

HALF-YEAR REPORT 2024

H1

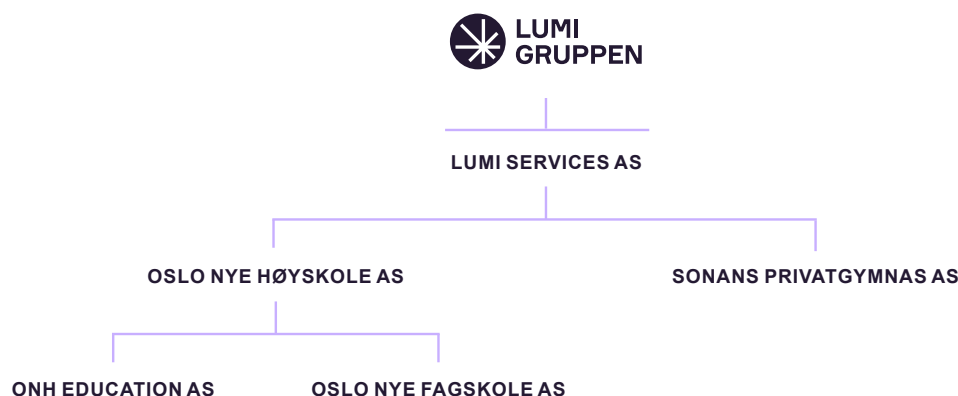
We
facilitate
lifelong
learning

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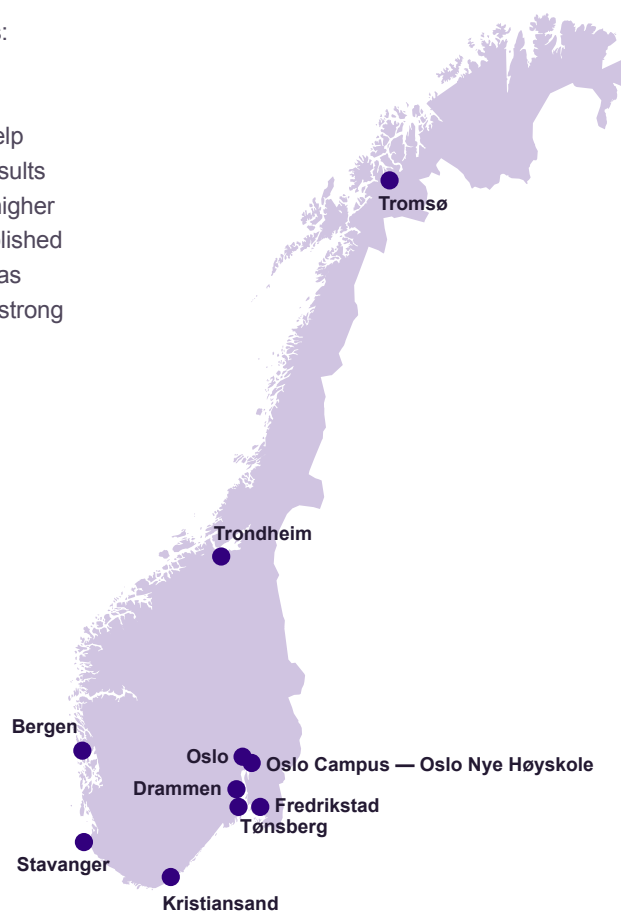
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This is Lumi Gruppen

Lumi Gruppen is a leading education provider in Norway, offering high-quality educational services. We have a local presence with campuses and online offerings.



The group consists of two main operating segments: Sonans and Oslo Nye Høyskole (ONH). Sonans is Norway's market leader within high school private candidate exam preparation courses, primarily to help former high school students achieve better exam results and/or complete their high school diploma to enter higher education. ONH is a private university college established in 2007, acquired by Lumi Gruppen in 2019. ONH has one campus located in central Oslo, in addition to a strong online offering.



Highlights for the half-year

Operating revenue

NOK mill.

212.6
(212.4)

EBIT

NOK
mill.

24.3

Stable EBIT
when excluding last year's
goodwill impairment

(-246.6)

Continued strong
development for ONH with
22 per cent revenue
growth in the first half

The autumn intake for ONH
has been strong so far, while
Sonans's development
has been more
stable

ONH



Improved
profitability for
Sonans, despite
reduced revenue

New admission rules



No significant impact
on Sonans from the new
system of admission rules

Conversion of

50%

of the unsecured
subordinated loan from
Lola Bidco AS

Cash flow

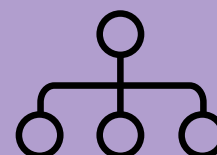
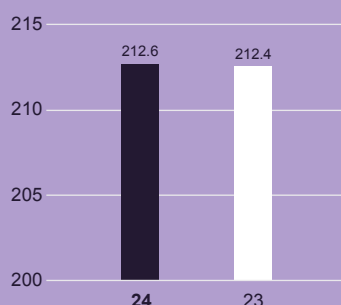
NOK mill.

32.3

from operations, driven by
credit control measures
and the sale of the
collection portfolio

