

# NHC Group Report Q3 24



# CONTENT

<b>KEY FIGURES</b>	<b>3</b>
<b>Q3 24 HIGHLIGHTS</b>	<b>3</b>
<b>NORLANDA HEALTH &amp; CARE GROUP AS</b>	<b>5</b>
<b>FINANCIALS</b>	<b>6</b>
<b>GROUP FINANCIAL STATEMENT</b>	<b>17</b>
<b>FINANCIAL STATEMENT FOR THE PARENT COMPANY</b>	<b>28</b>
<b>GROUP WEB PAGES</b>	<b>31</b>

# Key figures

NHC Group

Unaudited, in NOK million	Q3 24	Q2 24	YTD 24	Q3 23	Q2 23	YTD 23	FY 23
Revenues & income	2,849.5	2,953.4	8,758.5	2,638.5	2,779.5	7,902.5	10,772.2
EBITDA	406.7	377.1	1,181.3	362.7	340.9	1,025.1	1,366.2
EBITDA (%)	14.3 %	12.8 %	13.5 %	13.7 %	12.3 %	13.0 %	12.7 %
EBITA	147.2	132.4	436.2	139.7	121.2	384.1	475.6
EBITA (%)	5.2 %	4.5 %	5.0 %	5.3 %	4.4 %	4.9 %	4.4 %
EBIT	138.5	123.5	407.6	131.8	112.7	359.9	434.2
EBIT (%)	4.9 %	4.2 %	4.7 %	5.0 %	4.1 %	4.6 %	4.0 %
EBT	(38.0)	8.8	(18.3)	9.7	18.6	25.7	(47.0)
EBT (%)	-1.3 %	0.3 %	-0.2 %	0.4 %	0.7 %	0.3 %	-0.4 %
EBITDA - adjusted for IFRS 16	137.2	122.9	407.7	131.4	108.4	352.6	457.5
EBITA - adjusted for IFRS 16	106.2	95.2	323.8	107.8	85.7	285.3	364.9

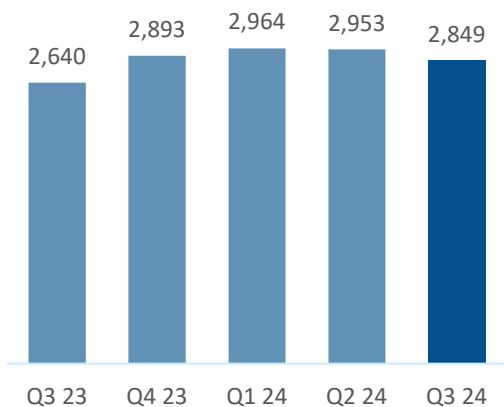
Figures are reported including effects from IFRS 16. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

Adjusted Revenue, EBITDA, EBITA, EBIT and profit before tax, adjusted for the effects from IFRS 16.

