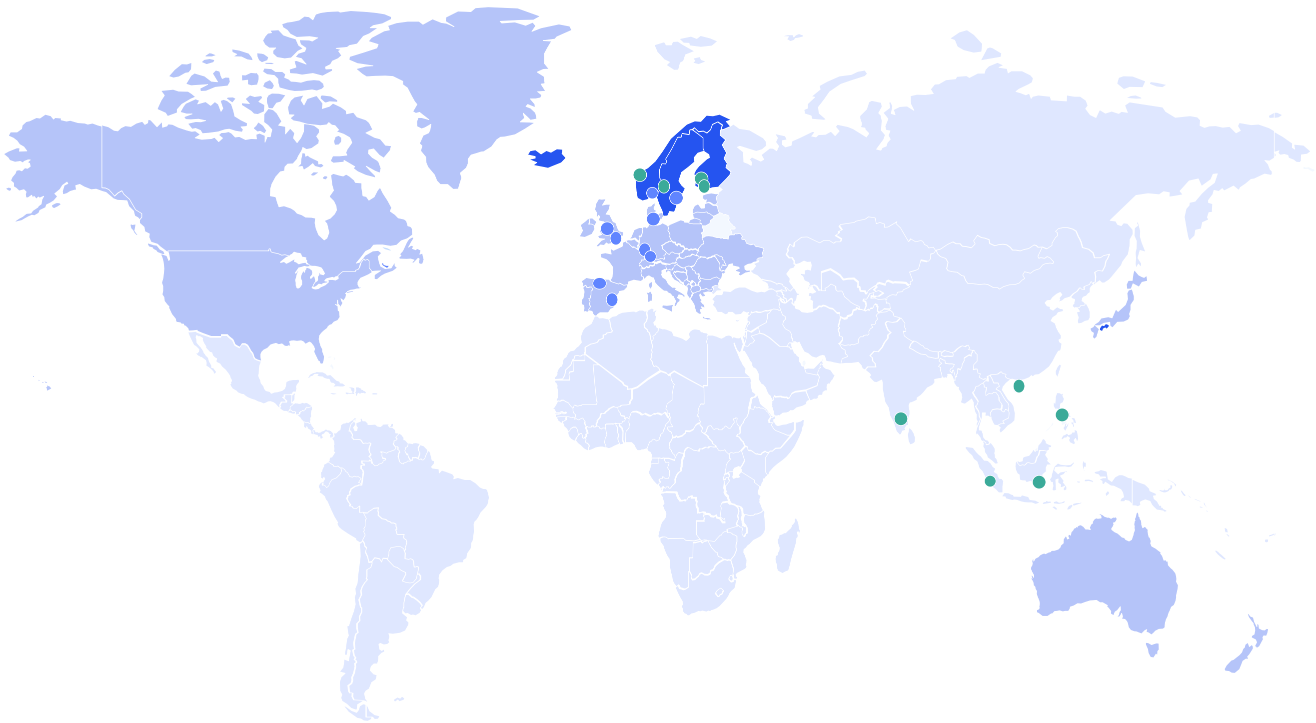
KEYSTONE
EDUCATION GROUP

Keystone Results
Q2 2026

About Keystone

Keystone's broad geographical reach supports leading positions across multiple markets.



Company overview

- Keystone is a global leader in digital student recruitment, helping more than 5,000 educational institutions reach, recruit and enrol prospective students across more than 190 countries.
- Keystone was formed in 2021 through the merger of Keystone Academic Solutions and Educations Media Group. Its roots date back to 2002, when Education Media Group was founded.
- The Group has more than 700 employees and contractors globally and reaches approximately 100 million students annually across their journey to enrolment.
- Keystone provides educational institutions with end-to-end services across the student recruitment value chain, from marketing and student discovery to application management and enrolment.
- Keystone currently has a ~90% market share in the Nordics, a ~30% market share in the UK and a 6% market share globally