Total income
Lumi Gruppen

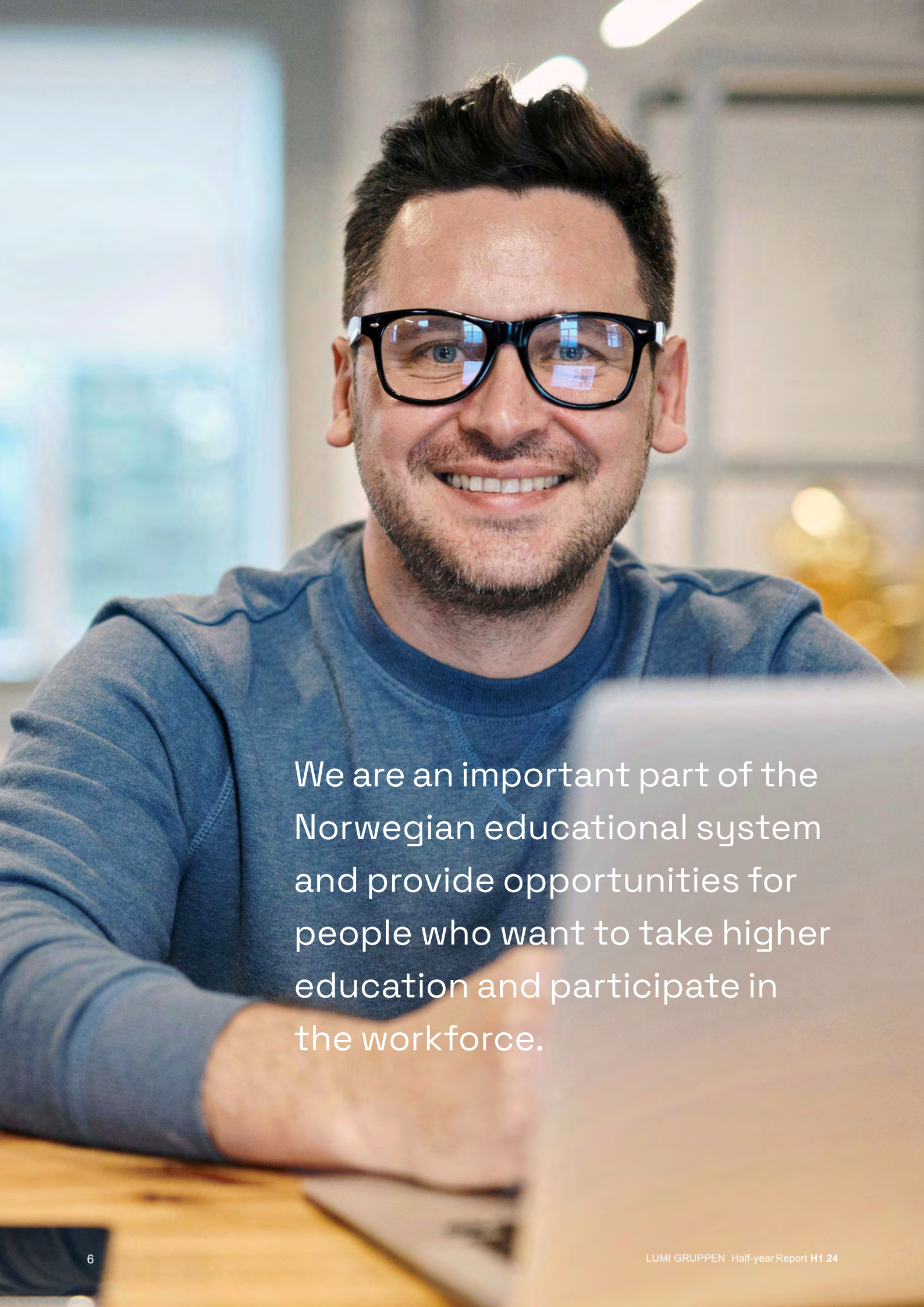
First half-year (NOKm)



Appointment of a new
Chair-person and CEO of
Lumi Gruppen

Key financial and operational figures

NOK MILLION	Restated		FY23	CHANGE
	H124	H123		
Operating revenue	211.5	211.1	420.9	0.2%
— Campus	89.6	99.8	183.9	-10.3%
— Online	121.9	111.3	236.9	9.6%
Other income	1.1	1.3	1.9	-16.7%
Total income	212.6	212.4	422.8	0.1%
Payroll expenses	107.7	97.3	219.7	10.8%
Payroll expenses in % of total income	50.7%	45.8%	52.0%	4.9 pp
Other expenses	51.3	50.8	96.4	0.9%
Other expenses in % of total income	24.1%	23.9%	22.8%	0.2 pp
Bad debt expenses	6.6	12.3	17.0	-46.7%
Bad debt expenses in % of total income	3.1%	5.8%	4.0%	-2.7 pp
Total operating expenses	165.6	160.4	333.1	3.2%
EBITDA	47.0	52.0	89.7	-9.7 %
EBITDA margin	22.1%	24.5%	21.2 %	-2.4 pp
Depreciation and amortization	22.7	28.3	54.6	-19.8%
Impairment	-	270.3	270.3	-100.0%
EBIT	24.3	-246.6	-235.3	109.9%
EBIT margin	11.4%	-116.1 %	-55.6%	127.5 pp
Non-recurring items	3.4	277.1	284.7	-98.8%
Adjusted EBIT	27.7	30.5	49.5	-9.0%
Adjusted EBIT margin	13.0%	14.3%	11.7%	-1.3 pp
Net financial items	19.8	16.6	39.1	19.8%
Profit/loss (-) before income tax	4.5	-263.2	-274.4	101.7%
Tax	1.6	1.5	1.8	7.1%
Profit/loss (-) for the period	2.9	-264.7	-276.2	101.1%
Basic/diluted earnings per share (NOK)	0.05	-5.75	-5.46	100.9%
FINANCIAL POSITION				
Capex (fixed assets and development costs)	9.2	5.4	10.1	71.1%
Net cash flow from operations	32.3	2.3	33.1	1 316.2%
Total assets	976	933	1 018	4.6%
Equity	481	464	450	3.6 %
Equity %	49.2%	49.8%	44.2%	-0.5 pp
Cash position	65	62	68	4.7%
Net interest-bearing debt	201	235	231	-14.9%
OPERATIONAL KPIs				
Number of employees (FTEs)	224	227	222	-1.3%
Sick-leave	5.5%	5.5%	5.3%	0 pp
Number of campuses Sonans	9	12	9	-25.0%
Number of campuses ONH	1	1	1	0.0%
Number of students	7 666	8 015	7 666	-4.4%

A man with dark hair, a beard, and black-rimmed glasses is smiling at the camera. He is wearing a blue crewneck sweater. He is sitting at a wooden desk, and a laptop is visible in the foreground, slightly out of focus. The background is a bright, modern office space with large windows and blurred lights.

We are an important part of the Norwegian educational system and provide opportunities for people who want to take higher education and participate in the workforce.

Operating profit remains stable, navigating diverse market conditions

Executive Summary

Lumi Gruppen delivered stable revenue and profit in the first half-year 2024 compared to last year when excluding the impairment of goodwill. The development was driven by continued strong growth for Oslo Nye Høyskole (ONH) whereas the market continued to be soft for Sonans.

Compared to the second half-year of 2023, the development is somewhat stronger in terms of revenue and operating profit, primarily due to the vacation effect on personnel expenses in the second half-year semester. Operating cash flow remained strong, supported by the sale of the collection portfolio from the previous academic year.

Oslo Nye Høyskole (ONH) sustained its positive trajectory in the first half. However, profitability for the segment was somewhat weaker, with a decline of NOK 4 million in operating profit. This decline can be attributed to investments related to the vocational initiative (ONF, previously named NTech), higher investments in marketing, and changes in allocation of overhead expenses at the segment level.

