The board of directors' report 2020/2021 for Noroff University College AS

Operations and locations

Noroff University College AS is an educational institution with strong digital DNA. We develop and tailor educations together with relevant industry, to meet the professional life and skills needs of the future. We work to ensure that students receive an education adapted to a digital and technology-centric future. Noroff University College AS deliver NOKUT-accredited college education via classrooms and online teaching. The company is located with headquarters in Kristiansand, and Campuses in Kristiansand, Oslo and Online.

Comments related to the financial statements

The Company's revenues decreased from kNOK 52,854 in 2019/2020 to kNOK 48,510 in 2020/2021. Net income in 2020/2021 was kNOK 2,842.

Total cash flow from operating activities was kNOK 8,147 in 2020/2021, and the operating profit constituted kNOK 3,613. The difference mainly concerns ordinary depreciation and change in working capital items. The Company's capital investments during 2020/2021 amounted to kNOK 1,815.

The Company's liquidity reserve as of 30.06.2021 amounted to kNOK 12,076. The Company's ability to self-finance investments is good.

The Company's short-term debt as of 30.06.2021 to kNOK 8,157. The Company's financial position is sound and adequate enough to settle short-term debt as of 30.06.2021 with the Company's most liquid assets.

Total assets at year end amounted to kNOK 17,146, compared to kNOK 11,684 last year. The equity ratio was 51,5 % as of 30.06.2021, compared to 51 % the year before. The increase is mostly due to profit from operations.

Future challenges

The market expectations over the next few years are promising. Increase in demand for education in relevant areas offered have continued. Our forecasts are subject to the normal uncertainty that characterizes considerations of future events. The Company has this year been involved in establishing a new strategy towards the year 24/25, which is expected to provide a basis for continued growth and income development.

Financial risk

Overall view on objectives and strategy

The Company is exposed to limited financial risk. The company's current strategy does not include the use of financial instruments.

Market risk

The Company has limited exchange rate risk. The Company has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk. 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

The risk for losses on receivables is considered to be moderate. The Group has not yet experienced significant losses on receivables. The Group has not made any set-off or other derivative agreements to reduce the credit risk in the Company.

Liquidity risk

The Company's liquidity is good and adequate for current operations, but with focus on overdue receivables.

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 2020/2021 and the Company's long-term strategic forecasts. The Company's economic and financial position is sound.

Noroff University College AS is experiencing growing interest and demand for college education in the subject areas that are delivered. Thus, the prospects are considered good.

Allocation of net income

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

Retained Earnings	kNOK 2,842
Net income allocated	kNOK 2,842

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

The working environment and the employees

Leave of absence due to illness equals approximately 3% in 2020/2021 (3 % in 2019/2020) of the total working hours in the Company. The Company will continue its efforts to reduce the number of sick days and has started regular surveys to monitor employee`s satisfaction.

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. Autumn 2020, a work environment survey was commenced and a new one will be completed during spring 2022. The Company's various working environment committees held regular meetings in 2020/2021. Several 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 must reflect the community we are part of if we are to reach our goals of long-term value creation, high student satisfaction and being an attractive employer. For us, equality and diversity mean equal rights and opportunities to contribute to the organization. This means creating a safe and inclusive working environment where everyone is valued for their various qualities and recognized for their talent, and where everyone can be themselves. Equality and diversity are followed up in all parts of the company, and discrimination is not accepted.

There is a large degree of diversity in our operations. Several job advertisements are published in English to reach a wider target group, and all advertisements include a wish for diversity. We are also working actively to attract employees from a broad selection of educational institutions and disciplines.

In Noroff, there is a zero-tolerance approach to discrimination based on, for example, gender, ethnicity, sexual orientation, gender identity, religion, or functional impairment, and Noroff shall ensure good working conditions in all locations where the Company has operations.

The need for employees with a technology background is increasing, but it is challenging to achieve a good gender balance in this area. Women are under-represented among those we recruit with a technology background. We have therefore worked to bring forward good female role models and to place various technology topics on the agenda at both internal and external arenas where women are in the target group. As per year end, the company had 26 employees, four women and 22 men. The board of directors comprise six persons, two women and four men.