Selected customers

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Keystone at a glance

~5,000
Institutional clients

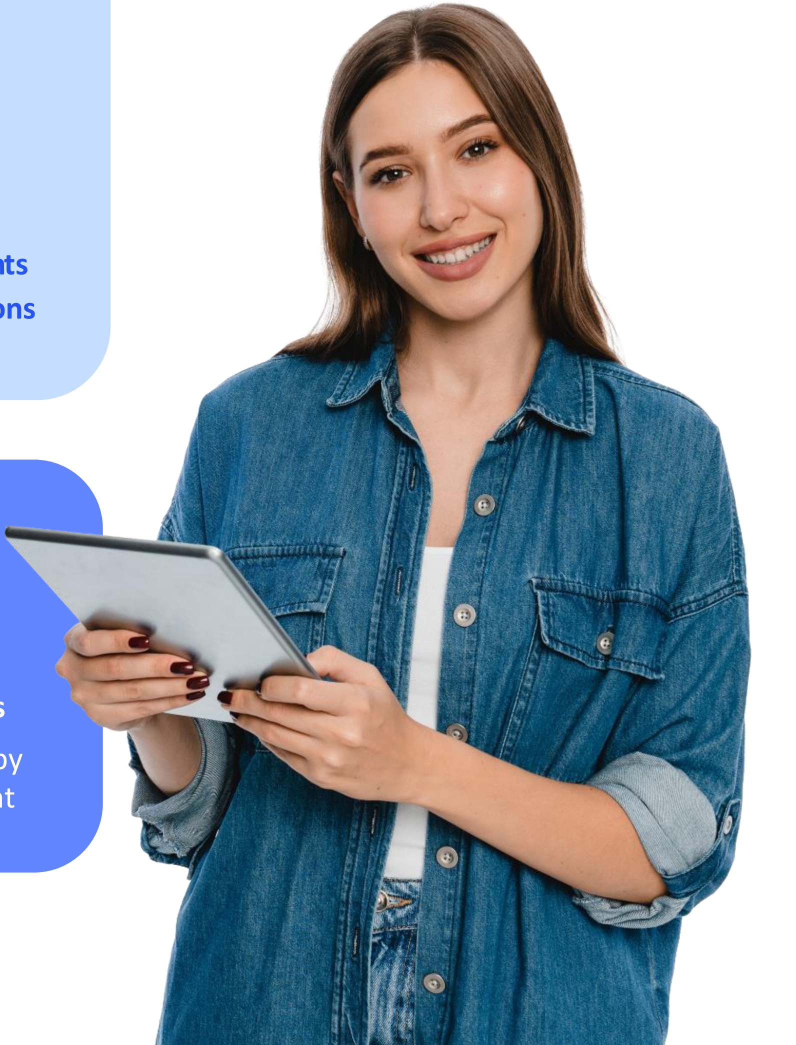
100m
Annual student audience

Directly enrol students yearly at
1,000+
different US universities
and
50,000+ students across UK institutions

>100
Customer countries

77/100
Top global university customers

70,000+
direct enrolments
managed annually by Keystone Enrolment Services



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Key updates

- The Group made substantial progress in implementing its cost programme and advancing the technology and commercial initiatives intended to strengthen the future business model, despite Q2-26 being a challenging quarter financially that reflected continued pressure across international student recruitment markets.
- Revenue declined by 10% to USD 15.7 million, with lower activity in the UK and the US affecting both Search & Discovery and Enrolment Services. H1-26 revenue declined by 5% to USD 35.3 million.
- Adjusted EBITDA was negative USD 0.8 million in Q2-26, broadly in line with negative USD 0.7 million in Q2-25 despite a USD 2.0 million reduction in gross profit. This reflects approximately USD 1.8 million lower adjusted operating expenses as the Group's cost actions began to take effect. H1-26 adjusted EBITDA was positive USD 1.4 million, compared with USD 2.5 million in H1-25.
- The additional cost-optimisation programme announced in May progressed during the quarter. The programme affects approximately 75 FTEs and is expected to deliver approximately USD 8 million of annualised savings from January 2027. Together with the programme initiated in Q4-25, the Group expects approximately USD 14 million of combined annualised savings.
- The first partner went live on the next-generation Enrolment Services Platform in June 2026, and migration of the entire existing partner base is on track for completion by year-end 2026. The platform is intended to improve adviser productivity, student engagement and conversion while lowering unit cost to serve.
- Enrolment Services continued to build commercial momentum – Australia and New Zealand expansion has generated secured multi-year contracts and an active institutional pipeline.
- Search & Discovery continued its transition to a more integrated operating model, protecting the recurring listing business while broadening the traffic mix across organic, direct, AI-mediated, paid and social channels.

Key Figures

USDm	**Q2 2026**	**Q2 2025**	**H1 2026**	**H1 2025**
Search & Discovery	10.7	11.6	23.2	24.3
Enrolment Services	5.0	5.9	12.2	12.9
Revenues	15.7	17.5	35.3	37.2
Cost of Services	(1.8)	(1.6)	(4.1)	(3.4)
Gross Profit	13.9	15.9	31.2	33.8
%	88%	91%	88%	91%
Sales & Delivery	(10.0)	(11.8)	(20.8)	(22.6)
Support Functions (Tech & Product)	(2.1)	(2.0)	(4.1)	(3.8)
G&A	(2.5)	(2.8)	(4.9)	(4.9)
SG&A	(14.6)	(16.6)	(29.8)	(31.3)
EBITDA (Adj.)	(0.8)	(0.7)	1.4	2.5
%	(5%)	(4%)	4%	7%
Capex	(1.2)	(1.2)	(2.6)	(2.2)
Special items	(2.6)	(0.3)	(3.2)	(0.9)

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Comments to Q2-26

The Group's revenue for Q2-26 was USD 15.7 million, compared with USD 17.5 million in Q2-25. H1-26 revenue was USD 35.3 million, compared with USD 37.2 million in H1-25. The revenue development reflects lower international enrolment activity in key destination markets. The Group's recurring and repeat revenue base, strong domestic positions and diversified geographic footprint continued to limit the downside relative to the pressure in the underlying markets.

International student recruitment remained affected by visa policy, affordability, compliance requirements and more cautious behaviour by universities. In the UK, search demand remained more resilient than visa and enrolment conversion, reflecting stricter compliance standards and institutions taking a more selective approach to applications from higher-risk source markets. In the United States, prospective student interest remained high, but policy uncertainty, affordability and visa accessibility continued to create friction between initial interest and actual enrolment.

At the same time, domestic recruitment across the Nordics, DACH and the UK remained comparatively stable. The Group also continued to see broader student interest in continental Europe, Australia and New Zealand and selected Asian markets. This diversification is increasingly important because the current correction in the traditional Big Four destinations includes both redistribution of student flows and genuine near-term demand suppression.

Search & Discovery continued to adapt to structural changes in digital discovery. AI-generated summaries and zero-click search have reduced the number of organic visits generated from a given level of student interest. This affects the route to the student but does not remove the value of the Group's trusted brands, programme information, institutional relationships and student audiences. The Group continues to hold strong Google search positions and generate meaningful organic traffic, although at lower absolute traffic volumes than historically seen.