Following the approval of the quality system, ONH applied to NOKUT for institutional accreditation at the start of 2024, aiming to be granted self-accreditation rights. This will enable the university college to independently develop, approve, and launch programmes up to the bachelor's level, bypassing the conventional NOKUT process that currently causes delays in the introduction of new programmes. The institutional accreditation process would typically be expected to be completed within 12-18 months, but it is now more uncertain due to the ongoing NOKUT capacity constraints. The accreditation could be in place by late 2025, with the possibility of launching new programmes from the academic year 2026/2027.

Our other operating segment, Sonans, has experienced a continued challenging market in the first half of 2024, but lower revenues have been compensated for by cost measures combined with reduced bad debt expenses with an improvement in operating profit of NOK 5.4 million in the period. The cost base of Sonans is now adjusted to the current market. Therefore, a more favourable market situation would quickly translate into improved profits.

Looking ahead, the autumn intake for ONH is up by more than 20% compared to last year, while the intake for Sonans is slightly above last year's level. Consequently, Lumi Gruppen expects somewhat higher revenue for the 2024/2025 academic year than the previous school year, with continued growth for ONH and stabilisation in revenues for Sonans.

H1 2024 Financial statements

All financial statements show the period 1 January 2024 to 30 June 2024, compared to the accounts for the period 1 January 2023 to 30 June 2023.

Consolidated Income Statement

Total income was NOK 212.6 million, marking a largely flat performance with an increase of 0.1 per cent from NOK 212.4 million in the previous year. Oslo Nye Høyskole (ONH) continued to grow, with 22 per cent growth in the first half driven by new online study programmes and a higher share of recurring revenues for multi-year programmes. Sonans revenue declined by 19 per cent in the same period.

Total operating expenses excluding depreciation and impairment losses amounted to NOK 165.6 million (160.4) in the first half. The increase is mainly explained by higher expenses for the ONH segment.

ONH experienced higher expenses in the first half, mainly due to an increase in full-time employees (FTEs) to support current student growth and ongoing programme development. Additionally, the increase was driven by higher marketing expenses and expenses related to the vocational initiative, which introduced seven new courses for the 2024/2025 academic year.

Sonans achieved a reduction in expenses amounting to NOK 20.5 million during the period, due to significant cuts in personnel, leases, and overhead, as well as an NOK 8.4 million decrease in bad debt expenses.

The total bad debt expenses for the Group decreased to NOK 6.6 million in the first half, down from NOK 12.3 million last year. This reduction is due to the credit control measures implemented at Sonans, while ONH experienced a somewhat expected increase in bad debt expenses due to higher sales.

The Group (HQ) incurred slightly higher expenses in the first half, primarily due to strategic consulting support and recruitment expenses for the new CEO. These expenses were not present last year.

The previously announced cost programme will yield an additional NOK 10 million in savings from the beginning of the upcoming academic year 2024/2025. That is on a standalone basis, not taking other changes in expenses into account.

Depreciation, amortisation, and impairment expenses totalled NOK 22.7 million in the first half, compared to NOK 28.3 million last year. The reduction in depreciation is related to IFRS and new lease contracts from 1 July 2023, which have a higher share of interest costs at the beginning of the lease period, combined with a reduction in leases from closed campuses in Sonans.

Earnings before interest and tax (EBIT) for the Group reached NOK 24.3 million in the first half, compared to NOK -246.6 million last year. This significant improvement is primarily due to last year's goodwill impairment. When excluding this item, profitability remains closely in line with last year. Without the impairment, EBIT was NOK 23.7 million last year.

Non-recurring expenses excluding impairment of goodwill were NOK 3.4 million compared to NOK 6.8 million last year. Non-recurring items for the first half are mainly related to:

- Severance pay – NOK 3.0 million
- Campus restructuring expenses in Sonans – NOK 0.4 million

Adjusted for non-recurring items, operating expenses excluding depreciation and impairment losses were NOK 162.2 million for the first half of 2024, compared to NOK 153.6 million last year.



Consolidated Statement of Financial Position

The Group's assets totalled NOK 975.7 million at the end of the first half, an increase of NOK 43.1 million from the same period last year. The Group's equity amounted to NOK 480.5 million, an increase of NOK 16.5 million compared to the same period last year. The equity ratio was 49.2 per cent (49.8 per cent).

The increase in total assets is mainly a result of new lease contracts recognised, including sub-leasing agreements. The equity increased because of the conversion of 50 per cent of the subordinated loan, including accrued interest amounting to NOK 26.8 million.

Current and non-current interest-bearing liabilities to financial institutions were NOK 239.8 million at the end of the first half, compared to NOK 297.7 million in the same period last year. Current and non-current interest-bearing liabilities (subordinated loan) to related parties were NOK 25.8 million, reduced from NOK 52 million through the 50 per cent loan conversion that took place in May 2024.

Consolidated Statement of Cash Flows

In the first half, consolidated cash and cash equivalents were reduced by a net NOK 2.5 million, compared to an increase of NOK 33.2 million last year. As of the balance sheet date, the Group had cash and cash equivalents of NOK 65.1 million, compared to NOK 62.2 million last year. In addition, the Group had NOK 70.0 million available in undrawn amounts on the rolling credit facility, which is unchanged from last year.

Net cash flow from the Group's operations was NOK 32.3 million in the first half, compared to NOK 2.3 million last year. In the first half, the net working capital effect was positive by NOK 3.6 million, compared to minus NOK 22.3 million in the first half of last year, mainly driven by an improvement in accounts receivable from stronger credit control and the sale of the collection portfolio, contributing NOK 14 million in the period.

Net cash outflow from investing activities amounted to NOK 9.2 million in the first half, compared to an outflow of NOK 5.5 million last year. The increase can be attributed to investments related to a new sublease agreement and certain IT upgrade projects.

Net cash outflow from financing was NOK 25.6 million in the first half, compared to a cash inflow of NOK 36.4 million last year. The difference is mostly due to the share issue last year, which resulted in net cash proceeds of NOK 70 million after repaying NOK 130 million of interest-bearing debt.

Financing and Bank Covenant

The leverage ratio at the end of the first half was 4.1. The leverage covenant was 5.1.

Segment development

The Group's reporting structure comprises two operational segments: Sonans and Oslo Nye Høyskole (ONH). Unless otherwise stated, comments regarding development reflect a comparison between the first half this year and the same period last year.

