

The board of directors' report 23/24 for Noroff Fagskole AS

Operations and locations

Noroff Fagskole AS, a subsidiary of Noroff Holding AS, is a forward-thinking educational institution with a robust digital foundation. We collaborate closely with industry partners to develop and customize educational programs that align with the evolving demands of the professional world. Our mission is to equip students with the skills necessary for a technology-driven future. Noroff Fagskole AS offers NOKUT-accredited professional college education through both in-person and online platforms. Our headquarters are located in Kristiansand, with additional campuses in Oslo, Bergen, Stavanger, and Kristiansand, as well as comprehensive online offerings.

Comments related to the financial statements

The Company's revenues increased from kNOK 273.301 in 22/23 to kNOK 287.598 in 23/24. Net Income was kNOK 26.232.

During 23/24 research and development costs amounted to kNOK 19.628. The research and development costs have been capitalized as intangible assets. This development effort is focused on both renewing existing classes and creating new ones to meet market demand. Given the ever-changing nature of the tech industry, it is crucial for us to invest in these areas to stay ahead of the curve and maintain our competitive edge.

Total cash flow from operating activities was kNOK 30,394 in 23/24, and the operating profit constituted kNOK 30,612. The Company's capital investments during 23/24 amounted to kNOK 20,424, of which kNOK 19,628 has been invested in developing student programs. This has increased the Company's production capacity.

The company's liquidity reserve as of 30.06.2024 amounted to kNOK 41.961 excluding the restricted funds for withholding tax. The Company's ability to finance investments is good due to a positive cash flow.

The Company's short-term debt as of 30.06.2024 constituted 79 % of the Company's total debt, compared to 84 % as of 30.06.2023. This decrease is mainly attributable to an advance payment on this year's company tax. The company's financial position is sound and adequate to settle external short-term debt as of 30.06.2024 with the company's most liquid assets.

Total assets at year-end amounted to kNOK 101.485, compared to kNOK 103,435 last year. The equity ratio remains stable and was 31 % as of 30.06.2024, compared to 31 % the year before.

Further details and other relevant information are to be found in the financial statements.

Future challenges

As we look ahead, Noroff Fagskole AS is committed to navigating several key challenges to ensure sustained growth and success for the group.

Introduction of New Technology: Embracing technological advancements is crucial for maintaining our competitive edge. We continue to invest heavily in developing new and existing courses. This includes adopting advanced data analytics, AI-driven tools, and state-of-the-art educational platforms to better serve our students and partners.

Adapting Marketing and Sales Strategies: In response to the economic pressures of inflation and higher interest rates, we recognize the need to adjust our marketing and sales strategies. Our approach will focus on cost-effective, high-impact tactics that resonate with a population facing

financial constraints. This includes leveraging digital marketing channels, optimizing our content for greater engagement, and offering flexible payment options to make our services more accessible.

Maintaining Attractiveness as an Employer: Ensuring Noroff remains an attractive employer is paramount. We will continue to invest in our employees by offering competitive salaries, comprehensive benefits, and opportunities for professional development. Additionally, fostering a positive and inclusive workplace culture will be a priority, as we believe that a motivated and satisfied workforce is essential for achieving our long-term goals.

By addressing these challenges proactively, Noroff Fagskole AS aims to not only overcome potential obstacles but also to seize new opportunities for growth and innovation.

Financial risk

Overall view on objectives and strategy

The Company is exposed to limited financial risk, however the Board is monitoring and managing the financial risks related to currency and interest exposure to protect the company's interests.

Market risk

Fluctuations in the exchange rates of the euro (EUR) and Swedish krona (SEK) against our base currency pose a limited risk to our financial performance. The Board remains vigilant in managing this risk, including the use of hedging strategies where appropriate. The Company is also exposed to changes in the interest rate, as the company debt has a floating interest rate. Changes in the interest rate can also affect future investment opportunities.

Credit risk

In the current economic climate, we have observed an increased degree of credit risk primarily due to rising inflation and higher rental costs. These factors have placed additional financial strain on students, making it more challenging for some to meet their payment obligations.

Despite these challenges, it is important to note that we have not experienced a significant increase in losses on receivables. This stability can be attributed to our proactive measures aimed at mitigating credit risk. Specifically, we have implemented enhanced routines for invoicing and have increased our efforts to notify students as their payment due dates approach. Additionally, to accommodate students who struggle to pay the full invoice amount at once, we offer a downpayment agreement. This allows students to spread their payments over the school semester, reducing the immediate financial pressure on them. These initiatives are designed to raise awareness and encourage timely payments.