The response reflects an evolution of the listing model rather than replacing it. Keystone is protecting organic visibility while increasing direct traffic, visibility in AI- and LLM-mediated discovery, paid search and social acquisition. Paid investment is intended to scale only where campaign-level contribution, lead quality and customer economics are demonstrably positive. The Group is also improving conversion, student identification and full-funnel attribution so that the value delivered to institutions can increasingly be measured in applications and enrolments rather than traffic alone.

Enrolment Services made important operational progress during the quarter. The first partner went live on the next-generation Enrolment Services Platform in June 2026, and migration of the entire existing partner base is on track for completion by year-end 2026. The platform combines institution-specific knowledge, AI-assisted adviser support, student engagement and propensity capabilities. It is designed to improve student response times and conversion while lowering the unit cost of delivery as deployment expands.

Operational AI is also being integrated into day-to-day delivery. During Q2, the Group launched an AI-assisted student enquiry workflow intended to improve response speed and consistency and allow our student counsellors to focus more time on complex student interactions. Sinc launch, initial response time improved significantly. Accuracy, productivity and student outcomes will continue to be monitored before wider deployment.

Enrolment Services' flexible admissions support service continued to demonstrate demand from universities requiring additional specialist capacity during peak admissions periods or when internal teams are constrained. Since launch, the service has secured contracts with an aggregate value of USD 3.5 million across 26 institutions and achieved a 100% repeat-business rate. The Group is building on this expertise to develop an AI-enabled admissions solution for decision support, case management and compliance.

Expansion in Australia and New Zealand has continued to progress, supported by new secured contracts, competitive wins and a strong active pipeline.

In the agents business we are continuing to innovate in how we support student mobility directly on the ground via our agent business based in Europe and Southeast Asia.

The Group is progressing defined market-entry plans for selected Asian and continental European markets, including market sizing, direct engagement with target institutions and product-fit validation. Further commercial investment will be based on demonstrated customer demand and acceptable delivery economics.

The Group continued executing the cost programme required to align the organisation with the current revenue base. The programme initiated in Q4-25 was expected to deliver approximately USD 6 million of annualised savings. An additional programme initiated in May 2026 affects approximately 75 FTEs and is expected to deliver approximately USD 8 million of annualised savings from January 2027. The actions include organisational simplification, consolidation of acquired teams, platform integration, outsourcing, expansion of the Bangalore Shared Service Centre and lower corporate and support-function costs.

The full benefit of the cost programme was not reflected in Q2-26 because employee consultation periods, handovers and restructuring implementation continue through the second half of 2026. Adjusted EBITDA was therefore approximately negative USD 0.8 million in Q2-26 and positive USD 1.4 million in H1-26. The earnings decline reflects lower gross profit, the timing of the savings and continued investment in selected platform, AI, traffic and geographic initiatives.

Following the end of the quarter, the Group made substantial progress in strengthening its financial flexibility. Before launching the formal written procedure, the Group engaged with a limited number of its largest Bondholders. At the date of approval of these interim financial statements, Bondholders representing more than 50% of the Bonds had confirmed their support for the revised proposal.

The proposal includes a two-year extension of the Bonds' maturity date to 3 February 2031 and up to two optional Payment-in-Kind (PIK) interest periods. Implementation of the proposal is conditional upon the Group receiving USD 10 million in new owner capital by 31 December 2026.

Existing main shareholders and members of management have given support for the equity raise, conditional upon the proposed bond amendments.

Formal approval under the written procedure requires the requisite two-thirds majority and remained outstanding at the date of approval of these interim financial statements. Although neither the written procedure nor the capital raise had been completed, the level and composition of the Bondholder support, the shareholder support and the progress of the equity process give the Board a high degree of confidence in completion.

Once completed, the proposed measures are expected to provide the financial flexibility required to complete the cost programme and execute the Group's strategic priorities. Further information is provided in Note 6.

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Market Outlook

The Group believes that the higher education recruitment market is undergoing a structural reconfiguration that increases the long-term value of trusted, specialist partners. Global participation in higher education continues to grow, while financial pressure on institutions is increasing scrutiny of recruitment return on investment. Competition for domestic and international students is making each successful enrolment, conversion and retention outcome more valuable. At the same time, AI is changing how students discover and evaluate their study journey, while student expectations for speed, personalisation and support are making it increasingly difficult for universities to meet through internal resources alone.

Taken together, these forces are shifting institutional purchasing from traffic and lead volume towards measurable recruitment outcomes, conversion, admissions, compliance and operating efficiency. Universities are under pressure to recruit better-fit students at lower cost, improve conversion and protect compliance performance, while reducing permanent staffing and fragmented technology expenditure.

Keystone is positioned for this environment through a combination of trusted global student reach, extensive cross-institutional search, engagement and enrolment data, embedded recruitment and conversion operations, and long-standing institutional relationships. The Group reaches approximately 100 million students annually and serves approximately 5,000 institutional clients, giving it visibility across the student journey from discovery through application, admissions, conversion and enrolment.

Management expects the international student recruitment market to stabilise and improve over the medium term, but the composition of growth is expected to be broader than before. The traditional Big Four destinations remain important and may recover over time, while continental Europe, APAC, transnational education and domestic recruitment are expected to represent a larger share of opportunity. Keystone's exposure across domestic and international demand pools provides a partial counterbalance to any single policy regime.