Oslo Nye Høyskole is the largest segment in Lumi Gruppen with a 58 per cent share of the revenue in the first half of 2024, up from 47 per cent last year.

Total income increased by 21.9 per cent to NOK 123.1 million (101.0) in the first half. Sales growth was driven by new online programmes in combination with a higher share of recurring revenues from student volume growth over the last years.

Total expenses ended at NOK 92.1 million compared to 67.5 million last year. The increase in expenses can be attributed to higher personnel expenses for the university college combined with investments related to building the vocational offering (ONF), higher investments in marketing, and adjustments in the allocation of overhead expenses at the segment level.

The growth in personnel expenses is driven by increased volume, impacting both faculty and administrative staff. However, ONH will benefit from this by continuing to invest in new programmes to secure growth in the coming academic years.



Bad debt expenses increased from NOK 2.2 million in the first half of 2023 to NOK 4.9 million in the first half of 2024. This increase is due to higher sales combined with a larger provision for bad debt related to outstanding invoices from the previous academic year.

EBIT ended at NOK 23.6 million compared to NOK 27.5 million last year.

Sonans is the other segment in Lumi Gruppen with a 42 per cent share of the revenue in the first half of 2024, down from 53 per cent in the same period last year.

Total income decreased by 19.2 per cent to NOK 89.4 million (110.7). The decline in revenue can largely be explained by lower student volumes for both the online and campus offerings. The main drivers for the development in Sonans over the past few years and H1 2024 include the cancellation of exams during Covid-19, a reduced number of students without a place of admission, and a strong job market, particularly for young people.

Total expenses ended at NOK 61.2 million, compared to 81.7 million last year. The decrease is directly related to the cost programme implemented and a significant portion of this is also related to lower bad debt expenses that were reduced by 84 per cent compared to last year with NOK 1.7 million in the first half of 2024 compared to NOK 10.0 million last year.

EBIT ended at NOK 13.2 million, compared to NOK 7.8 million last year. The increase in EBIT is a result of the reduction in expenses, which were greater than the decrease in total income.

Market outlook

The market development for Lumi Gruppen is correlated and connected to several macroeconomic drivers, including demand for higher education and the strength of the labour market. The labour market has been robust in recent years, with particularly high participation among the younger people that Lumi Gruppen targets. This remains the case, but any weakening of the job market could lead to higher demand for the Group's services going forward. Following the successful efficiency programmes with significant cost reductions, a more favourable market situation for the Group should rapidly improve the financial performance and profitability of its operations.

The parliamentary white paper published by The Ministry of Education and Research in April 2024 stated that the government will not propose any significant changes to the private candidate scheme that could

affect Sonans' services or students. This is positive for Sonans, providing a stable and predictable regulatory framework for the candidate business in Sonans going forward. However, nursing and teaching programmes will see adjustments. The removal of grade requirements for these fields is expected to increase the number of qualified applicants. This will most likely impact Sonans by reducing the number of students who need to improve their grades to qualify for admission in these programmes.

Business outlook

Oslo Nye Høyskole (ONH)

As of week 32, the autumn intake shows over 20% growth in new contracts. Including the first half of 2024, total income for the financial year 2024 is expected to range between NOK 255 and 265 million.

In anticipation of continued growth, ONH plans to relocate to new, larger facilities during the latter half of 2024. This strategic move aligns with the institution's expansion goals and underscores its commitment to providing enhanced educational offerings.

Sonans

As of week 32, the autumn intake shows a slight improvement in sales compared to last year. Including the first half of 2024, total income for the financial year 2024 is expected to range between NOK 180 and NOK 185 million.

It is likely that the recent changes in admission rules for teaching and nursing have influenced the intake for Sonans. Alongside a continued strong job market and a stable number of applicants without a place of admission, these factors collectively offer the most plausible explanation for the modest improvement observed.

Profitability for Sonans is not expected to improve significantly in the second half of 2024 based on the status of the intake so far. Lumi Gruppen will therefore continue to adapt the business to the current market situation combined with strategic and commercial initiatives.

Shareholder information

The Group's share capital was NOK 24.4 million as of 30 June 2024, consisting of 58 034 676 ordinary shares, each with a par value of NOK 0.42. All the shares are fully paid and have equal rights.

Lumi Gruppen owned 193 814 treasury shares as at the balance sheet date. The number of shareholders as at 30 June 2024 was 321, of which the top 20 shareholders held 90.9 per cent of the shares.



Events after the balance sheet date

There have been no material events after the reporting period that might significantly affect the consolidated interim financial statements for the first half of 2024.

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the financial year and their impact on the unaudited condensed set of financial statements, the principal risks and uncertainties and major related party transactions.

Board and Management

At the general meeting on 7 May, Rob Woodward was elected as the new Chairperson of Lumi Gruppen. Mr. Woodward brings extensive boardroom leadership experience from his diverse career across both the public and private sectors. On 1 August, Nina Vesterby assumed the role of CEO at Lumi Gruppen, succeeding Erik Brandt. Lumi is deeply grateful for Brandt's significant contributions over more than a decade as CEO. Nina, a Norwegian national, was previously the CEO of Story House Egmont AS. She holds a master's degree in business administration and management from the Norwegian School of Economics (NHH) and a bachelor's degree from BI Norwegian Business School.

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. Statements herein, other than statements of historical facts, regarding future events or prospects, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. As a result, you should not place undue reliance on these forward-looking statements.

Oslo, 15 August, 2024

Approved by the Board of Directors and Management

Rob Woodward
Chair

Bente Sollid

Ashkan Senobari

Giles Smyth

Fred Lundqvist

Anne Dahle

Nina Vesterby
CEO

Condensed interim financial statements and notes



Consolidated statement of profit or loss

NOK 1000	Note	H124	Restated H123	FY23
Revenue	2,3	211 491	211 101	420 866
Government grants		600	694	694
Other operating income		493	617	1 232
Total Income		212 584	212 412	422 792
Payroll expenses		107 747	97 262	219 730
Depreciation and amortisation expenses	4,5,6	22 713	28 337	54 642
Impairment	4,6	-	270 344	270 344
Other operating expenses		57 822	63 113	113 354
Total operating expenses	3	188 282	459 056	658 071
Operating profit/loss (-) (EBIT)		24 302	-246 644	-235 279
Interest income		505	17	2 337
Financial income		715	1 023	1 508
Interest expense		-20 004	-15 430	-34 703
Financial expense		-1 056	-2 178	-8 262
Net financial items		-19 841	-16 568	-39 120
Profit/loss (-) before income tax		4 461	-263 212	-274 399
Income tax		1 589	1 484	1 848
Profit/loss (-) for the period		2 873	-264 696	-276 247
Basic/diluted earnings per share (NOK)		0.05	-5.75	-5.46

