

Q2

INTERIM REPORT
2024

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KEY FIGURES

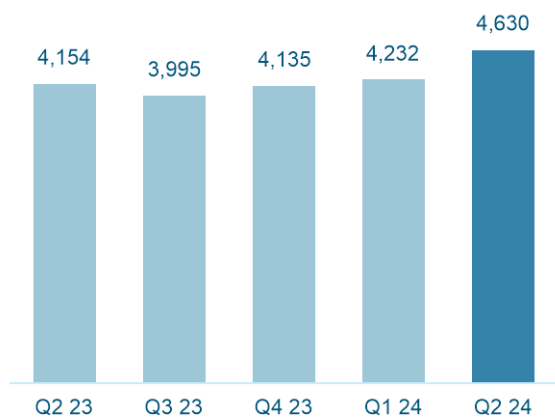
(All figures in NOK million)

	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
Total revenues	4,630.5	4,231.6	8,862.0	4,153.8	3,664.2	7,818.0
EBITDA	536.3	375.2	911.5	376.3	336.4	712.7
EBITDA (%)	11.6 %	8.9 %	10.3 %	9.1 %	9.2 %	9.1 %
EBITDA (excl. IFRS 16)	207.7	67.3	275.0	174.8	80.1	254.8
EBITDA (%)	4.5 %	1.6 %	3.1 %	4.2 %	2.2 %	3.3 %
EBITA	225.1	83.4	308.5	174.2	89.2	263.4
EBITA (%)	4.9 %	2.0 %	3.5 %	4.2 %	2.4 %	3.4 %
EBIT	210.0	66.3	276.2	158.7	75.0	233.6
EBIT (%)	4.5 %	1.6 %	3.1 %	3.8 %	2.0 %	3.0 %
EBT	37.6	(128.0)	(90.4)	68.0	(34.0)	33.9
EBT (%)	0.8 %	-3.0 %	-1.0 %	1.6 %	-0.9 %	0.4 %

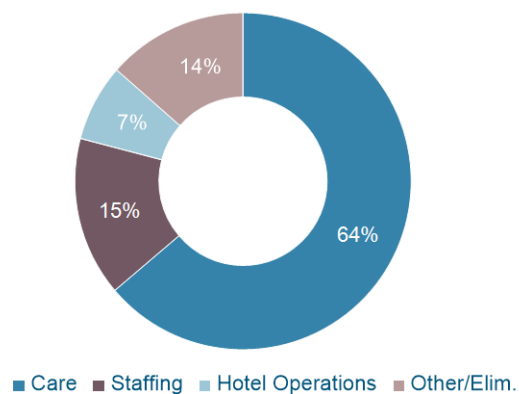
Q2 24 HIGHLIGHTS

- Q2 24 revenues ended at NOK 4,630 million, an increase of NOK 477 million compared to NOK 4,154 million in Q2 23. The growth from last year was primarily driven by the acquisition of Caracap Group (Ferda) in Q1 24.
- Q2 24 revenue growth of 11.5 % compared to Q2 23, and 9.4 % compared to Q1 24.
- Q2 24 EBITA ended at NOK 225 million compared to NOK 174 million in Q2 23.
- All segments except the Staffing segment increased top line and profitability in Q2 24 compared to Q2 23 while Staffing increased topline and profitability in Q2 24 compared to Q1 24.
- In June, Norlandia Health & Care AS successfully placed a senior secured sustainability-linked bond with a tenor of 4 years. The bond consists of a NOK tranche of NOK 1,250 million and a SEK tranche of SEK 1,050 million. The bonds will pay a margin of 550 bps p.a. above NIBOR and STIBOR respectively, and the net proceeds were used to refinance the former bonds
- The current part of loans and borrowings has increased from year-end 2023, due to the bond loan in Norlandia Health & Care Group AS being classified as short-term rather than long-term as it is due in May 2025.
- Increased financial cost in 2024 primarily driven by higher interest and unrealized foreign exchange losses.

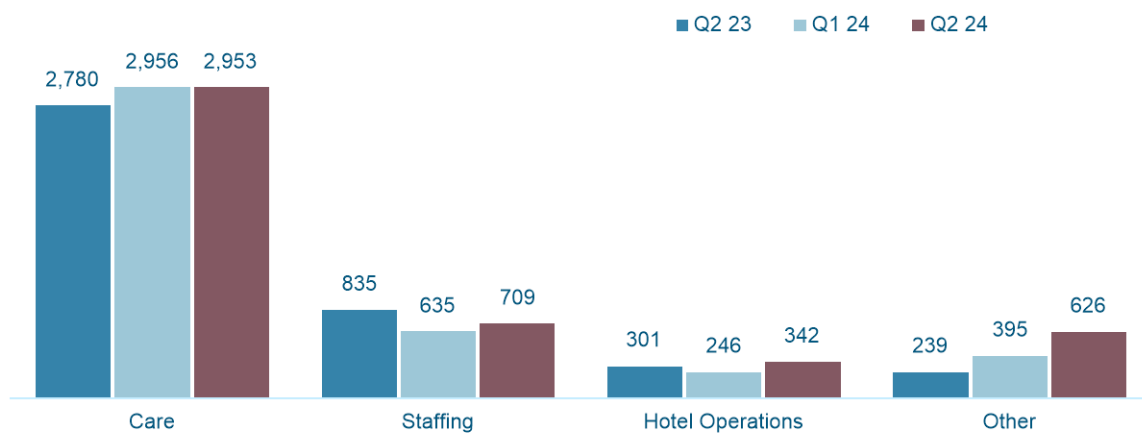
Revenue Per Quarter (MNOK)



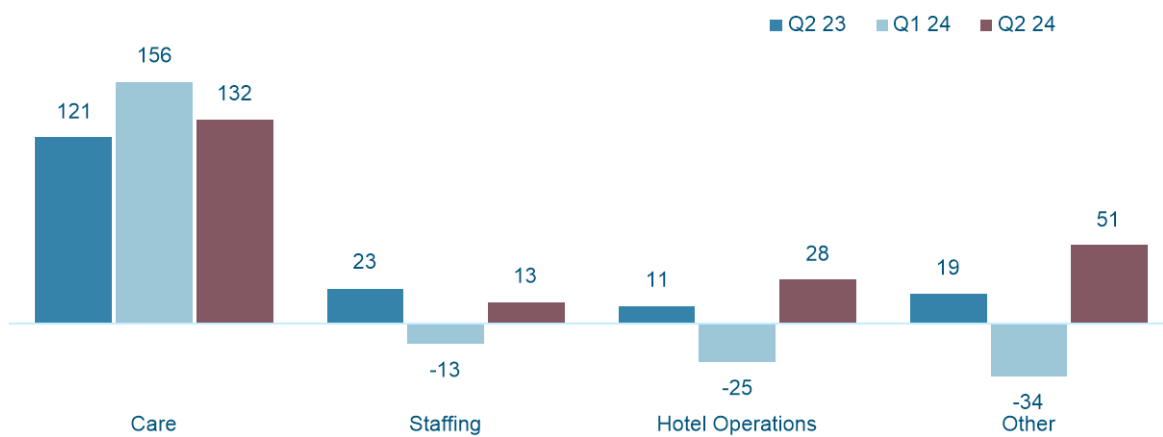
Segment Distribution Q2 24 (%)



Revenue Per Segment (MNOK)



EBITA Per Segment (MNOK)