The Group's operating plan does not require a rapid return to the 2022–2023 peak in international enrolments. It is designed to restore profitability at the current, lower revenue base, while preserving meaningful upside from market recovery and the continued development of the new demand pools described above. This provides resilience against the timing of policy normalisation without limiting the Group's ability to participate in a broader market recovery.

The Group's strategy is to build on four existing strengths. First, it will strengthen the Search & Discovery marketing business: organic search remains an important source of student traffic, while the acquisition mix is broadened across direct traffic, AI- and LLM-mediated discovery, paid search and social channels, with paid investment governed by measurable campaign-level contribution, conversion and full-funnel attribution.

Second, the Group will scale its Enrolment Services capabilities through the next-generation Enrolment Services Platform. The platform is designed to improve adviser productivity, student engagement and conversion, lower the unit cost of delivery and enable a more scalable operating model across the existing partner base. As the rollout progresses, the platform is expected to support margin recovery and provide a common technology foundation for future service and product development.

Third, the Group will diversify its destination and demand exposure through continued expansion in Australia and New Zealand, selected Asian and continental European markets, domestic recruitment and transnational education. This builds on the Group's existing institutional relationships, source-market infrastructure and early commercial traction in Australia and New Zealand.

Finally, the Group is building on Enrolment Services' existing admissions capabilities to develop an AI-enabled admissions solution for decision support, case management and compliance. The initiative builds on demonstrated demand for our flexible admissions support service and is intended to create a more scalable and recurring offering over time, while reducing the reliance on people-led delivery.

Execution of this strategy is already underway. Following the platform launch announced in Q1-26, the first partner went live on the next-generation Enrolment Services Platform in June 2026, and migration of the entire existing partner base is on track for completion by year-end 2026. AI-assisted workflows are producing measurable improvements in response times and adviser productivity. Enrolment Services' flexible admissions support service has demonstrated repeat institutional demand, and the expansion in Australia and New Zealand has generated secured contracts and an active commercial pipeline. In Search & Discovery, teams have been integrated, the fixed cost base has been reduced, and resources are being reallocated towards a broader and more measurable acquisition mix.

The Group's objective is to emerge from the current transition with a stronger Search & Discovery business embedded in a broader, more recurring, scalable and less channel-dependent marketing and enrolment platform.

Strategic principles:

- Restore sustainable profitability and cash generation at the current revenue base.
- Protect the existing listing and Search & Discovery business while diversifying acquisition channels.
- Move further down the student journey into conversion, admissions, compliance and measurable enrolment outcomes.
- Use proprietary student and institutional data to improve relevance, prediction, automation and attribution.
- Expand selectively across domestic and international demand pools, with capital released against proof.
- Reduce fixed organisational cost and increase operational flexibility through integrated platforms, shared services and AI-enabled productivity.
- Maintain disciplined capital allocation and preserve liquidity through the transition.

Financial Review

These condensed consolidated financial statements comprise Keystone Academic Solutions AS, the bond issuer, and its subsidiaries, collectively referred to as the Group or Keystone Education Group. The consolidated financial statements are presented in US dollars. Unless otherwise stated, amounts in the financial statements are presented in USD thousands, while amounts in the narrative are presented in USD millions. Comparative figures relate to the corresponding period in 2025.

The interim condensed consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and do not include all disclosures required for a complete set of annual financial statements. They should be read together with the consolidated financial statements for the year ended 31 December 2025.

No pro forma adjustments have been made for 2025 or H1-26.

Revenue

The Group's revenue for Q2-26 was USD 15.7 million, a decrease of 10% from USD 17.5 million in Q2-25. Search & Discovery revenue decreased by 8% to USD 10.7 million, while Enrolment Services revenue decreased by 16% to USD 5.0 million.

The decline was concentrated in the Group's two largest destination markets. Revenue from the UK decreased by 11% in the quarter, reflecting weaker international conversion despite comparatively resilient student interest. Revenue from the US decreased by 24%, as policy and visa uncertainty continued to affect international enrolment activity and institutional recruitment spending. Continental Europe and the Nordics were more resilient.

Search & Discovery represented 68% of Group revenue in Q2-26, compared with 66% in Q2-25, while Enrolment Services represented 32%, compared with 34%.

Disaggregation of revenue Q2 2026 and H1 2026

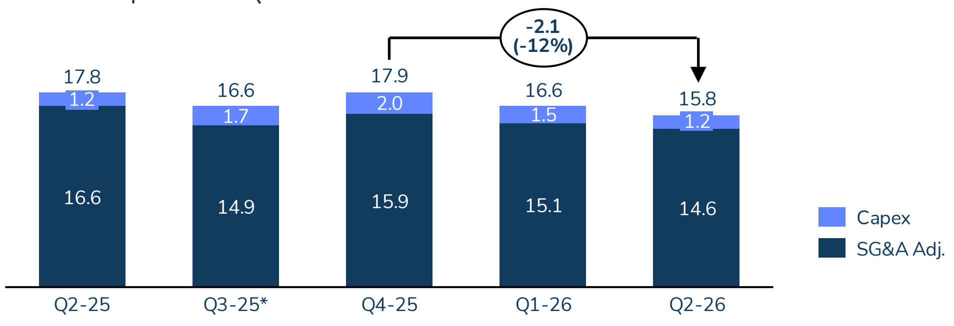
USD thousands	Search & Discovery	Enrolment Services	Q2 2026	Search & Discovery	Enrolment Services	H1 2026
UK	2 157	2 231	4 388	4 687	4 884	9 571
Continental Europe	4 231	18	4 249	8 982	36	9 018
Nordics	2 884	120	3 004	6 432	373	6 805
US	792	1 634	2 425	1 706	3 896	5 602
Other	657	1 000	1 657	1 350	2 961	4 311
Revenue from contracts with customers	10 722	5 002	15 724	23 156	12 152	35 307
Recurring revenues	7 585	2 570	10 155	15 913	5 443	21 356
Re-occurring revenues	3 128	-	3 128	6 639	-	6 639
Total over time revenue recognition	10 713	2 570	13 283	22 552	5 443	27 996
Other revenues	9	2 432	2 441	604	6 708	7 312
Total point in time revenue recognition	9	2 432	2 441	604	6 708	7 312