The Discrimination Act's purpose is to enhance equal opportunities regardless of gender, secure equal rights and opportunities and prevent discrimination based on ethnic origin, color of skin, religion, or disability. The Company works proactively to facilitate the goals of the Discrimination Act within the organization. The Company will within end of 2021 have completed required activities under § 26 of "likestillings- og diskrimineringsloven" (Act of discrimination and equal opportunities).

Noroff is committed to equal pay, regardless of gender, for the same work and performance. The Company will continue to differentiate pay based on performance but works continuously to identify and close wage gaps that may be due to gender or other diversity aspects.

Environmental report

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

Kristiansand, 10.12.2021

Lars Erik Torjussen

Lars Erik Torjussen (Dec 21, 2021 12:25 GMT+1)

Lars Erik Torjussen
CEO and Chariman

Sissel Strickert

Sissel Strickert (Dec 21, 2021 09:29 GMT+1)

Sissel Strickert
Board member

Johan Van Niekerk
Board member - Employee

Ernst Sundt

Ernst Sundt (Jan 4, 2022 15:01 GMT+1)

Ernst Sundt
Board Member

Tore Aas Johnsen

Tore Aas Johnsen
Board member

Lasse Lundstad (Dec 20, 2021 19:12 GMT+1)

Lasse Lundstad
Board member – Student

Annual report 2020/2021

Statement of comprehensive income 1.7.2020-30.6.2021

Amounts in NOK thousands	Note	2020/2021	2019/2020
Revenue			
Sales revenue		48 510	52 854
Operating expenses			
Cost of stocks			
Payroll expenses	3	18 470	21 413
Depreciation of tangible and intangible fixed assets	5, 6	1 676	3 778
Other operating expenses	3, 9, 11	24 751	27 011
Total operating expenses		44 897	52 201
Operating result		3 613	652
Financial income and expenses			
Other financial income		75	36
Interest paid to group companies		0	18
Other financial expenses		22	120
Net financial items		53	-102
Ordinary result before tax		3 665	550
Tax on ordinary result	7	823	121
Net profit or loss for the year		**2 842**	**429**
Allocated as follows			
Transferred to other equity		2 842	429
Other comprehensive income		0	0
Total comprehensive income		2 842	429

Statement of financial position as of June 30

Amounts in NOK thousands	Note	2020/2021	2019/2020
Fixed assets			
Intangible assets			
Concessions, patents, licences, trade marks and similar rights	6	15	24
Deferred tax asset	7	0	112
Total intangible assets		15	136
Tangible assets			
Machinery and plant	5	2 111	1 834
Fixtures and fittings, tools, office machinery etc.	5	205	404
Total tangible assets		2 316	2 238
Financial assets			
Other receivables		74	0
Total financial assets		74	0
Total fixed assets		2 405	2 374
Current assets			
Receivables			
Trade receivables	9	2 162	2 117
Other receivables	10	503	703
Total accounts receivable		2 665	2 820
Cash and cash equivalents	4	12 076	6 490
Total current assets		14 741	9 310
Total assets		17 146	11 684

Noroff University College AS

Statement of financial position as of June 30

Amounts in NOK thousands	Note	2020/2021	2019/2020
Equity			
Paid-in capital			
Share capital	12	110	110
Other paid-in capital		5 758	5 758
Total paid-in capital		5 868	5 868
Retained earnings			
Other equity		2 969	126
Total retained earnings		2 969	126
Total equity		8 837	5 994
Liabilities			
Provisions			
Deferred tax liability	7	152	0
Total provisions		152	0
Other long-term liabilities			
Liabilities to financial institutions	8	0	51
Total other long term liabilities		0	51
Current liabilities			
Convertible loans		0	694
Trade creditors	10	2 006	1 803
Tax payable	7	760	0
Public duties payable	4	781	1 666
Other short-term liabilities	10	4 610	1 475
Total current liabilities		8 157	5 639
Total liabilities		8 309	5 690
Total equity and liabilities		17 146	11 684