Statement of comprehensive income

NOK 1000	H124	Restated H123	FY23
OTHER COMPREHENSIVE INCOME			
Items not reclassified to profit or loss:			
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	2 873	-264 696	-276 247
TOTAL COMPREHENSIVE INCOME IS ATTRIBUTABLE TO			
Owners of Lumi Gruppen AS	2 873	-264 696	-276 247

Consolidated statement of financial position

ASSETS NOK 1000	Note	30.06.24	Restated 30.06.23	31.12.23
NON-CURRENT ASSETS				
Deferred tax asset		8 886	10 186	9 493
Goodwill	4	686 688	686 688	686 688
Other intangible assets	4	27 887	30 168	28 895
Right-of-use assets	6	128 705	105 826	184 595
Property, plant and equipment	5	11 725	7 906	7 675
Investments in shares		1 679	1 679	1 679
Other long-term receivables	6	25 752	-	-
Total non-current assets		891 321	842 453	919 025
CURRENT ASSETS				
Trade receivables	7	12 277	21 901	27 083
Earned, not invoiced		-	156	-
Other current receivables	8	6 977	5 834	4 313
Cash and bank deposits		65 125	62 230	67 647
Total current assets		84 378	90 120	99 042
Total assets		975 700	932 573	1 018 067

Consolidated statement of financial position

EQUITY AND LIABILITIES NOK 1000	Note	30.06.24	Restated 30.06.23	31.12.23
EQUITY				
Share capital	9	24 375	23 201	23 201
Share premium		677 277	653 240	651 218
Treasury stock		-81	-81	-81
Retained earnings		-221 040	-212 361	-223 913
Total equity		480 530	463 999	450 425
NON-CURRENT LIABILITIES				
Non-current interest-bearing liabilities	11	250 627	282 721	257 452
Non-current lease liabilities	6	126 207	90 817	154 825
Total non-current liabilities		376 834	373 538	412 277
CURRENT LIABILITIES				
Current interest-bearing liabilities	11	15 000	15 000	41 000
Current lease liabilities	6	41 075	29 904	45 355
Trade creditors		10 276	6 772	8 236
Tax payable		1 927	5 187	946
Public duties payable		12 177	11 316	15 680
Unearned revenue		4 310	5 545	6 689
Other current debt		33 570	21 313	37 459
Total current liabilities		118 335	95 036	155 364
Total liabilities		495 169	468 574	567 642
Total equity and liabilities		975 700	932 573	1 018 067

Oslo, 15 August, 2024

Approved by the Board of Directors and Management

Rob Woodward
Chair

Bente Sollid

Ashkan Senobari

Giles Smyth

Fred Lundqvist

Anne Dahle

Nina Vesterby
CEO

Consolidated statement of cash flows

NOK 1000	H124	Restated H123	FY23
CASH FLOW FROM OPERATIONS			
Profit /loss(-) before income taxes	4 461	-263 212	-274 399
Adjustments for			
— Taxes paid in the period	-	-11 000	-14 913
— Gain/loss from sale of property, plant and equipment	-	-	29
— Interest expense	20 004	16 972	36 852
— Interest paid	-12 326	-13 652	-24 991
— Interest paid - leasing	-6 181	-3 227	-9 896
— Interest income	-505	-17	-2 337
— Interest received	53	17	2 337
— Interest received - leasing	452	-	-
— Depreciation	22 713	28 337	54 642
— Impairment	-	270 344	270 344
— Change in trade receivable, earned not invoiced and unearned revenue	12 427	-3 160	-7 042
— Change in trade creditors	2 041	1 542	3 006
— Change in other current assets and liabilities	-10 878	-20 666	-498
Net cash flow from operations	32 261	2 278	33 134
CASH FLOW FROM INVESTMENTS			
Proceeds from sale of property, plant and equipment	-	-	131
Purchase of property, plant and equipment	-6 317	-546	-2 932
Purchase of intangible assets and capitalised development cost	-2 888	-4 834	-7 124
Payment to buy shares in other companies	-	-85	-85
Net cash flow from investments	-9 207	-5 465	-10 010
CASH FLOW FROM FINANCING			
Proceeds from the issuance of new liabilities to shareholders	-	-	52 000
Payment of principal portion of lease liabilities	-19 309	-22 223	-41 818
Repayment of liabilities to financial institutions	-7 500	-130 000	-180 000
Repayment of other loans	-26 000	-2 413	-2 413
New equity received	27 932	200 000	200 000
Costs directly booked in equity	-700	-8 978	-11 000
Transaction costs	-	-	-1 277
Net cash flow from financing	-25 577	36 386	15 492
Net change in cash and cash equivalents	-2 522	33 199	38 616
Cash and cash equivalents at the beginning of the period	67 647	29 031	29 031
Cash and cash equivalents at the end of the period	65 125	62 230	67 647
Unused operational credit facilities in addition	70 000	70 000	70 000

Consolidated statement of changes in equity

NOK 1000	SHARE CAPITAL	SHARE PREMIUM	TREASURY STOCK	RETAINED EARNINGS	TOTAL EQUITY
2024					
Balance at 1 January 2024	23 201	651 218	-81	-223 913	450 425
Capital increase 30.04.2024	1 173	26 759	-	-	27 932
Costs booked directly in equity	-	-700	-	-	-700
Profit/loss (-) in the period	-	-	-	2 873	2 873
Equity at 30 June 2024	24 375	677 277	-81	-221 040	480 530
2023					
Balance at 1 January 2023 Restated	15 201	470 218	-81	52 359	537 698
Capital increase 16.03.2023	7 000	168 000	-	-	175 000
Capital increase 15.05.2023	1 000	24 000	-	-	25 000
Costs booked directly in equity	-	-11 000	-	-	-11 000
Profit/loss (-) for the year	-	-	-	-276 247	-276 247
Other equity changes	-	-	-	-25	-25
Equity at 31 December 2023	23 201	651 218	-81	-223 913	450 425

Notes to the Condensed interim financial statements

1 General information and basis of preparation

Lumi Gruppen AS (the Company) is the parent company of the Lumi Group (the Group) and is a limited liability company incorporated and domiciled in Norway, with its head office at Bislett, Oslo. The shares of the Company are admitted to trading on Euronext Growth in Oslo, Norway with the ticker "LUMI".

