCIAL STATEMENT 2017

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 lather 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 includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Change in accounting policy / adjustment previous year

The group has not changed its accounting principles in 2017, but some corrections have been made in the 2016 column.

In 2016 there was a change in laws that significantly reduced the company's liabilities related to the disability part of the pension plan. Accounting for pension costs and pension liability for defined benefit plans is based on an annual actuarial calculation. In the actuarial calculation for 2016, the gain related to the effect of employees who are still active was calculated and included in the net cost. The amendment also affects employees who were no longer employed and the effect of this was first known in the actuarial calculation for 2017. The Group has chosen to treat this as a error in previous years and recognized the effect directly against equity. In addition, some of the numbers in the 2016 column are changed;

- Gains on change of pension plan (own line in profit) increased by NOK 43 381 from TNOK 6 330 to TNOK 49 711.
- Tax expense related to the increased gain har increased tax expense with TNOK 10 411
- In total, profit for the year has increased by TNOK 32 970
- Net pension liability has been reduced by TNOK 43 381
- Deferred tax has been reduced by TNOK 10 411
- Equity has increased by TNOK 32 970

The change is also incorporated into all 2016 note information or cash flow information that is affected by this change.

Note 1 Revenue

The group's revenue is related mainly to sale in Norway, revenue in Sweden account for approximately MNOK 220. Total revenue is distributed on the following areas:

Segments	Group	
	2017	2016
Parent payment	438 418	285 343
Public contributions	2 273 623	1 440 684
Rent income	1 726	3 285
Revenue construction activities	0	7 588
Other operating revenue	5 209	5 991
Total Revenue	2 718 976	1 742 891

Note 2 Specification of salary and personnel cost

2.1 Specification of cost:

	2017	2016
Salary	1 539 135	959 159
Pension cost	71 625	90 823
+ Payroll tax	213 659	174 833
+ Other benefits	45 451	15 699
= Total	1 869 870	1 240 514
 Average full-time employees	 4407	 3090

2.2 Remuneration:

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

The Group has paid a total of NOK 410 000 in board remuneration.

2.3 Auditor 2017:

Fees to the auditor in the group is expensed with NOK 4 582 000 (3 011 000 in 2016) for statutory audit and NOK 707 000 (1 655 000) for other attestation services.

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 120 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 2017 related to all the defined contribution plans is kr 20 574 431.

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.

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.

LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

The Group has no retirees in the old early retirement scheme.

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

	2017	2016
Service cost	71 514	73 813
Recognised actuarial gains/losses	-1 297	2 958
Interest cost	9 411	6 366
Pension cost before social security	79 628	83 137
Social security tax	11 479	10 444
Pensio cost	91 107	93 581
Herof covered by employees	28 937	16 889
Pension obligation 31.12	708 318	425 092
Pension assets 31.12	615 878	432 597
Net pension obligation 31.12	92 440	-7 866
Unrecognized effects of actuarial gains/losses	-115 293	11 742
Net booked pension obligation 31.12	-22 853	3 877
Demographical factors		
Number of persons employeeed	3 126	3 126
Actuarial assumptions		
Discount rate	2,70 %	2,50 %
Expected return on plan assets	3,00 %	3,30 %
Expected rate of salary increase	2,25 %	2,50 %
Expected regulation of pensions in effect	0,00 %	0,00 %
Expected G-regulation	2,00 %	2,25 %

Note 3 Fixed asset

	Consessions						
	IT systems / syst. Dev	, patents and licenses	Goodwill	Equip.	Buildings	Land	Total
Acquisition cost 01.01.	8 504	153 283	285 178	105 330	3 164 244	418 496	4 135 035
+ Additions through acquisitio	-	47 768	246 544	10 758	458 914	83 174	847 158
+ Additions	1 149	-	700	5 211	315 751	23 889	346 700
- Disposals	-	-	-	556	5 895	-	6 452
= Acquisition cost 31.12.	9 653	201 051	532 422	120 743	3 933 014	525 559	5 322 441
Acc depriciation 01.01.	3 642	-	38 488	66 211	297 987	-	406 327
- Disposals depriciation	-	-	-	361	-	-	361
+ Depreciation for the year	1 647	-	24 188	14 438	146 434	-	186 708
= Acc Depreciation 31.12.	5 289	-	62 676	80 288	444 420	-	592 674
Net carrying value 31.12	4 364	201 051	469 746	40 455	3 488 594	525 559	4 729 767
Useful economic life	5 year	Unlimited	5-15 year	5-10 year	10-25 year	Indefinite	
Amortisation plan	Linear		Linear	Linear	Linear		

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

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The Group has approximately 15 preschools located in rented buildings in Norway. Total yearly rent payment is approximately 9,5 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. All the buildings in Sweden are rented, most of them on a 1 -3 year duration with option for renewal. Total rent cost in Sweden amounts to approx. MNOK 24 in 2017.

In addition to this, the Group rent office equipment and some vehicles. Rent regarding this in 2017 was approximately MNOK 6,5.