Kristiansand, 10 December 2021

Lars Erik Torjussen
Lars Erik Torjussen (Dec 21, 2021 12:25 GMT+1)
Lars Erik Torjussen
chair / general manager

Tore Aas Johnsen
Tore Aas Johnsen
board member

Ernst Sundt
Ernst Sundt (Jan 4, 2022 15:01 GMT+1)
Ernst Sundt
Board Member

Sissel Strickert
Sissel Strickert (Dec 21, 2021 09:29 GMT+1)
Sissel Strickert
board member

Lasse Lundestad (Dec 20, 2021 19:12 GMT+1)
Lasse Andre Lundestad
board member

Johannes Fredrick Van Niekerk
board member

Statement of cash flows 1.7.2020-30.6.2021

Amounts in NOK thousands	Note	2020/2021	2019/2020
Cash flow from operating activities			
Profit/(loss) before tax		3 665	550
Taxes paid		0	-394
Depreciation and amortisation		1 747	3 778
Changes in inventories, trade receivables and trade payables		158	-403
Changes in other current balance sheet items		2 577	1 101
Net cash flow from operating activities		8 147	4 632
Cash flow from investing activities			
Purchase of tangible fixed assets		-1 815	-1 746
Net cash flow from investing activities		-1 815	-1 746
Cash flow from financing activities			
Repayment of non-current loans		-746	18 320
Change in group treasury account		0	-15 400
Net cash flow from financing activities		-746	2 920
Net change in cash and cash equivalents		5 586	5 806
Cash and cash equivalents at 01.07		6 490	684
Cash and cash equivalents at 30.06		12 076	6 490

Statement of change in equity

Amounts in NOK thousands

	Share capital	Other paid-in capital	Other equity	Total
Owners' equity 01.01.19	110	5 758	-374	5 495
Profit for the year	0	0	429	429
Group contribution	0	0	71	71
Owners' equity 30.06.20	110	5 758	126	5 994
Owners' equity 01.07.20	110	5 758	126	5 994
Profit for the year	0	0	2 842	2 842
Owners' equity 30.06.21	110	5 758	2 969	8 837

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

Note - 1 Accounting Principles

The financial statement was approved and adopted by the Annual General Meeting at November 25 2021.

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.

This is the second year that the company is applying simplified IFRS. According to simplified IFRS regulation, the company has applied the following practical exemptions.

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 University College AS is an educational institution in Norway, consisting of university college, vocational school and online studies. 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.

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

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.

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.

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

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 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.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

Right-of-use assets

The Company measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities

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

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

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 (non-current 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 higly liquid placement with original maturities of three months or less. Interest are in the cash flow statement classified under operating activities.

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 liabilites and the disclosre of contigent assest and liablilities on the balanse sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expenced as occured.

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

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

Note 2 - Segments

Note 2 - Segments

2020/2021	**Accredited business**	**Unaccredited business**	**Total**
Sales revenue	48 510	-	48 510
Cost of sales	44 897	-	44 897
Operating profit	**3 613**	**-**	**40 704**
Financial items	53		53
Tax expense	823		823
Net profit	**2 843**	**-**	**39 934**

2019/2020	**Accredited business**	**Unaccredited business**	**Total**
Sales revenue	52 854	-	52 854
Cost of sales	52 201	-	52 201
Operating profit	**652**	**-**	**652**
Financial items	-102	-	-102
Tax expense	121	-	121
Net profit	**429**	**-**	**429**

With effect from 2019, unaccredited business in the Noroff Group is handled by Noroff Accelerate AS.

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

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

Wage costs	2020/2021	2019/2020
Salaries	16 000	17 892
Payroll tax	1 498	2 636
Pension costs	774	558
Other payments	198	327
Total	18 470	21 413
The average number of employees	23	23

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.

Management remuneration

The general manager is employed by the sister company Noroff Educations 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.