Our ongoing commitment to these practices is crucial in maintaining our financial health and supporting our students through these economically challenging times. We will continue to monitor the situation closely and adapt our strategies as necessary to ensure both the institution's and our students' financial well-being.

Liquidity risk

The Company's liquidity is good and adequate for current operations.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 24/25 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Allocation of net income

The Board of Directors has proposed the net income of Noroff Fagskole AS to be attributed to:

| | | |
|-------------------|------|--------|
| Retained Earnings | kNOK | 26 232 |
|-------------------|------|--------|

| | | |
|-----------------------------|------|--------|
| Net income allocated | kNOK | 26 232 |
|-----------------------------|------|--------|

The proposal reflects the owners' desire to strengthen the equity position of the company and the group.

The working environment and the employees

Leave of absence due to illness totaled 1089 hours in 23/24 (698 hours in 22/23), which equals approximately 2,26 % (4,20 % in 22/23) of the total working hours in the Company. The Company has seen positive results from the initiatives to keep this kind of absence at a low level. The Company will continue its efforts to reduce the number of sick days, and is continually looking into initiatives to improve and maintain physical and mental health for its employees.

No incidences or reporting of work related accidents resulting in significant material damage or personal injury occurred during the year.

The working environment is considered to be good, and efforts for improvements are made on an ongoing basis. At the end of 23/24, a Group climate survey was commenced and will be completed during 24/25. The Group's various working environment committees held regular meetings in 23/24. A number of issues have been discussed in the committees, which have resulted in recommendations of improvements to the related departments.

The cooperation with employee trade unions has been constructive and contributed positively to operations.

Equal opportunities and discrimination

We strive to provide equal opportunities for all individuals, regardless of their background, gender, ethnicity, disability, or any other characteristic. Our policies and practices are designed to ensure that everyone has access to the same opportunities for career development and advancement.

- **Recruitment and Hiring:** We have implemented fair and transparent processes to ensure that our recruitment and hiring practices are free from bias.
- **Professional Development:** We offer a range of professional development opportunities to help all employees succeed, including training programs, workshops, and mentorship.

Anti-Discrimination Measures

We are dedicated to preventing discrimination and addressing any incidents that may occur. Our anti-discrimination policies are strictly enforced, and we provide training and resources to promote awareness and understanding.

- **Training Programs:** All employees are required to be acquainted with Noroff Code of Ethics which include diversity, equity, and inclusion. We are currently looking at tools to implement a continuous training of our employees to ensure that we live up to a high standard.

- **Reporting and Response:** We have established clear procedures for reporting discrepancies including discrimination and harassment. In the past year, we received several reports, all of which were thoroughly investigated and addressed but none related to discrimination or harassment.

Continuous Improvement

We recognize that promoting equal opportunities and preventing discrimination is an ongoing effort. We regularly review our policies and practices to identify areas for improvement and implement necessary changes.

- **Feedback and Engagement:** We actively seek feedback from our employees through surveys and focus groups.
- **Future Initiatives:** We are planning several new initiatives to further enhance our commitment to equal opportunities, including the introduction of mentorship programs and additional support for underrepresented groups.

Our dedication to equal opportunities and anti-discrimination is central to our mission. We will continue to work towards creating a welcoming and supportive environment for all members of our staff.

Environmental report

The Company's operations are not regulated by licenses or impositions, and the Company does not have a significant negative impact on the environment.

Noroff's report on transparency is available at our homepage: www.noroff.no

Insurance for board members and general manager

The Company does not have an insurance policy in place for its board members and the general manager.


Kristiansand/Oslo, 20.12.2024

Lars Erik Torjussen
Lars Erik Torjussen (Dec 20, 2024 13:45 GMT+1)

Lars Erik Torjussen
CEO and Chairman

Tore Aas Johnsen
Tore Aas Johnsen (Dec 20, 2024 10:42 GMT+1)

Tore Aas Johnsen
Board member


Kent Gudmundsen
Board member

I J T Hivand
I J T Hivand (Dec 20, 2024 10:35 GMT+1)


Inger Johanne Tjelta Hivand
Board member - Student


Blanca Estela Brana De Hvidsten (Dec 20, 2024 00:05 CST)

Blanca Estela Brana De Hvidsten
Board member

Callard
Callard (Dec 19, 2024 20:28 GMT+1)