Additions Goodwill 2017:

Sweden	229 840
Kristiansund Idrett	8 165
Forus Private Barnehage	5 238
Helgerød Naturbarnehage	2 613
Other (7 entities)	1 388
Total	247 244

Total cost of acquisition of shares in units with allocated goodwill amounts to approximately MNOK 400. 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

	2017	2016
Receivable group company		
Long term receivables group companies	60 598	50 423
Total receivable group company	60 598	50 423
Liability group companies		
Current liability group company	-	-
Dividends/group contribution	8 763	5 592
Accounts payable group companies	-	-
Total liability group company	8 763	5 592

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

Note 6 Equity

	Share capital	Other Equitiy	Total
Equity 01.01.	100	201 279	201 379
Correction pension gain		32 970	32 970
Total equity 01.01.2017	100	234 249	234 349
Currency effect		5 102	5 102
Net profit		98 918	98 918
Provision group contribution		-6 660	-6 660
As of 31.12.	100	331 609	331 709

Note 7 Restricted cash

Restricted employees withholding tax TNOK	62 334
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Note 8 Liabilities and securities

	2017	2016
Debt with more than five years maturity		
Liabilities to financial institutions	1 792 745	1 644 028

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

	2017	2016
Booked value of pledged assets		
Property	4 014 155	3 267 642
Fixture and fittings	40 454	28 749
Loan to group companies	60 598	50 423
Accounts receivable	16 747	9 216
Total pledged assets	4 131 954	3 356 030
 Secured debt		
Liability to financial institutions	2 821 146	3 137 631
Total secured debt	2 821 146	3 137 631

Average interest rate on liabilities to financial institutions was 3,41 % in 2017.

Fixed interest loan

Fixed interest loans totaling MNOK 1 800 has interests between 2,1 % to 5,1 %
The fixed interest is fixed for a period of 5-20 year.

On June 1, 2017, the Group raised a bond loan of MNOK 1 200. The bonds are tradeable and the loan were listed on Oslo ABM in October 2017. The loan is recognized at nominal value. The bond had a price of 101.88 as at 31.12.2017. 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% interes 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.

Note 9 Long term receivables

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

	Saldo 31.12
Long term receivable - Group	60 598

Carrying value as of 31.12.2017 regarding identified excess value in rent contracts when acquiring a subsidiary is TNOK 28 272. This year's amortization expense is TNOK 1 285. The yearly future amortization will be approximately TNOK 1 285.

Note 10 Taxes

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

Profit before income tax	121 914
+ Permanent differences (incl GW deprec in Group)	9 131
+ Change in temporary differences	62 298
- Group contribution - given	-8 763
= Taxable profit	<u>184 580</u>
- Tax loss brought forward	-9 226
= Tax base	<u>175 354</u>

Specification of income tax expense:

Tax payable	42 085
Change in deferred tax	-19 971
Tax cost on group contribution	-1 222
*= Total income tax expense	<u>22 995</u>

Specification of temporary differences:

	2017	2016	Change
Fixed assets	1 184 024	892 618	-291 406
Long term construction contracts	2 871	1 099	-1 772
Receivables	-5 375	-2 788	2 587
Other accruals	-	-	-
Pension obligation	22 477	-10 144	-32 621
Liabilities	-	1 000	1 000
Tax loss brought forward	-5 385	-12 354	-6 969
Gains and losses account	-37	785	822
= Base deferred tax	1 198 575	870 216	-328 359
Deferred tax	275 672	208 852	-66 821
+ Not recorded deferred tax assets in subsid.	323	584	261
Total	275 995	209 435	-66 559

The Group has during 2017 made several acquisitions, and balance movements contains the effect of this.

Reconciliation of income tax expense

Profit before tax	121 914
Permanent differences	9 131
Total	<u>131 045</u>
24% Tax	31 451
Effect of change in tax rate	-7 783
Corrections previous years etc	-672
Total	<u>22 995</u>
Calculated income tax expense	22 995
Recorded tax expense	22 995
Difference	-
Effective tax rate	19 %

Note 11 Acquisition 2017

Acquisition preschools – business

	<u>Acquisition date</u>
Bøle misjonskirke barnehage	01/12-2017
Sundbakken	01/12-2017
Vårres Barnehage	01/09-2017
Bygdestua	01/09-2017
Helgatun	01/01-2017