Disaggregation of revenue Q2 2025 and H1 2025

USD thousands	Search & Discovery	Enrolment Services	Q2 2025	Search & Discovery	Enrolment Services	H1 2025
UK	2 345	2 590	4 935	4 836	5 158	9 994
Continental Europe	4 371	21	4 392	9 324	51	9 375
Nordics	2 979	156	3 134	6 172	390	6 562
US	1 248	1 963	3 211	2 559	4 360	6 919
Other	676	1 191	1 867	1 382	2 985	4 368
Revenue from contracts with customers	11 619	5 920	17 539	24 274	12 945	37 219
Recurring revenues	8 582	2 724	11 306	16 611	5 462	22 073
Re-occurring revenues	2 935	-	2 935	7 112	-	7 112
Total over time revenue recognition	11 517	2 724	14 241	23 722	5 462	29 185
Other revenues	103	3 196	3 298	552	7 482	8 034
Total point in time revenue recognition	103	3 196	3 298	552	7 482	8 034

Operational Cost

Adjusted operating expenses (excluding depreciation and amortisation, special items and non-cash cost related to option programme) amounted to USD 16.5 million in Q2-26, compared with USD 18.3 million in Q2-25. Adjusted SG&A + Capex was USD 15.8 million in Q2-26 compared with USD 17.8 million in Q2-25. The Group increased operational capacity and investments during 2025 in anticipation of market recovery with a peak in cost level in Q4-25. Following weaker-than-expected market conditions, cost optimisation initiatives were initiated in Q4-25 to better align the organisation and cost base with current activity levels. These initiatives are coming through according to plan, reflected in the 2.1 million, or 12%, decline in Adjusted SG&A + Capex from Q4-25.



**Q3 SG&A is typically lower, reflecting the summer holiday period.*

The Group continued implementing organisational simplification, platform consolidation, outsourcing and the expansion of the Bangalore Shared Service Centre. The additional programme announced in May 2026 affects approximately 75 FTEs and is expected to provide approximately USD 8 million of annualised savings from January 2027.

No material savings from the additional programme announced in May 2026 were reflected in Q2-26; these benefits will phase in during the second half of 2026 due to consultation periods, notice periods, handovers and the sequencing of technology and finance migrations.

Special items amounted to USD 2.6 million in Q2-26 and USD 3.2 million in H1-26. The majority relates to restructuring costs connected to the cost programme. The Q1 report estimated approximately USD 3.5 million of restructuring costs associated with the May programme. The favourable variance as of Q2-26 is due to timing.

EBITDA

The Group reported adjusted EBITDA (excluding non-recurring items) of negative USD 0.8 million for Q2-26, compared with negative USD 0.7 million in Q2-25. The adjusted EBITDA margin was -5% in Q2-26, compared with -4% in Q2-25. Despite a 10% decline in revenue and a USD 2.0 million reduction in gross profit, adjusted EBITDA remained broadly stable year on year as the cost programmes reduced adjusted operating expenses by approximately USD 1.8 million.

Capital expenditure was USD 1.2 million in Q2-26, same as Q2-25, but down from USD 1.5 million in the previous quarter. The investments are mainly related to accelerating our work on platform integration and AI, including our next-generation AI-enabled student engagement platform designed to transform how universities connect with, support and enrol students.

We are continuing to invest in future growth and EBITDA margin expansion despite the market headwinds that have short-term effects on Keystone, but with continued disciplined allocation of investment towards scalable products, AI initiatives and revenue-generating capabilities. We are and will continue investing in geographic expansions to further diversify our revenue streams and fuel growth.

Depreciation, amortisation, and impairment

Depreciation and amortisation totalled USD 2.7 million in Q2-26 compared with USD 2.5 million last year. The amount mainly relates to amortisation of acquisition-related intangible assets and depreciation of right-of-use assets and property, plant and equipment. No impairment loss was recognised in Q2-26 or Q2-25.

Net financial items

Finance income amounted to USD 0.8 million in Q2-26, mainly comprising unrealised foreign-exchange gains. The Q2-25 comparative was negative USD 2.9 million following a reclassification between foreign-exchange gains and losses; the reclassification had no effect on net finance costs.

Finance costs amounted to USD 4.4 million in both Q2-26 and Q2-25. In Q2-26, finance costs included USD 2.3 million of interest expense and USD 2.2 million of foreign-exchange losses from revaluations. Interest expense was lower than the USD 3.7 million recorded in Q2-25, when the comparative included higher costs associated with the bond issue.

Profit/loss

The net loss was USD 8.8 million in Q2-26, compared with USD 11.8 million loss in Q2-25.

Cash flow and investments

The Group had a negative operating cash flow of USD 3.0 million in Q2-26, compared with positive operating cash flow of USD 1.4 million in Q2-25.