Camilla Allard
Board member


Bertram Haskins
Board member - Employee

Annual report 2023/2024

Board of directors' report

Annual accounts

- Statement of comprehensive income**
- Statement of financial position**
- Statement of cash flows**
- Statement of change in equity**
- Notes to the financial statements**

Auditors' report

Statement of comprehensive income 01.07.2023-30.06.2024

Amounts in NOK thousands

| | Note | 2023/2024 | 2022/2023 |
|------------------------------------------------------|---------|-----------|-----------|
| Revenue | | | |
| Sales revenue | 2 | 287 598 | 273 301 |
| Total revenue | | 287 598 | 273 301 |
| Operating expenses | | | |
| Payroll expenses | 3 | 68 481 | 62 937 |
| Depreciation of tangible and intangible fixed assets | 4, 5 | 9 662 | 17 683 |
| Other operating expenses | 3, 6, 7 | 178 843 | 150 307 |
| Total operating expenses | | 256 986 | 230 927 |
| Operating profit | | 30 612 | 42 374 |
| Financial income and expenses | | | |
| Interest income from group companies | | 2 335 | 983 |
| Other financial income | | 1 033 | 583 |
| Interest paid to group companies | | 1 | -332 |
| Other financial expenses | | 340 | 347 |
| Net financial items | | 3 027 | 1 551 |
| Ordinary result before tax | | 33 639 | 43 925 |
| Income tax expense | 8 | 7 407 | 9 668 |
| Net profit or loss for the year | | 26 232 | 34 257 |
| Other comprehensive income | | 0 | 0 |
| Total comprehensive income | | 26 232 | 34 257 |

Statement of financial position as of 30 June 2024

Amounts in NOK thousands

Note

2023/2024

2022/2023

Fixed assets

Intangible assets

Concessions, patents, licences, trade marks and similar rights

5

29 237

16 829

Deferred tax asset

8

1 542

1 693

Total intangible assets

30 779

18 522

Tangible assets

Machinery and plant

4

1 220

2 416

Fixtures and fittings, tools, office machinery etc.

4

114

564

Total tangible assets

1 334

2 980

Total fixed assets

32 113

21 502

Current assets

Receivables

Trade receivables

6, 9

14 817

12 412

Other receivables

9

53 005

67 868

Total accounts receivable

67 822

80 280

Cash and cash equivalents

10

1 550

1 653

Total current assets

69 372

81 933

Total assets

101 485

103 435

Statement of financial position as of 30 June 2024

Amounts in NOK thousands

Note

2023/2024

2022/2023

Equity

Paid-in capital

| | | | |
|---------------|----|-----|-----|
| Share capital | 11 | 100 | 100 |
|---------------|----|-----|-----|

Retained earnings

| | | | |
|--------------|--|--------|--------|
| Other equity | | 31 819 | 31 634 |
|--------------|--|--------|--------|

| | | | |
|--------------|--|--------|--------|
| Total equity | | 31 919 | 31 734 |
|--------------|--|--------|--------|

Liabilities

Provisions

| | | | |
|------------------|--|--------|--------|
| Deferred revenue | | 14 586 | 11 739 |
|------------------|--|--------|--------|

Current liabilities

| | | | |
|----------------|---|-------|-------|
| Trade payables | 9 | 6 012 | 7 099 |
|----------------|---|-------|-------|

| | | | |
|-------------|---|-------|-------|
| Tax payable | 8 | 5 336 | 5 265 |
|-------------|---|-------|-------|

| | | | |
|-----------------------|----|-------|-------|
| Public duties payable | 10 | 3 375 | 3 112 |
|-----------------------|----|-------|-------|

| | | | |
|------------------------------|---|--------|--------|
| Other short-term liabilities | 9 | 40 257 | 44 486 |
|------------------------------|---|--------|--------|

| | | | |
|---------------------------|--|--------|--------|
| Total current liabilities | | 54 980 | 59 962 |
|---------------------------|--|--------|--------|

| | | | |
|-------------------|--|--------|--------|
| Total liabilities | | 69 566 | 71 701 |
|-------------------|--|--------|--------|

| | | | |
|------------------------------|--|---------|---------|
| Total equity and liabilities | | 101 485 | 103 435 |
|------------------------------|--|---------|---------|

Kristiansand, 20 December 2024

Lars Erik Torjussen

Lars Erik Torjussen (Dec 20, 2024 13:45 GMT+1)