Auditor fee has been divided as follows	2020/2021	2019/2020
Audit fee	105	58
Other services	185	21

VAT is included in the figures of auditor's fee.

Note 4 - Bank deposit

	2020/2021
Restricted funds for withholding tax	414

Notes to the financial statements to the accounts for 2020/2021
Amounts in NOK thousands

Note 5 - Tangible assets
Amounts in NOK thousands

	Machinery and plant etc	Inventory and equipment etc	Total
Acquisition cost 01.07.20	5 280	1 059	6 339
Purchased tangibles	1 580	165	1 745
Acquisition cost 30.06.21	6 860	1 224	8 084
Acc.depreciation 30.06.21	-4 678	-1 020	-5 698
Acc.write-downs 30.06.21	-70	0	-70
Net carrying amount at 30.06.21	2 111	205	2 316
Depreciation for the year	1 303	365	1 667
Useful economic life	3-5 years	3-5 years	
Amortization plan	Linear	Linear	

Note 6 - Intangible assets

	R & D
Acquisition cost at 01.07.20	4 354
Acquisition cost 30.06.21	4 354
Acc.amortization at 30.06.21	-4 339
Net carrying amount at 30.06.21	15
Amortization for the year	9
Useful economic life	3-5 years
Amortization plan	Lineær

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

Note 7 - Income taxes

Amounts in NOK thousands

Income tax expenses	2020/2021	2019/2020
Tax payable	559	200
Change in deferred tax	247	-78
Total income tax expense	806	121

Tax base estimation	2020/2021	2019/2020
Ordinary result before tax	3 665	550
Permanent differences	-1	0
Change in temporary differences	-1 124	266
Group contribution	0	91
Tax base	2 540	908
	559	200

Temporary differences outlined	2020/2021	2019/2020
Fixed assets	-4	9
Receivables	73	-497
Leases	620	-23
Total	690	-510
Accumulated losses prior to group contribution	0	-91
	690	-601
Deferred tax liability (22%)	152	-132
Received group contribution (tax effect)	0	20
Deferred tax liability in balance sheet	152	-112

Effective tax rate	2020/2021
Expected income taxes, statutory tax rate 22%	806
Income tax expense	806
	22 %

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

Note 8 - Debts and receivables

Pledged assets	2020/2021	2019/2020
Property, plant and equipment	2 316	2 238
Trade Receivables	2 327	2 719
Total	4 643	4 957

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. The same security is provided for a non-current loan held by Noroff Holding AS.

Note 9 - Bad debt

Amounts in NOK thousands

	2020/2021	2019/2020
Provisions as of 1 July 2020	602	34
Provisions as of 30 June 2021	165	602
Change in provisions for bad debt	436	-567
Realized losses for the year	-1 903	-1 127
Recovered amounts previously written off	91	247
Total bad debt	-1 375	-1 448

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

Note 10 - Intercompany balance group company and associate

Amounts in NOK thousands

Receivables	2020/2021	2019/2020
Other receivables	0	91

Payables	2020/2021	2019/2020
Trade payables	1 350	1 468
Other current payables	0	19
Total	1 350	1 486

Notes to the financial statements to the accounts for 2020/2021

Amounts in NOK thousands

Note 11 - 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.

Allocation between accredited and non-accredited costs is made on the basis of the principle of best estimate, here turnover.

Note 12 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary Shares	1 000	110	110

Shareholders per 31.12:

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

The board of directors report 2020-2021 for Noroff University College AS

Final Audit Report 2022-01-04

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Noroff University College AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Noroff University College AS, which comprise the balance sheet as at 30 June 2021, statement of comprehensive income, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 30 June 2021 and its financial performance and 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 management for the financial statements

Management is responsible for the preparation and 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 the 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 law, regulations and generally accepted auditing principles 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, 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 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'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 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.

We communicate with those charged with governance 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 proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

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

Building a better
working world

Kristiansand, 5. January 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

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Espen Fyllingen
Oppdragsansvarlig partner
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