The Group is a leading player in the Norwegian education market. The Group consists of the parent company Lumi Gruppen AS and its subsidiaries Lumi Services AS, Sonans Privatgymnas AS (Sonans), Oslo Nye Høyskole AS (ONH), ONH Education AS, Oslo Nye Fagskole AS (ONF) and Oslo NF AS. The operating segments in the Group are Sonans and ONH (consisting of Oslo Nye Høyskole AS, Oslo Nye Fagskole AS and ONH Education AS). Lumi Services AS is a company that organises shared services like IT and finance on behalf of the operating companies.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2023, unless otherwise stated.

Estimates, judgements and assumptions

The preparation of interim condensed financial statements involves the use of accounting estimates. Actual results may differ from these estimates. Management is required to exercise judgment in applying the Group's accounting policies. Please refer to the financial statements for the year ended 31 December 2023 for details.

2 Revenue from contracts with customers

The Group earns revenue via the delivery of educational services. Services are delivered both on campus and online. Services are delivered over time to the campus students and the online students who buy a course with unlimited access to the course content in the contract period. Educational revenue is earned over time (not at a point in time) and is allocated across the academic year as services are delivered. Invoicing for the educational services is done at the beginning of each school semester.

Invoices sent in the autumn semester are in some instances for both the semester and for the entire academic year fees. This creates the posting of the deferred revenue in the statement of financial position (a contract liability). This contract liability is always current, as the revenue will be earned within a maximum of nine months after the date of the invoice.

NOK 1000	H124	H123	FY23
DISAGGREGATION OF REVENUE			
Education	211 491	211 101	420 866
— of which campus	89 562	99 822	183 946
— of which online	121 929	111 279	236 919
Government grants	600	694	694
Other income	493	617	1 232
Total income	212 584	212 412	422 792

3 Segments

NOK 1000	SONANS	OSLO NYE HØYSKOLE	OTHER/ HEAD- QUARTER	ELIMINATIONS AND GROUP POSTINGS	TOTAL
H1 2024					
Total income	89 443	123 141	13 645	-13 645	212 584
— of which management fee	-	-	13 645	-13 645	-
Total expenses	61 235	92 089	25 890	-13 645	165 569
— of which management fee	6 785	6 860	-	-13 645	-
Depreciation and amortisation	15 043	7 406	264	-	22 713
EBIT	13 165	23 646	-12 508	-	24 302
H1 2023 Restated					
Total income	110 746	100 979	14 517	-13 830	212 412
— of which management fee	-	-	13 830	-13 830	-
Total expenses	81 745	67 515	24 945	-13 830	160 375
— of which management fee	9 840	3 830	160	-13 830	-
Depreciation and amortisation	21 249	5 923	1 166	-	28 337
Impairment	-	-	-	270 344	270 344
EBIT	7 752	27 541	-11 593	-270 344	-246 644
FY 2023					
Total income	199 755	223 636	33 827	-34 426	422 792
— of which management fee	-	-	33 140	-33 140	-
Total expenses	158 547	158 337	50 627	-34 426	333 085
— of which management fee	22 560	9 970	610	-33 140	-
Depreciation and amortisation	38 929	13 348	2 365	-	54 642
Impairment	-	-	-	270 344	270 344
EBIT	2 278	51 951	-19 164	-270 344	-235 279

From 1 January 2024 Oslo Nye Fagskole AS is included as part of the segment Oslo Nye Høyskole. This follows from changes in the organisation including integration of Oslo Nye Fagskole with Oslo Nye Høyskole. The integration is designed to enhance operational efficiency. In the tables for H1 2023 and FY 2023 Oslo Nye Fagskole is included in segment Oslo Nye Høyskole to be comparable to H1 2024.

4 Intangible assets

Goodwill

NOK 1000	OSLO NYE HØYSKOLE	SONANS	TOTAL
COST			
Cost at 31 December 2023	211 688	745 344	957 032
Cost at 30 June 2024	211 688	745 344	957 032
IMPAIRMENT			
Accumulated at 31 December 2023	-	270 344	270 344
Impairment	-	-	-
Accumulated at 30 June 2024	-	270 344	270 344
Carrying amount at 30 June 2024	211 688	475 000	686 688

As stated in the annual report for FY 2023, goodwill is assessed for impairment annually, and, as per IAS 36, more frequently if indicators of impairment are identified. Please see the 2023 annual report for a description of the accounting principles and identified cash generating units (CGUs) for goodwill in Lumi Gruppen. Goodwill was assessed for impairment on 31 December 2023, and no impairment need was identified.

There have not been identified any impairment indicators as of 30 June 2024, and no impairment test was performed.

Refer to the annual financial statement for 2023 for details on impairment test performed at 31 December 2023.

Other intangible assets

NOK 1000	DEVELOPMENT COST
COST	
Cost at 31 December 2023	40 329
Additions	2 888
Cost at 30 June 2024	43 218
AMORTIZATION AND IMPAIRMENT	
Accumulated at 31 December 2023	11 435
Amortisation	3 897
Accumulated at 30 June 2024	15 331
Carrying amount at 31 December 2023	28 895
Carrying amount at 30 June 2024	27 887
Amortization method	Linear
Estimated useful life	5 years

5 Property, plant and equipment

NOK 1000	LEASEHOLD IMPROVEMENTS	ART	OFFICE MACHINERY & EQUIPMENT	TOTAL
COST				
Cost at 31 December 2023	14 600	376	47 541	62 517
Additions	2 527	-	3 790	6 317
Cost at 30 June 2024	17 127	376	51 331	68 834
DEPRECIATION AND IMPAIRMENT				
Accumulated at 31 December 2023	12 873	-	41 970	54 843
Depreciation	250	-	2 017	2 267
Accumulated at 30 June 2024	13 123	-	43 987	57 110
Carrying amount at 31 December 2023	1 728	376	5 571	7 675
Carrying amount at 30 June 2024	4 004	376	7 344	11 725
Depreciation method	Linear	n/a	Linear	
Estimated useful life	In line with lease contract		3-5 years	

6 Leasing

The Group leases are primarily office and school buildings and office equipment. Short-term and low-value leases are excluded from the financial lease accounting.