Lars Erik Torjussen
CEO and Chairman



Kent Gudmundsen

Board member

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Camilla Allard
Board member



Bertram Haskins

Board member - Employee

Statement of cash flows 01.07.2023-30.06.2024

| Amounts in NOK thousands | Note | 2023/2024 | 2022/2023 |
|------------------------------------------------------------------------|------|----------------|----------------|
| Operating activities | | | |
| Profit before tax from continuing operations | | 33 639 | 43 925 |
| Taxes paid | | -10 794 | -14 580 |
| Depreciation and impairment of property, plant, equipment and RoU | | 9 662 | 14 861 |
| Decrease/(increase) in trade receivables, contract assets, prepayments | | -3 492 | -4 617 |
| Changes in other current balance sheet items | | 1 380 | 1 190 |
| Net cash flow from operating activities | | <u>30 394</u> | <u>40 779</u> |
| Cash flow from investing activities | | | |
| Purchase of property plant and equipment | | -20 424 | -15 925 |
| Net cash flow from investing activities | | <u>-20 424</u> | <u>-15 925</u> |
| Cash flow from financing activities | | | |
| Group contribution received/paid | | -35 000 | -69 955 |
| Net cash flow from financing activities | | <u>-35 000</u> | <u>-69 955</u> |
| Net change in cash pool | | 24 927 | 45 140 |
| Net change in cash and cash equivalents | | -103 | 39 |
| Cash and cash equivalents at 01.07 | | <u>1 653</u> | <u>1 614</u> |
| Cash and cash equivalents at 30.06 | | <u>1 550</u> | <u>1 653</u> |

Statement of change in equity

Amounts in NOK thousands

| | Share capital | Other equity | Total |
|------------------------|--------------------------|-------------------------|--------------|
| Owners equity 01.07.22 | 100 | 30 588 | 30 688 |
| Profit for the year | 0 | 34 257 | 34 257 |
| Group contribution | 0 | -29 500 | -29 500 |
| Merger | 0 | -3 711 | -3 711 |
| Owners equity 30.06.23 | 100 | 31 634 | 31 734 |
| Owners equity 01.07.23 | 100 | 31 634 | 31 734 |
| Profit for the year | 0 | 26 232 | 26 232 |
| Group contribution | 0 | -26 047 | -26 047 |
| Owners equity 30.06.24 | 100 | 31 819 | 31 919 |

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note - 1 Accounting Principles

The financial statement was approved and adopted by the Annual General Meeting at December 20 2024.

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as “the simplified application of international financial reporting standards (IFRSs)”, issued by the Ministry of Finance January 21, 2008. Under this regulation, recognition and measurement rules are based on international financial reporting standards (IFRSs) as adopted by the EU, while presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The company has applied the exemption in the simplified IFRS regulation section 3-1 no 3 and will continue to recognize dividend and group contribution according to Norwegian GAAP.

Revenue from contracts with customers

Revenue is stated net of any sales taxes, rebates and discounts. Revenue is recognised to represent the transfer of promised services to customers in a way that reflects the consideration expected to be received in return. Total consideration from contracts with customers is allocated to the performance obligations identified based on their standalone selling price and is recognised when those performance obligations are satisfied and the control of goods or services is transferred to the customer, either over time or at a point in time.

Noroff Fagskole AS is an educational and training institution in Norway, offering accredited courses. Revenue related to tuition fees are recognized over time.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company's financial instruments are trade and other receivables and cash and cash equivalents, trade and other payables and long-term intercompany loans.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables (not including finance elements) and cash are recognized at amortized cost.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate. Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Impairment of financial assets

Trade receivables and contract assets are initially recognized at transaction price and subsequently measured at this value less loss allowances. Where the time value of money is material, receivables are then carried at amortized cost using the effective interest rate method, less loss allowances.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

We apply the IFRS 9 simplified lifetime expected credit loss approach. Expected credit losses are determined using a combination of historical experience and forward-looking information. Impairment losses or credits in respect of trade receivables and contract assets are recognized in the Company's income statement, within other operating charges.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position as either current or non-current.

The Company classifies an asset as current when it:

Expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

Holds the asset primarily for the purpose of trading

Expects to realize the asset within twelve months after the reporting period

Or

The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current, including deferred tax assets.

The Company classifies a liability as current when it:

Expects to settle the liability in its normal operating cycle

Holds the liability primarily for the purpose of trading

Is due to be settled within twelve months after the reporting period

Or

It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

The company's presentation currency is NOK. This is also the company's functional currency.