The variance between the negative operating cash flow of USD 3.0 million and EBITDA (unadjusted) of negative USD 3.4 million in Q2-26 is explained by positive working capital movements of USD 0.9 million and paid income taxes of USD 0.6 million.

Cash outflow from investing activities was USD 1.2 million in Q2-26, broadly unchanged from Q2-25, and mainly related to capitalised research and development.

Net cash flow from financing activities was negative USD 2.2 million, compared with negative USD 2.4 million in Q2-25.. Interest payments amounted to USD 1.9 million in Q2-26, compared with USD 2.1 million in Q2-25.

Funding

Cash and cash equivalents were USD 9.8 million at 30 June 2026, compared with USD 16.2 million at 31 March 2026 and USD 22.9 million at 31 December 2025. Interest-bearing debt was USD 114.0 million at 30 June 2026 (not including IFRS 16 lease liability of USD 4.0 million), resulting in net interest-bearing debt of USD 104.2 million.

Following the end of the quarter, the Group made substantial progress on the proposed equity raise and amendments to the Bond Terms, as described in Note 6. The cash and debt figures at 30 June 2026 do not reflect any equity proceeds or accounting effects arising from the proposed amendments, which had not been completed at the reporting date. Pending formal completion, the Group continues to manage liquidity, working capital and capital allocation carefully.

The Group's financial forecasts remain subject to inherent uncertainties, including market and enrolment trends, customer payment timing, the execution and cash timing of the cost programme, the achievement of investment milestones and completion of the proposed financing measures.

Interim condensed consolidated statement of comprehensive income

USD thousands	Note	Q2 2026	Q2 2025	H1 2026	H1 2025
Revenue					
Net revenue from contracts with customers		15 724	17 539	35 307	37 219
Operating expenses					
Cost of services	3	(1 841)	(1 634)	(4 138)	(3 370)
Personnel expenses		(11 492)	(12 609)	(23 680)	(23 966)
Depreciation and amortisation expenses		(2 645)	(2 470)	(5 397)	(4 764)
Other operating expenses		(3 373)	(3 939)	(6 699)	(7 329)
Total operating expenses		(19 350)	(20 651)	(39 914)	(39 429)
Operating profit ("EBIT"), excluding costs for business combinations and restructuring		(3 626)	(3 112)	(4 607)	(2 210)
Business combinations and restructuring costs		(2 395)	(367)	(2 531)	(902)
Operating profit ("EBIT")		(6 021)	(3 479)	(7 138)	(3 112)

USD thousands	Note	Q2 2026	Q2 2025	H1 2026	H1 2025
Finance income and costs					
Finance income		776	(2 941)	3 871	1 296
Finance costs		(4 351)	(4 391)	(6 873)	(9 617)
Interest, FX, and change in fair value of contingent consideration (earn-outs)		-	62	-	177
Net finance income/(costs)	4	(3 575)	(7 270)	(3 002)	(8 144)
Net profit/(loss) before income tax		(9 596)	(10 749)	(10 140)	(11 257)
Income tax expense		832	(1 105)	341	(1 103)
Profit/(loss) for the period		**(8 764)**	**(11 854)**	**(9 798)**	**(12 360)**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)					
Exchange differences on translation of foreign operations		-	37	-	-
Total comprehensive income/loss		**(8 764)**	**(11 817)**	**(9 798)**	**(12 360)**

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Interim condensed consolidated statement of financial position

USD thousands	Note	30-Jun 2026	30-Jun 2025	31-Dec 2025
Non-current assets				
Intangible assets		168 105	185 791	176 665
Right-of-use assets		3 646	4 525	4 132
Property, plant, and equipment		531	666	636
Other non-current assets		1 187	1 603	1 388
Total non-current assets		173 468	192 585	182 822
Current assets				
Cash and cash equivalents		9 776	43 333	22 885
Trade receivables		13 554	15 221	11 166
Other current assets		6 049	5 609	10 151
Total current assets		29 378	64 163	44 202
Total assets		202 847	256 748	227 024

USD thousands	Note	30-Jun 2026	30-Jun 2025	31-Dec 2025
Equity				
Equity attributable to owners of the company		45 785	76 013	59 538
Non-controlling interests		21	20	(15)
Total equity		45 806	76 033	59 522
Non-current liabilities				
Interest-bearing liabilities		113 985	117 127	117 344
Lease liabilities		3 135	3 939	3 574
Deferred tax liability		8 553	10 373	9 871
Other non-current liabilities		73	4 874	74
Total non-current liabilities		125 747	136 312	130 863
Current liabilities				
Trade payables and other payables		2 561	2 243	4 782
Deferred revenue		17 612	22 386	20 214
Taxes payable		-	1 518	771
Current portion of lease liabilities		884	827	897
Other current liabilities	5	10 237	12 158	9 976
Current contingent consideration liabilities	5	-	5 271	-
Total current liabilities		31 294	44 403	36 639
Total liabilities		157 041	180 715	167 502
Total equity and liabilities		202 847	256 748	227 024

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Interim condensed consolidated statement of changes in equity

USD thousands	Note	2026	2025
Balance at 1 January		59 522	78 374
Comprehensive income/(loss)			
Profit/(loss) for the period		(9 798)	(12 360)
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income/(loss) for the period		(9 798)	(12 360)
Contributions by and distributions to owners			
Treasury shares purchased		(18)	-
Share-based payment transactions		626	3
Total contributions by and distributions to owners		608	3
Other changes to equity			
Translation of equity components		(4 522)	10 021
Other changes		(5)	(4)
Total other changes to equity		(4 526)	10 016
Balance at 30 June		45 806	76 033