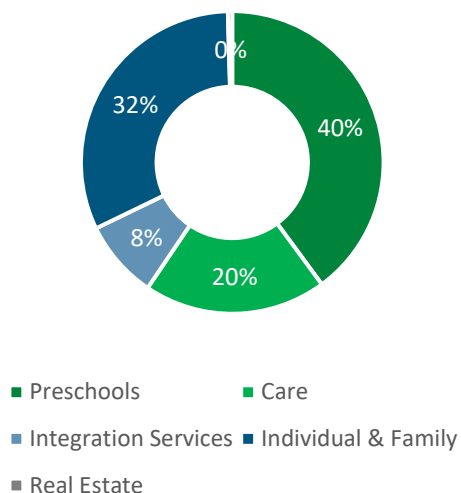
## Q3 24 Highlights

- Q3 2024 revenues of NOK 2,850 million, a growth of 8 % YoY, explained by growth within Preschools and Individual & Family, offset by Integration Services (shift from acute to long-term ordinary contracts)
- Q3 2024 EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 137 million, and adj. EBITA of NOK 106 million
- Preschools delivered an adj. EBITDA of NOK 49 million, up 11 million YoY, mainly explained by a general price increase
- Care generated an adj. EBITDA of NOK 3 million, up NOK 12 million YoY, and delivering improvement as expected as we see the effects from multiple ongoing initiatives and steady increase in occupancy
- Integration Services delivered an adj. EBITDA of NOK 23 million, down NOK 21 million YoY, which is in line with expectations as the portfolio has shifted from acute contracts to long-term contracts
- Individual & Family generated an adj. EBITDA of NOK 71 million, up NOK 21 million YoY, following solid operational performances by all three sub-segments on top of negative one-offs affecting the comparison quarter
- Real Estate delivered an adj. EBITDA of NOK 1 million following a quarter with lower activity, down NOK 15 million YoY
- In June, NHC 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

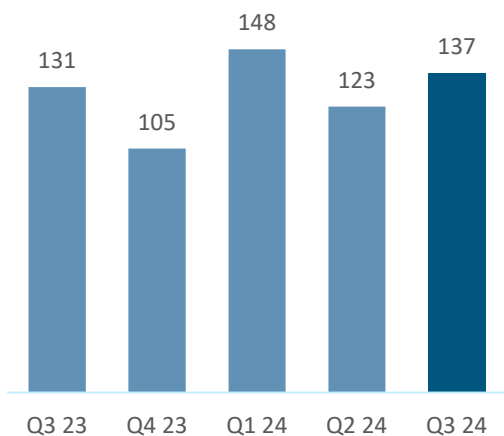
### ADJ. REVENUE PER QUARTER (MNOK)



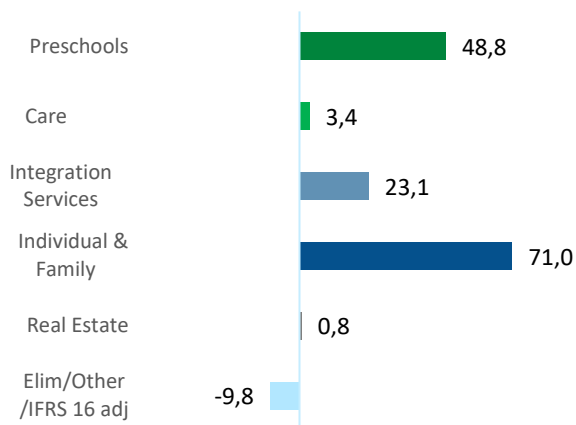
### SEGMENT DISTRIBUTION Q3 24 (%)



### ADJ. EBITDA PER QUARTER (MNOK)\*



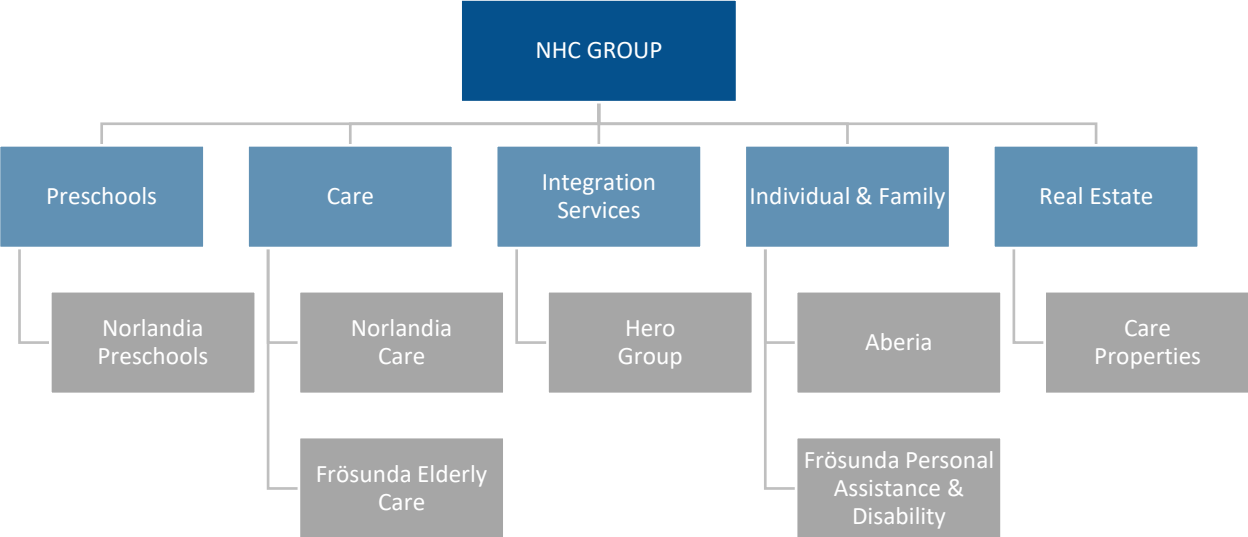
### ADJ. EBITDA DISTRIBUTION Q3 24 (MNOK)\*