At the end of each reporting period foreign currency monetary items are translated using the closing rate.

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Currency gains and losses arising on the payment of such transactions and on translation of monetary items in foreign currencies at the exchange rates at the end of the reporting period, are recognized in profit or loss as financial items.

Tangible assets

Property, plant and equipment is capitalized and depreciated over the estimated useful life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred.

Capitalized research and development are amortized linearly over the economic lifetime.

Intangible assets

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. Capitalized development expenditures in the balance sheet are depreciated on a straight-line basis over the asset's expected useful lifetime.

The recoverable amount of each asset is generally determined on the basis of value-in-use calculations, which require the use of cash flow projections based on financial budgets, looking forward up to five years. Management determines budgeted profit margin based on past performance and its expectations for the market's development.

Cash flows are extrapolated using estimated growth rates beyond a five-year period. The growth rates used do not exceed the long-term average growth rate for the CGU's markets. The discount rates used reflect the Company's pre-tax weighted average cost of capital ('WACC'), as adjusted for region-specific risks and other factors.

Pensions

Obligations to provide grants to defined contribution pension schemes are recognized as costs in the profit and loss statement when they accrue

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the company where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

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 placement with original maturities of three months or less. Interest are in the cash flow statement classified under operating activities.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable are expensed as incurred.

Amendments to standards and interpretations with a future effective date

At the date of authorization of the Company's financial statement there are no new standards with future effective date that are expected to have material impact on the Company's financial statement. The Company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the financial statements are issued.

Note 2 - Segments

All revenue in Noroff Fagskole AS is from accredited business.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note 3 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

Amounts in NOK thousands

| <i>Wage costs</i> | 2023/2024 | 2022/2023 |
|---------------------------------------------|------------------|------------------|
| Salaries | 56 030 | 51 006 |
| Payroll tax | 8 192 | 7 865 |
| Pension costs | 3 783 | 3 545 |
| Other payments | 476 | 520 |
| Total payroll expenses | <u>68 481</u> | <u>62 937</u> |
| Average number of full-time equivalents | 102 | 90 |

Management remuneration

The general manager is employed by the sister company Noroff Education AS and does not receive salary or any other remuneration from Noroff Fagskole AS. Compensation for services provided by the general manager is included in the management charges.

The company has not provided loans or collateral for shareholders, senior executives or members of the board.

The company is obligated to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The company's pension schemes satisfy the requirements of this Act.

| <i>Auditor fee has been divided as follows</i> | 2023/2024 | 2022/2023 |
|------------------------------------------------|------------------|------------------|
| Audit fee | 319 | 172 |
| Other services | 0 | 191 |
| Total | <u>319</u> | <u>363</u> |

VAT is included in the auditor fees.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note 4 - Tangible assets

Amounts in NOK thousands

| | Machinery and plant etc | Inventory and equipment etc | Total |
|---------------------------------|------------------------------------|----------------------------------------|--------------|
| Acquisition cost 01.07.23* | 3 372 | 1 323 | 4 695 |
| Purchased tangibles | 796 | 0 | 796 |
| Acquisition cost 30.06.24 | 4 167 | 1 323 | 5 490 |
| Acc.depreciation 30.06.24* | -2 947 | -1 209 | -4 156 |
| Net carrying amount at 30.06.24 | 1 220 | 114 | 1 334 |
| Depreciation for the year | 1 992 | 450 | 2 442 |
| Useful economic life | 3-5 years | 3-5 years | |
| Depreciation | Linear | Linear | |

* Acquisition cost and accumulated depreciation is reduced due to removal of assets with NBV of 0.

Note 5 - Intangible assets

Amounts in NOK thousands

| | R & D |
|---------------------------------|------------------|
| Acquisition cost 30.06.2023 | 19 673 |
| Purchased intangibles | 19 628 |
| Acquisition cost 30.06.24 | 39 301 |
| Acc.amortization at 30.06.24 | -10 064 |
| Net carrying amount at 30.06.24 | 29 237 |
| Amortization for the year | 7 220 |
| Useful economic life | 3-5 years |
| Amortization plan | Linear |

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note 6 - Bad debt

Amounts in NOK thousands

| | 2023/2024 | 2022/2023 |
|------------------------------------------|------------------|------------------|
| Provisions as of 1 July | 1 413 | 1 101 |
| Provisions as of 30 June | 1 634 | 1 413 |
| Change in provisions for bad debt | -221 | -313 |
| Realized losses for the year | -8 662 | -6 269 |
| Recovered amounts previously written off | 1 814 | 1 971 |
| Total bad debt | -7 069 | -4 611 |

Expensed losses are classified as other operating expenses in the financial statement.