Interim condensed consolidated state of cash flows

USD thousands	Note	Q2 2026	Q2 2025	H1 2026	H1 2025
Cash flows from operating activities					
Net profit/(loss) before income tax		(9 596)	(10 749)	(10 140)	(11 257)
Income taxes paid		(570)	(1 587)	(1 208)	(2 688)
Adjustments for:					
Depreciation, amortisation and impairment expenses		2 645	2 470	5 397	4 764
Other net finance items		3 575	7 270	3 002	8 144
Working capital changes:					
Changes in trade receivables, trade and other payables		(1 248)	(880)	(1 535)	1 352
Changes in other operating working capital		2 161	4 877	(1 217)	1 185
Net cash from operating activities		(3 033)	1 401	(5 701)	1 500
Cash flows from investing activities					
Acquisition of equipment		(22)	(59)	(55)	(91)
Capitalised Research & Development		(1 162)	(1 162)	(2 581)	(2 115)
Payment for acquisitions of subsidiaries, net of cash acquired		-	-	-	-
Net cash from investing activities		(1 184)	(1 221)	(2 636)	(2 206)

USD thousands	Note	Q2 2026	Q2 2025	H1 2026	H1 2025
Cash flow from financing activities					
Purchase of treasury shares		(18)	-	(18)	-
Proceeds from borrowings		-	-	-	104 707
Repayments of interest-bearing liabilities		-	-	-	(71 437)
Interest paid on Bonds		(1 879)	(2 111)	(3 946)	(2 111)
Interest paid previous financing arrangements		-	-	-	(3 439)
Principal payment of lease liabilities		(310)	(318)	(622)	(592)
Net cash from/(used in) financing activities		(2 208)	(2 429)	(4 585)	27 128
Net change in cash and cash equivalents		(6 425)	(2 249)	(12 922)	26 422
Effect of exchange rate changes on cash		(11)	2 105	(187)	4 685
Cash and cash equivalents at period start		16 212	43 478	22 885	12 227
Cash and cash equivalents at period end		9 776	43 333	9 776	43 333

Notes to the interim condensed consolidated financial statements Q2-26

KEYSTONE EDUCATION GROUP

1. Company information

The Group provides services to higher education institutions and prospective students, helping students find and connect with the right educational opportunities. Keystone Education Group ("KEG") consists of Keystone Academic Solutions AS (bond issuer) and its subsidiaries. Keystone Academic Solutions AS is a limited liability company incorporated in Norway.

The Company's registered office is at Rolfsbuktveien 4D, 1364 Fornebu, Norway.

The consolidated financial statements of Keystone Academic Solutions AS (referred to as the "Company" or the "Parent Company") incorporates the financial statements of the Company and its subsidiaries, collectively referred to as the "Group".

The following subsidiaries are included in the consolidated financial statements:

Company name	Country of incorporation	Ownership and voting share interest
Keystone Academic Solutions AS	Norway	
Find A Solutions Ltd	UK	100%
Find a University Ltd	UK	100%
Keystone Sports AS	Norway	100%
Keystone Sports GmbH	Germany	100%
Uni-Quest LTD	UK	100%
UniQuest, Inc	USA	100%
Athletes Global Management Sports, S.L.	Spain	100%
Keystone Education Group AB	Sweden	100%
EMG-Educations Media Group AB	Sweden	100%
Blueberry College & Universitet AB	Sweden	100%
Find Courses PRO AB	Sweden	100%
Keystone Group APS	Denmark	100%
Studentum AS	Norway	100%
Kursfinder GmbH	Germany	100%
Keystone Education Group OY	Finland	100%
The Alliance App	UK	68%
Future Elite Sports Ltd	UK	100%
Future Elite Players Ltd	UK	100%
Icon Sports SL	Spain	100%
TarGroup Media GmbH	Germany	100%
Edunation Oy	Finland	100%
Asia Exchange Oy	Finland	100%
Edunation HK Limited	Hong Kong	100%
Asiabroad Limited	Hong Kong	100%
UniQuest conversion services private limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and adopted by the EU. The interim financial statements do not include all of the information and disclosures required for a complete set of financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025. The interim financial statements have not been subject to audit or review.

The interim financial statements are presented in US dollars (USD), unless otherwise stated. As a result of rounding differences, amounts and percentages may not add up to the total.

2.2 Accounting policies and critical accounting estimates

Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025 (available at keg.com/investor-relations).

Critical accounting estimates

The preparation of interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025.

2.3 Going concern and liquidity assessment

The Board has concluded that the going concern basis of preparation remains appropriate. At the date of approval of these interim financial statements, the Group had received support for the revised proposal from a limited number of its largest Bondholders representing more than 50% of the Outstanding Bonds. Formal approval under the written procedure requires the requisite two-thirds majority and remained outstanding.

Implementation of the proposal is conditional upon the Group receiving at least USD 10 million in new owner capital by 31 December 2026. Existing main shareholders and members of management have given support for the equity raise, conditional upon the proposed bond amendments.

In reaching its conclusion, the Board considered the Group's cash-flow forecasts, the percentage and composition of the Bondholder support received, the support from the shareholders, the ongoing process to secure the remaining capital, the expected timetable and the remaining procedural steps.