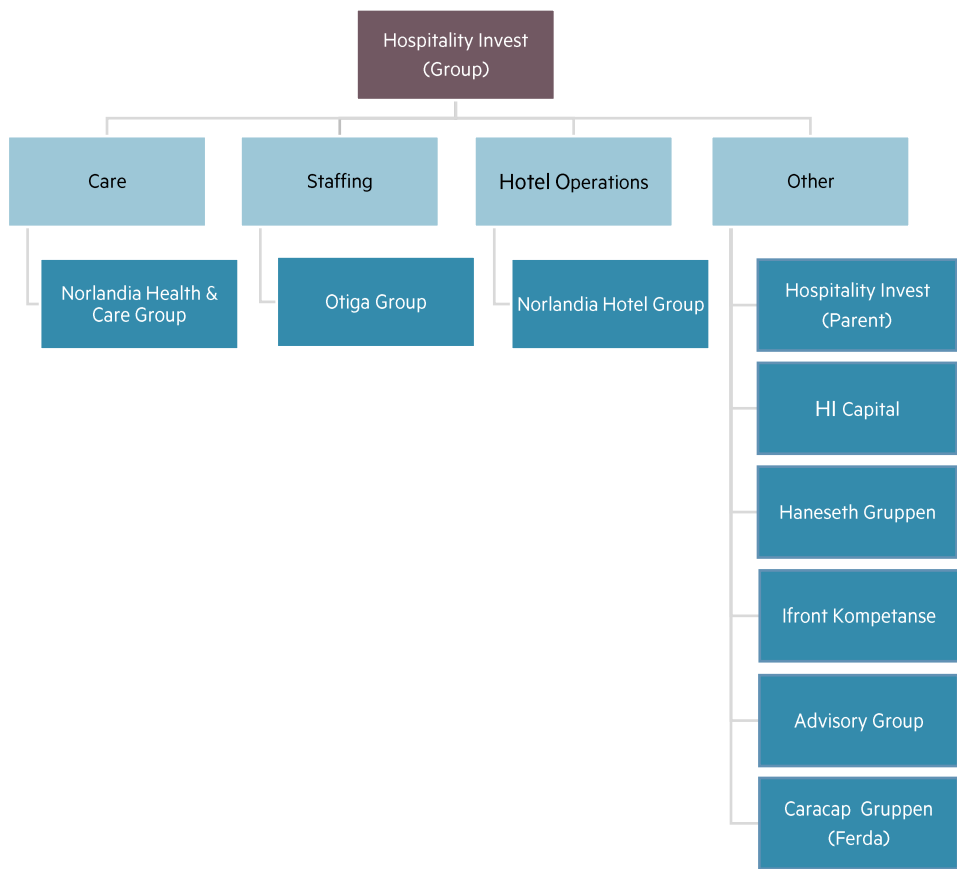


HOSPITALITY INVEST

Hospitality Invest AS is a private investment company with a diversified portfolio within four main segments: Care, Staffing, Hotel Operations and Other. The Company’s main investments are Norlandia Hotel Group AS (“NHG”), Otiga Group AS (“Otiga”) and Norlandia Health & Care Group AS (“NHC”) which includes Norlandia Care Group AS (“NCG”), Hero Group AS (“Hero”), Aberia AS (“Aberia”) and Kidsa Drift AS (“Kidsa”). For further information on each entity in the Group, we refer to the respective companies’ web pages.

GROUP STRUCTURE

The below illustration offers an overview of the four reporting segments in Hospitality Invest and the corresponding legal units which are consolidated in the Group accounts. The illustration shall not be considered as a legal structure.



GROUP ACTIVITIES

Otiga Group

During the quarter, Otiga Group successfully refinanced its debt with Norion Bank, achieving extended maturities and securing a more favourable covenant structure. In relation to this, Hospitality Invest provided a NOK 50 million shareholder loan to Otiga Group 1 July 2024. Additionally, Hospitality Invest has been advancing efforts towards a capital increase in Otiga Group, with a private placement targeting existing shareholders anticipated to close during the second half of 2024. This private placement will facilitate the conversion of the NOK 50 million shareholder loan provided in July 2024 into equity.

FINANCIALS

CONSOLIDATED INCOME STATEMENT PER 30/06/2024

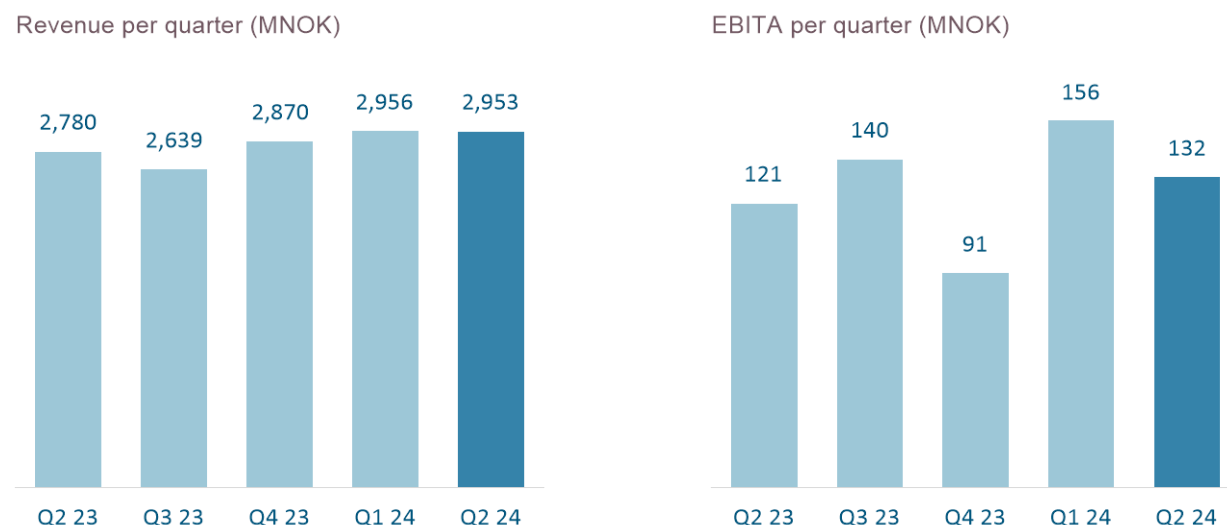
The Group reported total operating revenue of NOK 4,630 million in Q2 24 compared to NOK 4,232 million in Q1 24 and NOK 4,154 million in Q2 23. The growth year-on-year ("YoY") is primarily driven by the acquisition of Caracap Group AS (Ferda), but also driven by organic growth across most segments. EBITA for Q2 24 amounted to NOK 225 million (5%) compared to NOK 83 million (2%) in Q1 24 and NOK 174 million (4%) in Q2 23. Total operating expenses for the Group in Q2 24 ended at NOK -4,094 million. Net finance in Q2 24 ended at NOK -177 million. Net finance was mainly affected by a net interest expense of NOK -206 million. Change in net finance YoY was mainly driven by increased net interest expense. In total, the net profit for Q2 24 ended at NOK 36 million compared to NOK 72 million in Q2 23.

CONSOLIDATED BALANCE SHEET STATEMENT PER 30/06/2024

Total non-current assets ended at NOK 14,919 million per end of Q2 24, of which NOK 7,897 million relates to IFRS 16 and the classification of "Right-of-Use assets". Total equity ended at NOK 1,481 million per Q2 24 compared to NOK 1,709 million at the end of 2023. The cash position of the Group per 30/06/2024 was NOK 601 million. Total non-current liabilities amounted to NOK 9,786 million, including NOK 7,580 million classified as "Lease liability" under IFRS 16. Total loans and borrowings amounted to NOK 5,083 million, mainly consisting of bond loans in Hospitality Invest AS and Norlandia Health & Care Group AS in addition to bank debt in Otiga Group AS and HI Capital AS. The current part of loans and borrowings has increased from year-end 2023, due to the bond loan in Norlandia Health & Care Group AS being classified as short-term rather than long-term as it is due in May 2025. The bond consists of a NOK and SEK tranche as shown in note 10.