Amounts recognised in the balance sheet

NOK 1000	30.06.24	30.06.23	31.12.23
Right-of-use assets			
Premises	126 456	102 768	182 313
Equipment	2 249	3 058	2 282
Total	128 705	105 826	184 595
Depreciation method	Linear	Linear	Linear
Useful life	In line with lease contract	In line with lease contract	In line with lease contract
Sub-lease receivable			
Premises	25 752	-	-
Lease liabilities			
Current	41 075	29 904	45 355
Non-current	126 207	90 817	154 825
Total	167 282	120 721	200 180

Amounts recognised in the statement of profit or loss

NOK 1000	H124	H123	FY23
Depreciation of right-of-use assets	16 549	22 720	43 005
Interest income from sublease	452	-	-
Interest expense	6 181	3 227	9 896

NOK 1000	RIGHT-OF-USE ASSETS
COST	
Cost at 31 December 2023	399 723
Additions	9 358
Disposals	48 700
Cost at 30 June 2024	360 382
DEPRECIATION AND IMPAIRMENT	
Accumulated at 31 December 2023	215 128
Depreciation	16 549
Disposals	-
Accumulated at 30 June 2024	231 677
Carrying amount at 30 June 2024	128 705
Depreciation method	Linear
Estimated useful life	In line with lease contract

7 Trade receivables

Trade receivables at 30 June 2024, 30 June 2023 and 31 December 2023

NOK 1000	30.06.24	30.06.23	31.12.23
Trade receivables	21 304	53 892	66 321
— of which Sonans	8 730	42 499	49 551
— of which ONH (segment)	12 574	11 081	16 770
Loss allowance	-9 027	-31 991	-39 238
— of which Sonans	-5 194	-26 986	-31 807
— of which ONH (segment)	-3 833	-5 005	-7 430
Total trade receivable, net	12 277	21 901	27 083

8 Other receivables

NOK 1000	30.06.24	Restated 30.06.23	31.12.23
Prepaid expenses	4 748	4 223	4 108
Other debtors	2 228	1 611	204
Total other receivables	6 977	5 834	4 313

From the financial year 2023, Lumi Gruppen changed its accounting principle for marketing expenses, see note 15.

9 Share capital and shareholder information

Parent company (Lumi Gruppen AS)

	NUMBER	NOK PAR VALUE	CAPITALISED
SHARE CAPITAL			
Ordinary shares	58 034 676	0.42	24 374 564
Cost at 30 June 2024	58 034 676		24 374 564

AT 30 JUNE 2024	TYPE OF ACCOUNT	ORDINARY SHARES	%
SHAREHOLDERS			
The Bank of New York Mellon SA/NV	Nominee	20 504 212	35.3
Euroclear Bank S.A./N.V.	Nominee	10 305 035	17.8
Pareto Aksje Norge Verdipapirfond	Ordinary	3 773 473	6.5
J.P. Morgan SE	Nominee	3 046 609	5.2
Verdipapirfondet Holberg Norge	Ordinary	2 733 333	4.7
The Northern Trust Comp, London Br	Nominee	2 189 896	3.8
Forsvarets Personellservice	Ordinary	1 550 540	2.7
Melesio Invest AS	Ordinary	1 420 709	2.4
Valorem AS	Ordinary	1 217 000	2.1
CMDCAS	Ordinary	988 036	1.7
Wenaas EFTF AS	Ordinary	885 714	1.5
VJ Invest AS	Ordinary	608 198	1.0
Ginko AS	Ordinary	600 000	1.0
Dyvi Invest AS	Ordinary	593 696	1.0
Cawa Invest AS	Ordinary	520 000	0.9
Cortex AS	Ordinary	440 000	0.8
Goldman Sachs International	Nominee	383 685	0.7
Varner Equities AS	Ordinary	366 216	0.6
Bit For Bit Huset AS	Ordinary	325 895	0.6
Jacob Hatteland Holding AS	Ordinary	290 780	0.5
Top 20 shareholder/nominee		52 743 027	90.9
Other		5 291 649	9.1

Lola Bidco AS controls the majority of the shares in Lumi Gruppen AS, with an ownership of 30 809 247 shares (53.1%) through the nominee accounts The Bank of New York Mellon SA/NV and Euroclear Bank S.A./N.V.

10 Earnings Per Share

		H124	Restated H123	FY23
Profit/loss (-) for the period	NOK 1000	2 873	-264 696	-276 247
Average number of shares	Excl. own shares	55 999 163	46 010 524	50 566 210
Earnings per share	NOK	0.05	-5.75	-5.46

11 Interest-bearing liabilities

Current and non-current liabilities to financial institutions are financial liabilities, primarily bank loans, and are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method to measure interest expense on the loans. The liabilities to financial institutions are loan facilities from Nordea. In addition, Lumi Gruppen has a loan from major shareholder Lola Bidco AS of NOK 26 million.

The current loan agreement with Nordea has the following terms:

- The loan is arranged as two term loans, Term Loan A (“TLA”) of NOK 42.5 million and Term Loan B (“TLB”) NOK 200 million
- Current revolving credit facility (“RCF”) of NOK 70 million
- TLA and RCF margin range from 300 bps to 450 bps
- TLB margin range 350 bps to 500 bps
- Biannual instalments to TLA of NOK 7.5 million until termination date
- Termination date 15 August 2026

The covenant profile from Q2 2024 (30 June 2024) and the following quarters is set as follows:

- Covenant (NIBD / EBITDA) for Q2 2024: 5.1x
- Thereafter, flat at 3.0x in Q1 and Q3, and 4.0x in Q2 and Q4 to account for seasonal working capital fluctuations

The covenant is tested quarterly. At 30 June 2024, the leverage ratio was 4.1. The ratio is calculated based on NGAAP (excluding IFRS 16) and including adjustments of EBITDA from non-recurring items up to 15%. The leverage ratio is calculated as total net debt/EBITDA.

On 17 November 2023, Lumi Gruppen signed a new unsecured subordinated loan agreement for loan financing in the amount of NOK 52 million provided by Lola Bidco AS, securing the repayment of NOK 50 million to Nordea. The loan was entered into on an arms-length basis and with terms in line with the Nordea Term Loan Facility A. As a consideration for the loan, an annual interest rate is charged, subject to adjustments to ensure that the interest rate payable under the loan agreement shall correspond to the interest rate that would have been payable if the loan had remained outstanding under (and added to) the Nordea Term Loan A Facility (the facility with the lowest margin across the Nordea Facilities) for the same period.

In April 2024 the first repayment of the Lola Bidco loan of NOK 26 million plus accrued unpaid interest of NOK 1,9 million was converted into equity by issuing a total of 2,793,243 new shares to Lola Bidco AS.