Acquisition of companies

		<u>Acquisition date</u>
Kopervik Menighetsbarnehage AS	100%	15/12-2017
Fjellhulen Barnehage AS	100%	29/12-2017
Kreative Barnehager AS	100%	29/12-2017
Gårdsbarnehagene AS	100%	15/12-2017
Forus Private Barnehage AS	100%	15/09-2017
Portveien Barnehagedrift AS	100%	01/09-2017
Napperød Naturbarnehage AS	100%	15/08-2017
Krea Barnehage AS	100%	01/08-2017
Handeland Friluftsbarnhage AS	100%	15/07-2017
Maskinisten Friluftsbarnhage AS	100%	15/08-2017
JBT Nordvest AS	100%	15/06-2017
Kristiansund Idrettsbarnehage AS	100%	15/06-2017
Øyane Barnehage AS	100%	01/06-2017
Helgerød Barnehage AS	100%	01/06-2017
Læringsverkstedet Sjiraffen Barnehage AS	100%	01/04-2017
Stien Eiendom AS	100%	01/04-2017
Kjøkkelvik Barnehage AS	100%	01/04-2017
Du og Jeg eiendom AS	100%	15/03-2017
Skogly Barnehage AS	100%	15/02-2017
Nitor Eiendom & Drift AS	100%	01/02-2017
Barnehagene på Ullern AS	100%	01/02-2017
Bestum Barnehage AS	100%	01/02-2017
HMS Eignedom AS	100%	01/02-2017
Læringsverkstedet Eid Barnehage AS	100%	01/02-2017
Årvollveien Barnehage AS	100%	01/01-2017
Haugerudhagan Barnehage AS	100%	01/01-2017
Bryn Barnehage AS	100%	01/01-2017
Atla Eiendom AS	100%	01/01-2017
Arena Barna AS	100%	01/01-2017
Blomsterdalen Barnehage AS	100%	01/01-2017
LV Sverige AB (Inspira, Helianthus og Palmlunds)	100%	01/08-2017

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 31.12.2017.

Arena Barna AS	100 %	Læringsverkstedet AS	100 %
Atla Eiendom AS	100 %	Læringsverkstedet Brattberg Barnehage AS	100 %
Barnehagene på Ullem AS	100 %	Læringsverkstedet Eid Barnehage AS	100 %
Bestum Barnehage AS	100 %	Læringsverkstedet Hammersborg AS	100 %
Borre Idrettsbarnehage AS	100 %	Læringsverkstedet Maurtua AS	100 %
Bryn Barnehage AS	100 %	Læringsverkstedet Prosjektutvikling AS	100 %
Bråvannsåsen Barnehage AS	100 %	Læringsverkstedet Sjiraffen Barnehage AS	100 %
Du og Jeg eiendom AS	100 %	Læringsverkstedet Søreidtunet AS	100 %
Du og Jeg Krokåsfeltet Nord AS	100 %	Læringsverkstedet Sørenskaia AS	100 %
Eidet Barnehage AS	100 %	Læringsverkstedet Tomerose Barnehage AS	100 %
Ekeberg Idrettsbarnehage AS	100 %	Læringsverkstedet Tåsenløkka AS	100 %
Fidje Barnehage AS	100 %	Maskinisten Friluftsbarnhage AS	100 %
Fjeldebakkane barnehage AS	100 %	Midtunbråtet Barnehage AS	100 %
Fjellhulen Barnehage AS	100 %	Munkebekken Idrettsbarnehage AS	100 %
Flekkerøya Barnehage AS	100 %	Napperød Naturbarnehage AS	100 %
Forus Private Barnehage AS	100 %	Naustdal Idrettsbarnehage AS	100 %
Gårdsbarnehagene AS	100 %	Nitor Eiendom & Drift AS	100 %
Handeland Friluftsbarnhage AS	100 %	Nonneseter Kloster Barnehage AS	100 %
Haugerudhagan Barnehage AS	100 %	Nøstodden Barnehage AS	100 %
Helgerød Barnehage AS	100 %	Portveien Barnehagedrift AS	100 %
HMS Eignedom AS	100 %	Presteheia Barnehage AS	100 %
JBT Nordvest AS	100 %	Rabben Barnehage AS	100 %
Kinder AS	100 %	Ravneheia barnehage AS	100 %
Kjøkkelvik Barnehage AS	100 %	Skogly Barnehage AS	100 %
Knapstad Barnehage AS	100 %	Solkollen Barnehage Hellemyr AS	100 %
Kopervik Menighetsbarnehage AS	100 %	Solkollen Barnehage Søm AS	100 %
Krea Barnehage AS	100 %	Stien Eiendom AS	100 %
Kreative Barnehager AS	100 %	Strutsen et Pedagogisk Barnesenter AS	100 %
Kristiansund Idrettsbarnehage AS	100 %	Sørlandsparken Barnehage AS	100 %
Lervig Brygge Barnehage AS	100 %	Trollberget Barnehage AS	100 %
Liantjønn Barnehage AS	100 %	Østmarka Idrettsbarnehage AS	100 %
Lillehammer Idrettsbarnehage AS	100 %	Øyane Barnehage AS	100 %
LV Sverige AB	100 %	Årvollveien Barnehage AS	100 %
Lysaker Idrettsbarnehage AS	99 %		



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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 TNOK 2 981 in the financial statements of the parent company and profit of TNOK 98 918 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 2017, and 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 2017, and 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 2017, 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 2017, 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.

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Ålesund	Finnsnes	Molde	Strømme
Arendal	Hamar	Sjøen	Trondheim
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Kragerø	Sandnessjøen	Tynset
Drammen	Kristiansund	Stavanger	Ålesund

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include 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 proposal for the allocation of the profit 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, 13 April 2018
KPMG AS

Thore Kleppen
State Authorised Public Accountant

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