BUSINESS SEGMENTS

Care



Revenue for the Care segment ended at NOK 2,953 million in Q2 24 compared to NOK 2,956 million in Q1 24 and NOK 2,780 million in Q2 23. EBITA for Q2 24 ended at NOK 132 million (4.5 %) compared to NOK 156 million (5.3 %) in Q1 24 and NOK 121 million (4.4 %) in Q2 23.

Revenue from the Preschool operations increased year-on-year (“YoY”) and quarter-on-quarter (“QoQ”) mainly generated by growth in Norway, Sweden and Poland, along with price adjustments. EBITA decreased both QoQ and YoY mainly explained by Preschool Norway where legal costs related to the litigation towards Norwegian authorities weakened the overall profitability. The Swedish operations continue to progress and is expected to generate solid profitability going forward as new openings in recent years mature. The International segment (Finland, the Netherlands, and Poland) overall delivered results in line with expectations, along with pleasing top line development through growth in Poland. In June, the Oslo District Court issued a ruling in disfavor of Preschool operations in the litigation towards Norwegian authorities addressing unequal treatment of private and public preschools. Preschool operations have decided to appeal against the decision as it is regarded weakly justified and not adequately addressing the importance of the equal treatment principle which was established in 2003 and reaffirmed by the Supreme Court in 2021. There are limited downsides financially related to the negative outcome compared to the current situation, and Norwegian operations are expected to continue delivering sustainable profitability regardless of the outcome backed by a strong and constructive relationship with most of the municipalities in which Care operate, developed over many years of cooperation. In November 2023, the Ministry of Education and Research proposed changes to the Norwegian Kindergarten Act aimed at securing equal rights and high quality for all children in Norway. The proposal implies comprehensive changes to the sector, both in terms of governance and financing, and involves handing more of the responsibility burden and steering rights to local municipalities. Preschool operations strongly disagree with the proposal and are certain that the proposed changes will increase differences and reduce parent’s freedom of choice, rather than increasing quality. The proposition conflicts with the obtained rights Preschool operations are defending in the lawsuit against the Norwegian authorities.

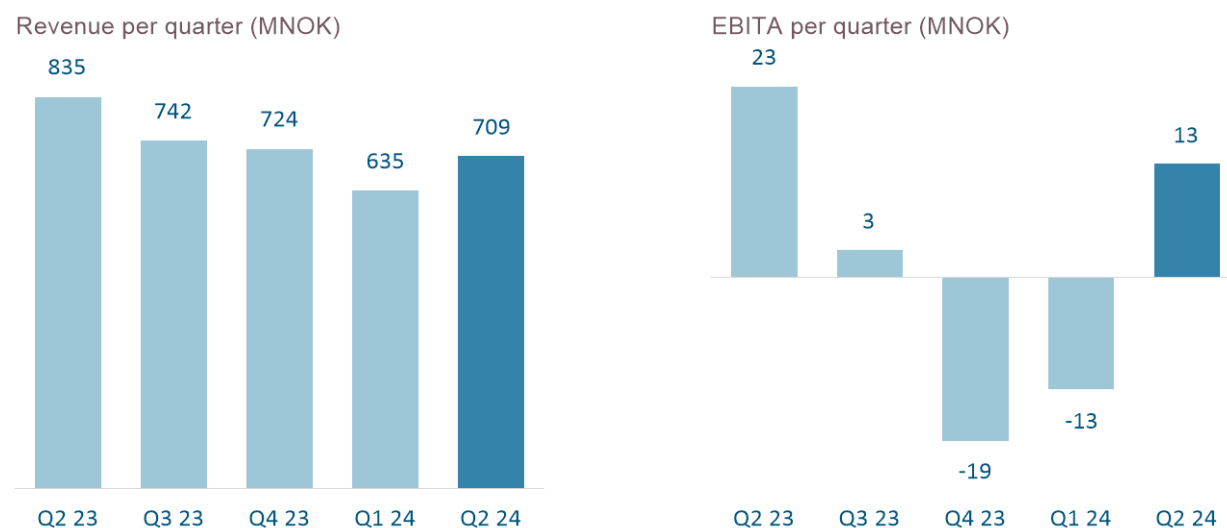
Revenues from the Elderly Care services declined slightly YoY following discontinued operations, partly offset by the start-up of a new own management unit in Q1 24, increased occupancy, and price adjustments, which led to a revenue QoQ increase and YoY increased EBITA. Although steadily improving overall, certain units and sub-segments are still recording unsustainable losses representing a material share of the Elderly Care services total loss. There are ongoing processes related to the losses which aim to be concluded during H2 2024. The share of own management units has increased materially through new openings now accounting for approximately half of the revenue base. It has taken considerably longer than assumed, primarily explained by the pandemic, to reach the required occupancy levels to generate targeted profits levels. When normalized, profit levels within own-management contracts are significantly higher than for ordinary tender contracts. This represents a material improvement potential from current levels for the segment overall. In all markets there is a clear growing demand for elderly care, and in Sweden, the biggest market within Care, this is underlined by Vårdforetagarna’s (private healthcare business organization in Sweden) estimated capacity requirement of 28,000 new places by 2032.

Revenue from the Integration services decreased both QoQ and YoY explained by acute contracts being replaced by long-term ordinary contracts. Although 2022 and 2023 are regarded as peak years, continued high number of arrivals are expected going forward, backed by indications from authorities in both Norway and Germany. Considering the present geopolitical landscape and the number of long-

term ordinary contracts in the current portfolio, along with several contracts recently won and prospects in the pipeline, it is anticipated a strong demand for Integration Services going forward and revenues on a significantly higher level than the irregularly low years 2018 – 2021. Profitability is expected to remain stable as Hero has developed a resilient cost base since the last wave of immigrants in 2015–2016. Lease contracts designed to better match UDI contracts, flexible operating costs such as personnel expenses, and a conservative approach to costs associated with closing of units are amongst the factors that underpin the resilient cost base. The Norwegian and German operations are ready and able to deliver rapid response when needed, as well as high volume quality accommodation services towards the general migration situation. Through proactivity in all markets and backed by the current performances and outlook, Hero is positioned to deliver solid revenues and healthy margins also when the Ukrainian crisis ends. For as long as it takes, Hero will remain a mobilized tool for immigration authorities to host asylum seekers and migrants in a respectful and dignified way.

Revenue from Individual and Family significantly increased YoY while slightly decreasing QoQ mainly explained by organic growth in Norway and price adjustments. The increased EBITA mainly relates to improved underlying profitability within Frösunda Personal Assistance in addition to a NOK 10 million one-off cost negatively affecting the comparison quarter. Despite delivering material improvements, profit levels within Frösunda Personal Assistance are unreasonably low. Over time, the Personal Assistance sector in Sweden has been systematically underfinanced significantly reducing margins to unsustainable levels. The price increase in 2024 came in at only 2.5 % and there are ongoing and intensified discussions to increase the prices back to healthy levels and ensure quality in a challenging sector. Frösunda Disability, on the other hand, delivered another solid quarter on the back of efficient operations and satisfactory occupancy levels. The core operations in Norway, Child Care and Respite Care services, delivered material organic growth YoY and solid profitability. Aberia has grown quickly to now reach an annual turnover of more than NOK 1,200 million. The core operations are of high quality, possess a strong reputation, are profitable and growing, and are expected to generate healthy margins going forward. Both Aberia and Frösunda have performed extensive work to improve internal processes and routines to mitigate risks and strengthen the quality of the operations.