Note 7 - Related parties

The Noroff Group has significant transactions with related parties. These mainly consist of the purchase of joint services from the sister company Noroff Education AS.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note 8 - Income taxes

Amounts in NOK thousands

| <i>Income tax expenses</i> | 2023/2024 | 2022/2023 |
|----------------------------|------------------|------------------|
| Tax payable | 7 256 | 10 001 |
| Change in deferred tax | 151 | -333 |
| Total income tax expense | <u>7 407</u> | <u>9 668</u> |

| <i>Tax base estimation</i> | 2023/2024 | 2022/2023 |
|-----------------------------------|------------------|------------------|
| Profit before tax | 33 639 | 43 925 |
| Permanent differences | 30 | 19 |
| Change in temporary differences | -686 | 1 513 |
| Group contribution | -26 983 | -25 000 |
| Tax base | <u>6 000</u> | <u>20 457</u> |
| Tax payable (22%) of the tax base | 1 320 | 4 501 |

| <i>Temporary differences outlined</i> | 2023/2024 | 2022/2023 |
|---------------------------------------|------------------|------------------|
| Fixed assets | -6 567 | -7 112 |
| Receivables | -443 | -584 |
| | <u>-7 009</u> | <u>-7 696</u> |

| | | |
|---------------------------------|--------|--------|
| Deferred income tax asset (22%) | -1 542 | -1 693 |
|---------------------------------|--------|--------|

| <i>Effective tax rate</i> | 2023/2024 |
|-----------------------------------------------|------------------|
| Expected income taxes, statutory tax rate 22% | 7 401 |
| Permanent differences (22%) | <u>7</u> |
| Income tax expense | <u>7 407</u> |

| | |
|-----------------------|------|
| Effective tax rate *) | 22 % |
|-----------------------|------|

*) Tax expense divided by pre-tax income

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands

Note 9 - Intercompany balance with group and associated companies

Amounts in NOK thousands

| <i>Receivables</i> | 2023/2024 | 2022/2023 |
|--------------------------------|------------------|------------------|
| Trade receivables | 110 | 0 |
| Cash pool receivable | 41 961 | 66 888 |
| Total intercompany receivables | <u>42 071</u> | <u>66 888</u> |
| <i>Payables</i> | 2023/2024 | 2022/2023 |
| Trade creditors | 2 450 | 4 592 |
| Other short term payables | 31 983 | 35 000 |
| Total intercompany payables | <u>34 433</u> | <u>39 592</u> |

Note 10 - Bank deposit

Amounts in NOK thousands

| | |
|--------------------------------------|------------------|
| | 2023/2024 |
| Restricted funds for withholding tax | 1 541 |

Note 11 - Share capital and shareholder information

Amounts in NOK thousands

Share capital:

| | Number of shares | Face value | Book value |
|-----------------|-----------------------------|-------------------|-------------------|
| Ordinary Shares | 1 000 | 100 | 100 |

Shareholders per 31.12:

| | Ordinary shares | Ownership share | Voting rights |
|-------------------|----------------------------|----------------------------|--------------------------|
| Noroff Holding AS | 1 000 | 100 % | 100 % |

Note 12 - Debts and receivables

Amounts in NOK thousands

| <i>Pledged assets</i> | 2023/2024 | 2022/2023 |
|-------------------------------|------------------|------------------|
| Property, plant and equipment | 1 334 | 2 980 |
| Trade Receivables | 14 817 | 12 412 |
| Total | 16 151 | 15 392 |

The company is a participant in the group account scheme of the parent company Noroff Holding AS, where operating assets and accounts receivables in the subsidiaries are provided as collateral.

Notes to the financial statements to the accounts for 2023/2024

Amounts in NOK thousands











NFS The board of directors report 2023-2024 for Noroff Fagskole AS - oppdatert styre

Final Audit Report

2024-12-20


| | |
|-----------------|---------------------------------------------|
| Created: | 2024-12-19 |
| By: | Tore Aas Johnsen (tore.johnsen@noroff.no) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA5rylGZaHAPCwF-CUXwfAOxTAgyLeA0U |

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