The Group's cash-flow forecasts assume receipt of the full USD 10 million equivalent capital contribution and the availability, but no assumed exercise, of the optional PIK interest periods. Based on these assumptions and the status of the financing processes, the Board has a high degree of confidence in completion of the proposed financing measures. The Board recognises that completion remains subject to formal Bondholder approval, final documentation and receipt of the full required capital amount. The forecasts indicate that, following completion of the proposed measures, the Group will have the financial flexibility and time required to complete the cost programme and execute the Group's strategic priorities. Further information is provided in Note 6.

3. Cost of services

Specification of cost of services

Cost of services comprises direct costs incurred in delivering customer services, including third-party service costs, hosting, marketing, events and projects, course-related costs and other delivery costs.

USD thousands	**Q2 2026**	**Q2 2025**	**H1 2026**	**H1 2025**
External services	(778)	(332)	(1 557)	(647)
Hosting	(30)	(332)	(66)	(620)
Events and project costs	(34)	(26)	(280)	(355)
Marketing	(248)	(147)	(421)	(298)
Other	(751)	(797)	(1,814)	(1 450)
Total	(1 841)	(1 634)	(4 138)	(3 370)

KEYSTONE EDUCATION GROUP

4. Finance income and costs

Specification of finance income and costs

Other finance income and costs mainly comprise foreign-exchange gains and losses arising from currency translation and remeasurement.

USD thousands	Q2 2026	Q2 2025	H1 2026	H1 2025
Interest income	12	462	18	533
Foreign exchange gains	764	(3 402)	3 854	762
Other finance income	-	(0)	-	-
Finance income	776	(2 941)	3 871	1 296
Interest expense Bonds	(2 204)	(3 552)	(4 318)	(3 552)
Interest expense previous financing arrangements	-	-	-	(3 428)
Other interest expense	(94)	(172)	(185)	(591)
Foreign exchange losses	(2 231)	(198)	(2 369)	(1 159)
Other finance costs	179	(469)	(1)	(887)
Finance costs	(4 351)	(4 391)	(6 873)	(9 617)
Interest, FX, and change in fair value of contingent consideration (earn-outs)	-	62	-	177
Net finance costs	(3 575)	(7 270)	(3 002)	(8 144)

5. Provisions, contingent liabilities, and contingent consideration liabilities from business combinations

At 30 June 2026, KEG has not recognised any contingent considerations (earnouts) or any other consideration liabilities from acquisitions.

6. Subsequent events

After the reporting period, the Group initiated a capital-raise process and prepared a written procedure seeking Bondholder approval for amendments to the terms of its EUR 100 million senior secured bond. The Bonds currently mature on 3 February 2029.

Before launching the formal written procedure, the Group engaged with a limited number of its largest Bondholders. At the date of approval of these interim financial statements, Bondholders representing more than 50% of the Outstanding Bonds had provided support for the proposal. Formal approval under the written procedure requires the requisite two-thirds majority.

The proposal includes extending the maturity date of the Bonds by two years, from 3 February 2029 to 3 February 2031.

The proposal would also permit the Group, at its option, to capitalise interest in respect of up to two specified Interest payment dates rather than paying the relevant interest in cash.

The call price applicable from the original maturity date would be 101.5% of the Nominal Amount and would increase in six-month intervals to 103.0% at final maturity on 3 February 2031. Accrued but unpaid interest would be payable in addition to the applicable redemption price.

Implementation of the proposal is conditional upon the Group receiving at least USD 10 million in new owner capital by 31 December 2026. Existing main shareholders and members of management have given support for the equity raise, conditional upon the proposed bond amendments.

Formal approval under the written procedure and completion of the capital raise remained outstanding at the date of approval of these interim financial statements.

As the proposed financing measures had not been completed at 30 June 2026, no effect from the equity contribution or the proposed amendments to the Bond Terms has been recognised in these interim financial statements.

7. Alternative Performance Measures (APM)

Alternative performance measures, i.e., financial performance measures not within the applicable financial reporting framework, are used by Keystone to provide supplemental information, by excluding items that, in Keystone's view, does not give an indication of the periodic operating results of the Company. Financial APMs are intended to enhance comparability of the results and cash flows from period to period.

APMs used are:

- **Adjusted EBITDA:** Operating profit before depreciation and amortisation, adjusted for business combination and restructuring costs and non-cash share-based payments.
- **Net interest-bearing debt:** Interest-bearing debt less cash and cash equivalents. Only the utilised portion of committed credit facilities is included in the calculation.
- **Pro forma adjustments:** Pro forma means that all acquired entities are reflected in profit and loss with for the whole reporting period, regardless of when they were acquired. We use pro forma numbers to report the underlying organic performance of the business. Please note that there are no pro forma adjustment in 2025 or H1 2026.

Reconciliation of Adjusted EBITDA

USD thousands	Q2 2026	Q2 2025	H1 2026	H1 2025
Operating profit ("EBIT"), excluding costs for business combinations and restructuring	(3 626)	(3 112)	(4 607)	(2 210)
Share-based payments (option programme)	220	(90)	626	(99)
Depreciation and amortisation expenses	2 645	2 470	5 397	4 764
Adjusted EBITDA	(761)	(732)	1 416	2 455

Reconciliation of net interest-bearing debt

USD thousands	Q2 2026	Q2 2025
Interest-bearing debt (Bond loan)	113 985	117 127
Cash and cash equivalents	(9 776)	(43 333)
Net interest-bearing debt	104 209	73 794
Earnout liabilities and vendor loan	-	10 145

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