Staffing



Revenue in the Staffing segment ended at NOK709 million in Q2 24 compared to NOK 635 million in Q1 24 and NOK 835 million in Q2 23, representing a decrease in revenue of 9.2% YoY. The largest revenue drops occurred in the Swedish and Finnish operations. There are still some uncertainties regarding future financial development due to mixed signals within the segment. Some companies report prolonged growth cycles in certain sub-segments, such as within blue-collar staffing in Sweden and offshore staffing in Norway.

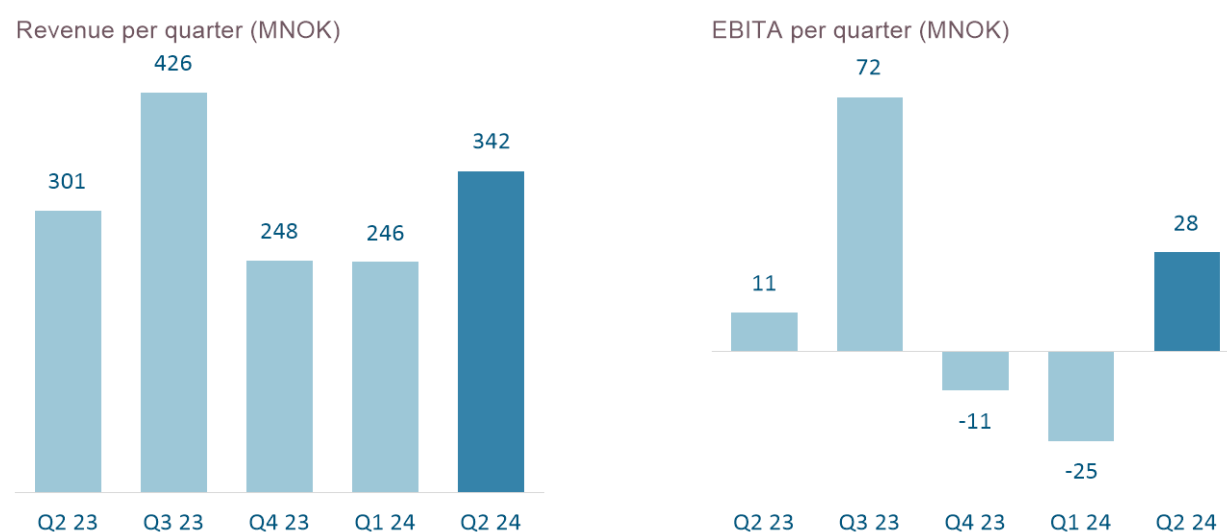
EBITA for the Staffing segment ended at NOK 13 million (1.9 %) in Q2 24 compared to NOK -13 million (-2.1 %) in Q1 24 and NOK 23 million (2.7 %) in Q2 23, increasing QoQ while decreasing YoY. Otiga is still experiencing challenging market conditions across all geographies. Following an identified capital need the Board has successfully concluded an extension of Otiga Groups long-term loan with Norion Bank and securing a more favourable covenant structure. The shareholders have provided funding of NOK 73.5 million during the quarter of which NOK 50 million is expected to be converted to equity in a planned capital increase. The Staffing segment's focus going forward will be on increasing profitability by lowering the cost level within each operating unit as well as reducing overhead cost combined with measures to reduce working capital.

In Q2 2024, the Norwegian operations experienced a QoQ increase, and a YoY decrease, in revenue. The decrease compared to same quarter last year is mainly due to the divestments within the health segment, as well as a general decline within staffing services, mainly in the construction and logistics segment. The EBITA level has increased QoQ and decreased YoY corresponding to the fluctuations in revenue. An action plan for Personalshuset has been initiated during Q2 24 aiming for a considerable annual cost reduction of NOK 17 million, extracting profitability from customer contracts associated with lower margins in the horeca and education segments. Vinde continues its growth journey, steadily increasing its presence as a well-regarded supplier towards larger energy and telecom installations. The company reports of a strengthened pipeline for the coming months. Assessit has a new management in place and a plan to improve its resource allocation, aiming to improve its efficiency.

In Q2 24, the Swedish operations demonstrated increased revenues QoQ and a decrease YoY. The increase in revenue continues in the Swedish segment and is mainly related to a few large customers. The market situation is similar to Norway, where some segments experience growth, while other segments have reduced their spending. The reduction in prices in the overall market is affecting the Swedish operations as well. Thus, the Staffing segment is satisfied with the revenue development, as the Swedish units continue to navigate an uncertain market. The profitability has declined mainly due to a change in the business mix, going from more white-collar towards large blue-collar businesses, combined with increased price pressure. The future development in profitability is dependent on the general market conditions as well as the new Swedish Agency Work Act requiring customer companies to offer permanent employment to temporary personnel from staffing agencies who have been working there for more than 24 months.

In Q1 24, revenue from the Finnish operations saw an increase QoQ and a decrease YoY. The EBITA has decreased QoQ but is in line YoY. The Finnish entities have completed the phase of restructuring and cost saving, particularly directed towards reducing staff and fixed costs, but are in need of increased revenue to reach targets for the year. Folka had a tough start to the year after a series of restructurings and layoffs. The market in Finland is still very challenging, with construction at a standstill and negative consumer and purchase manager expectations for the coming months. The company is now enhancing its' focusing on increasing sales, having restructured the company and reduced its fixed costs.

Hotel Operations



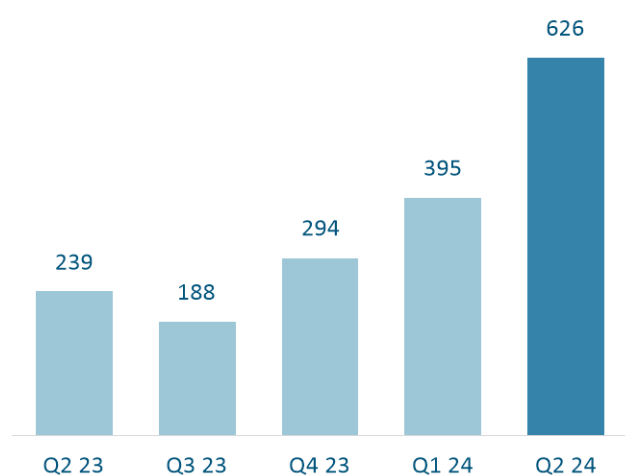
In Q2 24, revenue from the Hotel Operations segment increased QoQ to NOK 342 million from NOK 246 million in Q1 24, and increased YoY from NOK 301 million in Q2 23. Occupancy in the quarter ended at 59% compared to 44% in the previous quarter and 57% in the same quarter last year. Easter was in Q1 this year, but in Q2 last year, impacting revenue to some extent. The majority of the hotels experienced growth compared to last year. April was the month with the most significant increase compared to last year, partly due to the before mentioned Easter, but May and June also ended with a growth in revenue. Over the past year, there has been a strong focus on price optimization through the development of a central revenue function. Resources have been hired to work specifically on always optimizing hotel room pricing. This seems to be yielding positive results, as most hotels are showing better progress in revenue per available room than their respective competitors in the quarter.