Lumi Gruppen shall repay the then remaining outstanding loan together with all accrued interest on 16 September 2026 or, if later, the first business day after the termination date under the Nordea Loan Facility.

NOK 1000	30.06.24	30.06.23	31.12.23
INTEREST-BEARING LIABILITIES			
Non-current liabilities to financial institutions	224 843	282 721	231 718
Current liabilities to financial institutions	15 000	15 000	15 000
Non-current liabilities to shareholders	25 784	-	25 734
Current liabilities to shareholders	-	-	26 000
Total interest-bearing liabilities	265 627	297 721	298 452
SPECIFICATION OF INTEREST-BEARING LIABILITIES			
Total amount borrowed	268 500	300 000	302 000
Capitalized bank fees	-2 873	-2 279	-3 548
Total interest-bearing liabilities	265 627	297 721	298 452
COLLATERAL AND GUARANTEES			
Nominal value of debt with collateral security			
Liabilities to financial institutions	242 500	300 000	250 000
Total	242 500	300 000	250 000
Book value of collateral pledged			
Trade receivables	12 277	21 901	27 083
Property, plant and equipment	11 725	7 906	7 675
Total	24 002	29 807	34 758

12 Related parties

Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on a consolidated basis.

On 17 November 2023 Lumi Gruppen entered into a loan agreement with majority shareholder Lola Bidco AS of NOK 52 million. The loan has been entered into on an arms-length basis and with terms in line with the Nordea Term Loan Facility A. Refer to note 11 for further details

on the loan agreement between Lumi Gruppen and Lola Bidco AS.

In first half 2024 purchase of services and fees from Hanover Investors, owners of Lola Bidco AS, amounted to NOK 5.5 million.

There are no other significant related party transactions for Lumi Gruppen as of 30 June 2024.

13 Subsidiaries

NAME	LOCATION	OWNERSHIP/ VOTING RIGHT
Lumi Services AS	Oslo	100
Sonans Privatgymnas AS	Oslo	100
ONH Education AS	Oslo	100
Oslo Nye Høyskole AS	Oslo	100
Oslo Nye Fagskole AS	Oslo	100
Oslo NF AS	Oslo	100

14 Contingent liabilities

There are no contingent liabilities as of 30 June 2024.

15 Change in accounting principle for marketing expense

From the financial year 2023, Lumi Gruppen changed its accounting principle for marketing expenses. Previously marketing expenses were booked according to a matching principle where costs were expensed in the same period as the related income. Accordingly, marketing expenses incurred were booked as prepaid expenses and expensed during the semester(s) the marketing campaign targeted

for recruitment. The new principle is to expense marketing expenses when they occur. The change made aligns the Group's principles to IFRS. Previous periods are restated to be comparable, and the effect is booked directly to equity in the ingoing balance for 2022. The effect of the change in principle in the statements of profit and loss and statement of financial position is presented in the table below.

NOK 1000	H123
Reported other operating expenses in quarterly report	64 554
Adjustment for changes in accounting principle	-1 441
Restated other operating expenses	63 113
Reported EBIT in quarterly report	-248 085
Adjustment for changes in accounting principle	1 441
Restated EBIT	-246 644
Reported profit/loss (-) before tax in quarterly report	-264 653
Adjustment for changes in accounting principle	1 441
Restated profit/loss (-) before tax	-263 212
Reported tax expense in quarterly report	1 167
Adjustment for changes in accounting principle	317
Restated tax expense	1 484
Reported profit/loss (-) after tax in quarterly report	265 820
Adjustment for changes in accounting principle	1 124
Restated profit/loss (-) after tax	-264 696

NOK 1000	30.06.23
Reported other current receivables in quarterly report	16 544
Adjustment for changes in accounting principle	-10 710
Restated other current receivables	5 834
Reported deferred tax asset in quarterly report	7 830
Adjustment for changes in accounting principle	2 356
Restated deferred tax asset	10 186
Reported equity in quarterly report	472 353
Adjustment for changes in accounting principle	-8 354
Restated equity	463 999

Alternative performance measures (APM)

The Group reports its financial results in accordance with IFRS accounting principles as issued by the IASB and as endorsed by the EU. However, management believes that certain Alternative Performance Measures (APMs) provide management and other users with additional meaningful financial information that should be considered when assessing the Group's ongoing performance. These APMs are non-IFRS financial measures and should not be viewed as a substitute for any IFRS financial measure. Management, the board of directors and the long-term lenders regularly use APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessing compliance with financial covenants. Alternative Performance Measures reflect adjustments based on the following items:

Adjusted EBITDA before impact of IFRS 16

Adjusted EBITDA before impact of IFRS 16 is a measure of EBITDA adjusted for (i) lease expenses applying IAS 17 Leases, (ii) revenue and cost from sold or acquired business, and (iii) certain extraordinary items affecting comparability, referred to as Non-Recurring items in this report. The Group has presented this APM because it considers it to be an important supplemental measure to understand the leverage ratio of the Group.

Adjusted ebitda margin

Adjusted EBITDA divided by total revenue.

EBIT

EBIT is a measure of earnings before deducting net financial items and taxes. The Group has presented this APM because it considers it to be an important supplemental measure to understand the overall picture of profit generation in the Group's operating activities.

Adjusted EBIT

Adjusted EBIT is a measure of EBIT adjusted for (i) revenue and cost from sold or acquired business, and (ii) certain extraordinary items affecting comparability referred to as Non-Recurring items in this report. The Group has presented these APMs because it considers them to be important supplemental measures to understand the underlying profit generation in the Group's operating activities.

Adjusted EBIT margin

Adjusted EBIT divided by total revenue.

Net debt

Current and non-current borrowings for the period (excluding property lease liabilities recognised under IFRS 16) less cash and cash equivalents for the period. Net debt is a non-IFRS financial measure, which the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM as it is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking into account cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding borrowings. Net Debt is also used as part of the assessment for financial covenant compliance.

Leverage ratio

Net debt divided by last twelve months Adjusted EBITDA before impact of IFRS 16.

Capital expenditure

Capital expenditure (capex) is a measure of total investment in the period both in the operations and in development of new business. Capital expenditures consist of both maintenance capex and development capex and the source of capex is the Statement of cash flows.

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Rob Woodward

Chair

Bente Sollid

Director

Ashkan Senobari

Director

Giles Smyth

Director

Fred Lundqvist

Director

Anne Dahle

Employee Representative