In Q2 24, the Hotel Operations segment reported an EBITA of NOK28 million (8.3 %), compared to NOK -25 million (-10.3 %) in Q1 24 and NOK 11 million (3.7 %) in Q2 23. EBITA for the quarter improved both QoQ and YoY. Several of the hotels experiencing strong growth YoY have either fixed rent or a minimum rent they did not exceed last year. As a result, much of the revenue growth at these hotels does not accumulate additional rent, positively impacting the results. The price increase of food and beverage purchases is starting to taper off as the hotels are more successful in increasing their sales prices accordingly. Energy prices are now lower than they have been in a long time and the proportion of costs related to energy consumption has decreased while costs of linens and insurance have increased. A high wage settlement in Norway has significantly increased the average salary within the Hotel operations. However, this has been offset during the quarter by increased room prices. Personnel costs in percentage of revenue have decreased YoY. On 1 June 2024, a new hotel was opened in Tjøme with 73 rooms, 38 rental units. The hotel operations in Tjøme is 50% owned by Up North Hospitality AS and 50% by Rica Eiendom AS. The hotel operates as an independent hotel with a management agreement with Norlandia Hotel Group. During the quarter, renovation of the lobby areas and rooms at Thon Partner Hotel Ullevaal Stadion was also initiated.

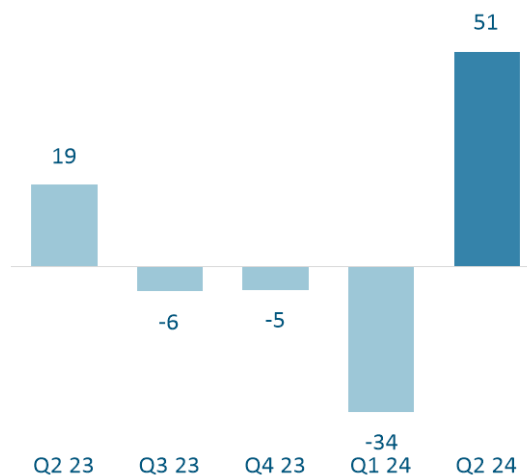
At the end of the quarter, the hotel group consisted of a total of 4,299 rooms, of which 866 rooms have shared ownership with an external party. The pipeline now consists of expansion of approximately 450 rooms spread across existing hotels, with expected openings in 2026.

Other

Revenue per quarter (MNOK)



EBITA per quarter (MNOK)



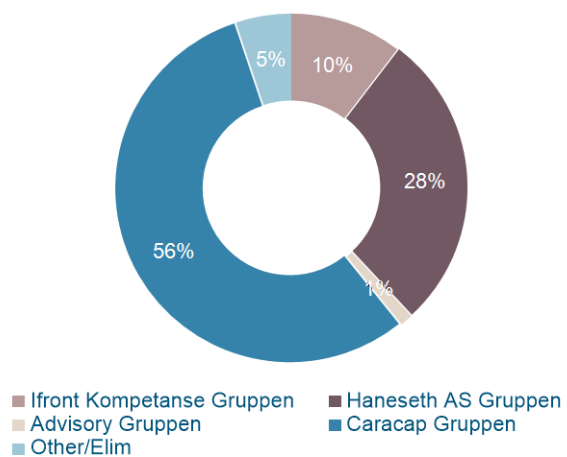
In Q2 24, revenues in the Other segment amounted to NOK626 million, up from NOK 395 million in Q1 24 and NOK 239 million in Q2 23. Notably, Haneseth Gruppen AS contributed NOK 173 million in Q2 24 compared to NOK 178 million in Q1 24 and NOK 155 in Q2 23, maintaining a stable topline and good margins. Caracap Group (Ferda), included in this segment from Q1 24, added NOK 348 million in Q2 24 compared to NOK 138 million in Q1 24. Ifront Kompetanse AS contributed with a revenue of NOK 65 million in Q2 24 compared to NOK 64 million in Q1 24 and NOK 44 million in Q2 23.

EBITA for Q2 24 was NOK 51 million compared to NOK -34 million in Q1 24 and NOK 19 million in Q2 23. There are substantial quarterly fluctuations due to seasonality, especially within Caracap Group (Ferda). The positive effect on EBITA in Q2 24 compared to Q2 23 is primarily driven by the acquisition of Caracap Group (Ferda) from Q1 24, as well as positive development within Ifront Kompetanse.

Haneseth Gruppen AS acquired Real Elektro AS during Q2 24, expanding its presence in the Oslo area.

The associated investments included in the Other segment include e.g. AAP Group AS (50.0%), Winn Hotel Group AB (41.3%), Pioneer Property Group ASA (34.9%), Voss Resort AS (30.6%), Elywhere Group AS (28,4%) and Miliarium Bolig AS (24.2%). These are accounted for as Share of profits of associates in the P&L. Other investments of significance are Norefjell Prosjektutvikling AS (16.7%) and Rana Gruber ASA (6.0%) directly and indirectly through HI Capital AS and LNS Holding AS.

Other Segment Distribution Revenue Q2 24 (%)



OUTLOOK AND MAIN RISK FACTORS

The present geopolitical landscape is undeniably fraught with increased tension and challenges in several areas around the world. Devastating scenes continue to unfold in the Middle East, in addition to the war in Ukraine that now has lasted for two and a half years. UDI prepares for a continued high number of refugees in 2024 and 2025 and considering the highly uncertain geopolitical climate going forward, Hero is mobilized to maintain its position as a central provider of accommodation for refugees being Norway's largest operator of immigration and refugee centres.

The Norwegian Ministry of Finance recently published the report on Long-term Perspectives on the Norwegian Economy (Perspektivmeldingen) 2024, a report addressing the major long-term challenges for the Norwegian economy. The message clearly underlines a fact that is well known; the number of elderly will increase dramatically, implying an accelerated need for new infrastructure and people working within healthcare. With a growing need for innovation to meet future quality requirements, it is clear that the factually known and upcoming challenges cannot be handled solely by the public sector. The same demographic development is largely expected in most of Western Europe including Sweden, by far the biggest market within elderly care, and Finland, where the Care segment has grown significantly recent years. Although the political climate has been challenging for private providers of elderly care, there is a shifting narrative where cooperation, diversity and freedom of choice comes before political ideology.

The Hotel Operations segment expects stable conditions going forward. By the end of the quarter, booking numbers for the rest of the year are at a higher level than both last year and the year before. The weak Norwegian krone, combined with increased demand for cooler climates, makes Norway and Sweden attractive to the international market. A more stabilized economy also ensures that the domestic market remains strong. During the pandemic, followed by high inflation, several hotel projects were put on hold. As a result, the supply of new hotel capacity in several destinations is lower than before. Only a few of our destinations will see new hotel capacity added in the coming years, which allows the local markets at each destination the opportunity for maturation and organic growth.

The Staffing segment is expecting a more promising development the upcoming quarters, having finished restructuring in Sweden, Norway and Finland. The future overall market conditions remain somewhat uncertain, with a large number of competitors in Norway guiding lower results and planning for layoffs in the upcoming three months. In Sweden there is uncertainty regarding the new directive requiring companies to offer permanent employment to temporary workers from staffing agencies who have been employed at the company for a period of over two years. In Finland the overall macroeconomic situation and thus the overall level of activity will be crucial to achieve the targets set for the remainder of the year. The Group looks for an upturn in key segments in Norway and Sweden for the industry and energy sector in 2H 24.

Political risk is a notable factor with the potential to significantly impact service delivery methods. In Norway, the Care segment faces political uncertainties as the new government plans a public inquiry into non-profit operating models within private welfare. The Group mitigates exposure to political and market shifts by diversifying across services, countries, and municipalities.

USE OF ALTERNATIVE PERFORMANCE MEASURES (APM)

Alternative Performance Measures (APM) are performance measures not within the applicable financial reporting framework (IFRS). Financial APMs are intended to enhance comparability of financial performance over time and are frequently used by analysts and investors.

The Group uses the following APMs:

EBITDA is operating profit before depreciation, amortization and impairment charges.

EBITDA % is EBITDA divided by revenue.

EBITA is operating profit before depreciation.

EBITDA excl IFRS 16 is operating profit before depreciation, amortization and impairment charges adjusted for IFRS 16 effects.

EBITDA % excl IFRS 16 is EBITDA divided by revenue adjusted for IFRS 16 effects.

EBIT is operating profit after depreciation, amortization and impairment charges.

EBIT % is EBIT divided by revenue.

EBT is operating profit after depreciation, amortization, impairment charges and finance.

EBT % is EBT divided by revenue.

The reported numbers are included in the financial statements and can be directly reconciled with official IFRS line items. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods.

STATEMENT FROM THE BOARD OF DIRECTORS

The interim financial statements are, to the best of our knowledge and based on our best opinion, prepared in accordance with applicable accounting standards and the information provided in the financial statements give a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period. The financial report provides an accurate view of the development, performance and financial position of the Company and the Group and includes a description of the key risks and uncertainties the Group is faced with.

Oslo, 22 August 2024

Board of Directors of Hospitality Invest AS

Kristian A. Adolfsen
Chairman of the Board

Roger Adolfsen
Member of the Board

Johnny R. Sundal
Member of the Board

FOR MORE INFORMATION:

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TICKER CODES:

Hospitality Invest has issued a bond loan with the following name:
Hospitality Invest AS 22/25 FRN FLOOR C, ISIN: NO0012708165
Ticker: HOIN03 (the bond was listed on Oslo Stock Exchange in June 2023)

Other bond loans in the Group listed on Oslo Stock Exchange are:

Norlandia Health AS 21/25 FRN Floor C
Ticker: NHCG01 ESG

Norlandia Health AS 21/25 FRN SEK Floor C
Ticker: NHCG02 ESG

This report was released for publication on 22 August 2024.

GROUP FINANCIAL STATEMENT

CONDENSED CONSOLIDATED INCOME STATEMENT

(All figures in NOK million)

	Notes	Q2 24	YTD 24	Q2 23	YTD 23	FY 23
Operating income						
Revenue		4,628.5	8,843.1	4,140.3	7,799.7	15,870.4
Other operating income		1.9	18.9	13.5	18.3	77.7
Total operating income	4	4,630.5	8,862.0	4,153.8	7,818.0	15,948.1
Operating expenses						
Raw materials and consumables used		460.2	807.2	253.6	495.6	1,003.7
Personnel expenses		2,989.5	5,929.9	2,886.0	5,438.6	11,071.0
Other operating expenses		644.4	1,213.5	637.8	1,170.9	2,249.7
EBITDA	4	536.3	911.5	376.3	712.7	1,623.7
Depreciation		311.2	603.0	202.1	449.4	1,095.3
EBITA	4	225.1	308.5	174.2	263.4	528.4
Amortization	5	15.1	32.3	15.6	29.7	149.4
EBIT		210.0	276.2	158.7	233.6	379.0
Finance						
Net finance	6	-176.9	-366.0	-108.7	-249.4	-665.1
Share of post-tax profits of associates		4.6	-0.6	18.0	49.7	51.7
Profit before income tax		37.6	-90.4	68.0	33.9	-234.3
Income tax	8	-2.0	-1.5	4.3	6.1	-16.5
Profit\loss (-) for the period		35.6	-91.9	72.3	40.1	-250.8
Proti/loss for the period attributable to:						
Equity holders of the parent company		17.2	-84.2	63.6	33.6	-218.5
Non-controlling interests		18.5	-7.8	8.7	6.5	-32.3

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All figures in NOK million)

	Notes	Q2 24	YTD 24	Q2 23	YTD 23	FY 23
Other comprehensive income						
Profit/loss (-) for the period		35.6	-91.9	72.3	40.1	-250.8
Changes in pension liabilities		-	-	-	-	10.6
Deferred tax related to these items		-	-	-	-	-3.0
Items that will not be reclassified to profit and loss		35.6	-91.9	72.3	40.1	-243.2
Currency translation differences		-11.2	-3.9	4.7	38.4	30.4
Items that are or may be subsequently reclassified to profit and loss		-11.2	-3.9	4.7	38.4	38.0
Total comprehensive income for the period		24.4	-95.9	77.0	78.5	-212.8
Attributable to						
Equity holders of the parent company		6.3	-86.9	71.9	68.7	-183.4
Non-controlling interest		18.1	-8.9	5.1	9.8	-29.4
Total comprehensive income for the period		24.4	-95.9	77.0	78.5	-212.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All figures in NOK million)

ASSETS

	Notes	30/06/2024	31/12/2023
Non-current assets			
Deferred tax assets		123.3	124.2
Goodwill	9	3,580.8	3,588.4
Intangible assets	9	759.0	787.1
Property, plant & equipment		1,366.4	1,151.5
Right-of-use assets		7,897.2	7,526.3
Investment in associated companies		700.6	741.3
Loan to associated companies		74.2	46.8
Other investments		208.9	241.4
Other long-term receivables		209.1	224.9
Total non-current assets		14,919.4	14,432.0
Current assets			
Inventories		454.0	84.1
Trade and other receivables		2,117.0	2,089.0
Market based investments		92.4	94.5
Cash and cash equivalents		601.0	752.8
Total current assets		3,264.5	3,020.4
Total assets		18,183.9	17,452.4

CONDENSED CONSOLIDATED BALANCE SHEET STATEMENT

(All figures in NOK million)

EQUITY AND LIABILITIES

	Notes	30/06/2024	31/12/2023
Equity			
Share capital		24.3	24.3
Own shares		-0.1	-0.1
Other equity		1,314.4	1,513.7
Equity attributable to owners of the parent		1,338.6	1,538.0
Non-controlling interest		142.5	171.1
Total equity		1,481.1	1,709.0
Liabilities			
Pension liabilities		6.0	5.7
Deferred tax liability		121.1	123.4
Loans and borrowings	10	2,078.7	4,186.2
Lease liability		7,580.1	7,204.1
Total non-current liabilities		9,786.0	11,519.3
Trade and other payables		2,962.8	2,827.9
Loans and borrowings	10	3,004.1	475.4
Lease liability		946.5	897.6
Taxes payable		3.4	23.1
Total current liabilities		6,916.9	4,224.1
Total liabilities		16,702.9	15,743.4
Total equity and liabilities		18,183.9	17,452.4

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

(All figures in NOK million)

	Q2 24	YTD 24	Q2 23	FY 23
Cash flow from operating activities				
Profit for the year	35.7	-91.9	72.3	-250.8
Depreciation and amortisation	326.4	635.3	217.6	1,244.6
Share of post-tax profits of associates	-4.6	0.6	-18.0	-51.7
Net gain/loss from sale of assets	-1.9	-18.9	-13.4	-77.7
Changes in fair value of market-based investments	1.6	1.9	8.1	24.6
Interest income / Interest expense	176.9	366.0	90.7	665.1
Income tax expense	2.0	1.5	-4.3	16.5
Change in working capital				
Changes in trade and other receivable and other current assets	-25.8	-8.8	-102.0	-571.1
Increase in inventories	1.2	-370.0	-5.6	-10.2
Increase in trade and other payables and other current liabilities	7.0	83.5	151.6	380.2
Increase in provisions and employee benefits			-	8.4
Net cash flow from operating activities	518.6	599.2	396.9	1,377.9
Income taxes paid	-3.6	-19.7		-20.4
Net cash flow from operating activities	515.0	579.5	396.9	1,357.5
Cash flow from investing activities				
Purchase property, plant and equipment	-56.7	-214.8	-33.0	-282.4
Investment in shares in subsidiaries	-54.1	40.7	-	62.7
Proceeds from sale of assets	-	-	-	60.3
Investment in shares in other companies	31.3	32.5	-21.0	-82.9
Interest received	6.0	12.5	10.6	58.6
Loans to associated companies	60.6	-8.4	-35.0	93.9
Financial receivables	64.7	-11.5	64.6	32.8
Net cash flow from investing activities	51.8	-149.0	-13.9	-57.1
Cash flow from financing activities				
Proceeds from long-term borrowings from finance institutions	37.1	141.7	-140.0	10.1
Payment of long-term loan to finance institutions			50.1	-172.9
Change in short-term loan to finance institutions	-142.3	170.8	-	322.5
Payments of lease liability - amortization	-328.7	-636.5	-261.4	-918.9
Interest paid	-133.7	-261.4	-103.4	-462.7
Distribution to non-controlling interest	-	-	-	12.9
Repayment of current bond	-	-	-	-657.4
Proceeds from non-current bonds	-	-	-	501.4
Net cash flow from financing activities	-567.6	-585.4	-454.7	-1,365.0
Changes in cash and cash equivalents				
Net change in cash and cash equivalents	-0.9	-154.9	-71.8	-64.6
Effects of changes in exchange rates on cash	4.6	3.0	-2.9	31.4
Cash and cash equivalents at the beginning of period	597.2	752.8	893.3	786.1
Cash and cash equivalents at end of period	601.0	601.0	818.6	752.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All figures in NOK million)

	Notes	Share capital	Own shares	Share premium	Retained earnings	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
Balance as of 31-December-22		20.4	-0.1	171.9	1,294.2	12.7	1,499.2	224.5	1,723.7
Profit					-218.5		-218.5	-32.3	-250.8
Other comprehensive Income					4.7	30.4	35.1	2.9	38.0
Total comprehensive Income		-	-	-	-213.8	30.4	-183.4	-29.4	-212.8
Capital increase		3.9		296.4			300.3		300.3
Distribution to non-controlling interest					13.2		13.2	-0.3	12.9
Effect from acquisition and sale of subsidiary					-108.9	17.7	-91.2	-23.8	-115.0
Total contributions and distributions		3.9	-	296.4	-95.7	17.7	222.2	-24.1	198.1
Balance as of 31-December-23		24.3	-0.1	468.3	984.7	60.7	1,538.0	171.1	1,709.0
Balance as of 1-January-24		24.3	-0.1	468.3	984.7	60.7	1,538.0	171.1	1,709.0
Profit					-84.2		-84.2	-7.8	-91.9
Other comprehensive Income						-2.8	-2.8	-1.2	-3.9
Total comprehensive Income		-	-	-	-84.2	-2.8	-86.9	-8.9	-95.9
Dividend							-		-
Capital increase							-		-
Effect from acquisition and sale of subsidiary					-48.7	-63.7	-112.4	-19.7	-132.1
Total contributions and distributions		-	-	-	-48.7	-63.7	-112.4	-19.7	-132.1
Balance as of 30-June-24		24.3	-0.1	468.3	851.9	-5.8	1,338.6	142.5	1,481.1

NOTES

1. GENERAL

The consolidated financial statements of Hospitality Invest AS comprise the company and its subsidiaries, collectively referred to as the Group. The Group operates within markets that involve certain operational risk factors. The Group is further exposed to risk that arise from its use of financial instruments. The various companies within the Group are systematically working to mitigate and manage risk on all levels. The Annual report for 2023 offers additional description of the Group's objectives, policies and processes for managing those risk elements and the methods used to measure them.

2. BASIS FOR PREPARATION

The condensed interim financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not include all the information required for complete annual consolidated financial statements and should be read in conjunction with the financial statements of the Group for 2023. They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS® Accounting Standards as adopted by the EU. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies and methods of computation are the same as those described in the Annual consolidated financial statements 2023. The condensed interim financial statements have not been subject to an audit by the independent auditor.

BUSINESS COMBINATION UNDER COMMON CONTROL

In Q1 2023 Norlandia Health & Care Group AS acquired control over Frösunda Omsorg AB ("Frösunda") including its parent company Brado AB ("Brado"), which was defined as a business combination under common control.

There is currently no specific guidance on accounting for common control transactions that involve the transfer of control over one or more businesses under IFRS Standards, as IFRS 3 Business Combinations does not address the appropriate accounting for business combinations under common control. In the absence of specific guidance, the Group has developed and selected an appropriate accounting policy using the hierarchy described in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Considering relevant facts and circumstances for common control transactions management has chosen to apply a method broadly described as predecessor value method. The principles of predecessor value method are that assets and liabilities of the acquired entity are stated at predecessor carrying values, and fair value measurement is not required. No new goodwill arises in predecessor value method. Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in retained earnings, see note 11.

A prospective presentation method is applied, where the acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

3. ADDITIONAL ACCOUNTING PRINCIPLES

Share of post-tax profits from associates is reported as an financial item and on a separate line in the consolidated income statement.

4. REVENUE, EBITDA AND EBITA BY SEGMENT

The Group has identified operating segments in accordance with the reporting requirement in IFRS 8. Based on the legal structure and the internal reporting the reportable segments are; "Care", "Staffing", "Hotel Operations" and "Other". The segment "Other" consists of the Parent company Hospitality Invest and the majority of HI Capital's investments, including several diversified investments.

NOK million	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
Revenue by segment						
Care	2,953.4	2,955.6	5,908.9	2,779.5	2,484.4	5,264.0
Staffing	708.6	635.2	1,343.8	834.6	739.6	1,574.2
Hotel Operations	342.3	246.3	588.6	300.8	197.8	498.6
Other	626.1	394.5	1,020.7	238.8	242.3	481.2
Total	4,630.5	4,231.6	8,862.0	4,153.8	3,664.2	7,818.0

NOK million	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
EBITDA by segment						
Care	377.1	397.5	774.6	340.9	321.5	662.4
Staffing	19.5	-6.6	12.9	32.5	9.7	42.2
Hotel Operations	63.1	9.9	73.1	-17.1	3.2	-13.9
Other	76.6	-25.6	50.9	20.0	2.0	22.0
Total	536.3	375.2	911.5	376.3	336.4	712.7

NOK million	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
EBITDA by segment (excl. IFRS 16)						
Care	122.8	139.6	262.4	109.7	111.6	221.3
Staffing	12.1	-12.0	0.1	25.4	4.4	29.7
Hotel Operations	24.8	-27.7	-2.9	18.4	-32.3	-13.9
Other	48.0	-32.6	15.4	21.3	-3.7	17.6
Total	207.7	67.3	275.0	174.8	80.1	254.8

NOK million	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
EBITA by segment						
Care	132.4	156.5	288.9	121.2	123.2	244.4
Staffing	13.5	-13.3	0.2	22.6	3.6	26.1
Hotel Operations	28.4	-25.3	3.1	11.0	-32.7	-21.7
Other	50.8	-34.5	16.3	19.4	-4.9	14.5
Total	225.1	83.4	308.5	174.2	89.2	263.4

5. AMORTIZATION

Primarily relates to amortization of excess values in Otiga Group AS and Norlandia Health & Care Group AS.

6. NET FINANCE

The finance income and loss is presented as a net amount in the profit and loss statement whereas the split is shown in the table below. The non-realized currency effect mainly relates to the bond issued in SEK, and has a direct impact on the P&L. As the Group has net investments in SEK, this P&L effect is partially offset by a corresponding opposite effect through Currency translation differences in the Statement of Comprehensive income.

NOK million	Q2 24	Q1 24	YTD 24	Q2 23	Q1 23	YTD 23
Net Finance						
Interest income	6.0	6.5	12.5	10.6	9.5	20.1
Interest expenses	-212.2	-196.3	-408.5	-144.9	-158.9	-303.8
Net realized currency effects	17.1	-10.8	6.3	18.8	-13.9	4.9
Other finance income	19.5	10.5	30.0	22.8	32.2	55.0
Other finance expenses	-7.4	0.9	-6.4	-16.0	-9.6	-25.6
Total	-177.0	-189.1	-366.1	-108.7	-140.7	-249.4

7. FINANCIAL COVENANTS

The Group is in compliance with the covenants set out in all the Bank loan and Bond Agreements of the Group. Detailed calculation of the covenant metrics is provided in the chapter presenting the financial statement of the parent company Hospitality Invest. Norlandia Health & Care Group AS remains in compliance with the covenants set out in their Bond Agreement. Detailed calculation of the covenant metrics is provided in Q2 23 Financial Reports of Norlandia Health & Care Group AS.

8. TAX CALCULATIONS

Calculation of income tax is estimated on quarterly basis but the estimates are adjusted at year-end when final tax calculations are made and presented in the annual accounts.

9. INTANGIBLE ASSETS

Intangible assets were NOK 759 million at 30/06/2024, compared to NOK 787 million at 31/12/2023. This primarily relates to excess value on customer contracts and trademark, generated through the various acquisitions.

10. BOND LOANS IN THE GROUP

The Group had three bond loans issued in the market as per end of this quarter. The bonds are listed on the Oslo Stock Exchange. For more information, please visit www.euronext.com.

Bond Loans	Maturity	Currency	Amount (million)
Hospitality Invest AS	10/2025	NOK	700
Norlandia Health & Care Group AS	05/2025	NOK	1,130
Norlandia Health & Care Group AS	05/2025	SEK	1,102

The bond in Norlandia Health and Care Group AS is due in May 2025, and is therefore per Q2 2024 classified as short-term. The existing bond was called and fully repaid in July, please see note 12.

12. EVENTS AFTER BALANCE SHEET DATE

Hospitality Invest provided a NOK 50 million shareholder loan to Otiga Group 1 July 2024. Additionally, Hospitality Invest has been advancing efforts towards a capital increase in Otiga Group, with a private placement targeting existing shareholders anticipated to close during the second half of 2024. This private placement will facilitate the conversion of the NOK 50 million shareholder loan provided in July 2024 into equity.

Norlandia Health & Care AS have successfully placed a senior secured sustainability-linked bond with a tenor of 4 years. The bond consists of a NOK tranche of NOK 1,250 million and a SEK tranche of SEK 1,050 million. The bonds will pay a margin of 550 bps p.a. above NIBOR and STIBOR respectively, and the net proceeds were used to refinance the former bonds in July 2024.

In July, Norlandia Health & Care Group increased the credit limit of the short-term overdraft facility by DnB from NOK 350 million to NOK 500 million.

Oslo, 22 August 2024

Board of Directors of Hospitality Invest AS

Kristian A. Adolfsen
Chairman of the Board

Roger Adolfsen
Member of the Board

Johnny R. Sundal
Member of the Board

FINANCIAL STATEMENT FOR THE PARENT COMPANY

INCOME STATEMENT

(Amounts in NOK million)

	Note	Q2 24	YTD 24	Q2 23	YTD 23	FY 23
Operating income						
Revenue	3	8.6	8.6	7.4	7.8	18.5
Total operating income		8.6	8.6	7.4	7.8	18.5
Operating expenses						
Personnel expenses		-4.3	-9.6	-3.1	-7.8	-16.4
Other operating expenses		-2.9	-5.2	-1.8	-4.7	-9.5
EBITDA		1.4	-6.2	2.5	-4.8	-7.4
Depreciation		-0.2	-0.4	-0.3	-0.5	-1.3
Operating profit (EBIT)		1.2	-6.6	2.2	-5.3	-8.7
Finance						
Finance income	1	0.8	-4.4	1.2	1.4	76.5
Finance costs	1	-21.5	-43.0	-19.6	-37.2	-79.5
Profit before income tax		-19.6	-54.0	-16.1	-41.0	-11.7
Income tax		-	-	-	-	-28.7
Profit for the period		-19.6	-54.0	-16.1	-41.0	-40.4

BALANCE SHEET STATEMENT

(Amounts in NOK million)

ASSETS

	Note	30/06/2024	31/12/2023
Non-current assets			
Deferred tax asset		18.0	18.0
Machinery and equipment		2.0	3.3
Investments in subsidiaries		1,808.4	1,808.4
Investment in associated companies		196.7	190.1
Loans to group companies		-	-
Investment in shares		1.9	22.3
Other receivables		3.3	16.2
Total non-current assets		2,030.2	2,058.3
Current assets			
Accounts receivables		9.4	6.2
Other receivables	2	79.3	84.9
Cash and cash equivalents		43.3	67.8
Total current assets		132.0	158.9
Total assets		2,162.2	2,217.1

BALANCE SHEET STATEMENT

(Amounts in NOK million)

EQUITY AND LIABILITIES

	Note	30/06/2024	31/12/2023
Equity			
Share capital		24.3	24.3
Own shares		(0.1)	(0.1)
Share premium reserve		468.3	468.3
Other equity		846.2	900.3
Total equity		1,338.8	1,392.9
Liabilities			
Non-current liabilities			
Bonds		700.0	700.0
Liabilities to financial institutions		2.9	3.2
Total non-current liabilities		702.9	703.2
Current liabilities			
Trade creditors		(0.1)	1.9
Bonds		20.1	20.3
Other short-term liabilities		100.4	98.8
Total current liabilities		120.4	121.0
Total liabilities		823.3	824.3
Total equity and liabilities		2,162.1	2,217.1

NOTES

1. FINANCE INCOME AND FINANCE COST

Finance income comprises of dividend from other investments and group contributions received while finance cost is interest paid on bond loan.

2. GROUP RECEIVABLES AND SHORT-TERM DEBT TO GROUP COMPANIES

Group receivables of NOK 70 million is group contribution. Other short-term liabilities of NOK 100 million are liabilities to group companies.

3. REVENUES

Revenue consists of management fees to other Group companies and invoicing of shared costs.

FINANCIAL COVENANTS (Unaudited)

(Amounts in NOK thousand)

	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23
CASH AND CASH EQUIVALENTS > MNOK 30					
Hospitality Invest	43.3	58.8	67.8	31.8	42.9
Total cash and cash equivalents	43.3	58.8	67.8	31.8	42.9
BOOK EQUITY > MNOK 550					
Equity	1,338.9	1,358.4	1,392.9	1,420.3	1,437.0
Book Equity	1,338.9	1,358.4	1,392.9	1,420.3	1,437.0

GROUP WEB PAGES

PARENT & SUBSIDIARIES

Hospitality Invest AS
www.hospitalityinvest.no

Norlandia Heath & Care Group AS
www.nhcgroup.no

Haneseth Gruppen AS
www.haneseth.no

Otiga Group AS
www.otigagroup.com

Norlandia Hotel Group AS
www.norlandiahotelgroup.no

Ifront Karriere AS
www.ifront-karriere.no

ASSOCIATED COMPANIES

Pioneer Property Group ASA
www.pioneerproperty.no

Voss Resort
www.vossresort.no

Elywhere AS
www.elywhere.com

Ferda AS
www.ferda.no

Miliarium Bolig AS
www.miliarium.no

Norefjell Ski & Spa AS
www.norefjellskiogspa.no

Winn Hotel Group AB
www.winn.se

Hvalsafari AS
www.whalesafari.no

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