\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24

# Norlandia Health & Care Group AS

NHC is a leading Nordic provider of care services operating within the following segments; Preschools, Care, Integration Services, Individual & Family and Real Estate. The Group has operations in Norway, Sweden, Finland, Poland, the Netherlands and Germany. Below is a simplified overview of the Group’s reporting structure and the operating companies within each segment. This should not be regarded as a legal structure for the Group. For further information on each segment, we refer to the 2023 Annual Report and the respective subsidiaries’ web pages.



# Financials

## CONSOLIDATED INCOME STATEMENT AND CASH FLOWS

The Group reported consolidated revenues and income of NOK 2,849.5 million in Q3 24, an 8.0 % increase YoY, mainly explained by organic growth within Individual & Family. EBITA for the quarter amounted to NOK 147.2 million, up from NOK 139.7 million in Q3 23, mainly explained by improved profitability within Care and Individual & Family.

Net financial items amounted to NOK -176.1 million for Q3 24, reflecting interest expenses of NOK 113.2 million on mainly borrowings, interest related to capitalized leasing of NOK 58.1 million, interest income of NOK 1.6 million, and net unrealized currency loss of NOK 5.9 million.

Profit/(loss) before taxes amounted to NOK -38.0 million for Q3 24, down from a profit/(loss) before taxes of NOK 9.7 million one year prior. Adjusted for IFRS 16 effects, profit before taxes came in at NOK -20.5 million for the quarter, down from NOK 29.5 million in Q3 23.

Thus, the net effect of IFRS 16 amounted to NOK 17.0 million for Q3 24, reflecting depreciation charges of NOK 228.4 million and finance charges of 58.1 million. This was offset by reduced leasing expenses of NOK 269.2 million. See APM section for more details.

Net cash inflow from operating activities in Q3 24 was NOK 326.2 compared to an inflow of NOK 72.9 million in the same quarter last year, mainly driven by less working capital.

Net cash flow from investing activities resulted in an outflow of NOK 22.0 million in Q3 24, compared to an outflow of NOK 11.7 million in Q3 23, mainly explained higher investments in property, plant and equipment. Maintenance capex amounted to NOK 25.8 million in Q3 2024, while the remaining investments related to growth initiatives mainly within the Real Estate segment.

Net cash outflow from financing activities amounted to NOK 266.7 million in Q3 24, compared to an outflow of NOK 153.9 million in Q3 23. The outflow this quarter is mainly explained by lease payments of NOK 208.6 million, and cash interest expenses, including lease liability related interest expenses and finance fees, of NOK 128.5 million.

The Group generated total cash flows of NOK 37.6 million for Q3 24.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER 30 SEPTEMBER 2024

As of 30 September 2024, the Group had total non-current assets of NOK 11,837.1 million, an increase of NOK 334.6 million from year-end 2023. The increase is mainly explained by higher right-of-use assets which was NOK 6,730.1 million as of 30 September 2024 compared to NOK 6 548.2 million at year-end 2023.

Cash and cash equivalents amounted to NOK 252.3 million on 30 September 2024, down from NOK 346.0 million on 31 December 2023. The Group has a short-term overdraft facility of NOK 500.0 million with DNB, and as of 30 September 2024, NOK 238.8 million was drawn, compared to NOK 289.7 million at 31 December 2023.

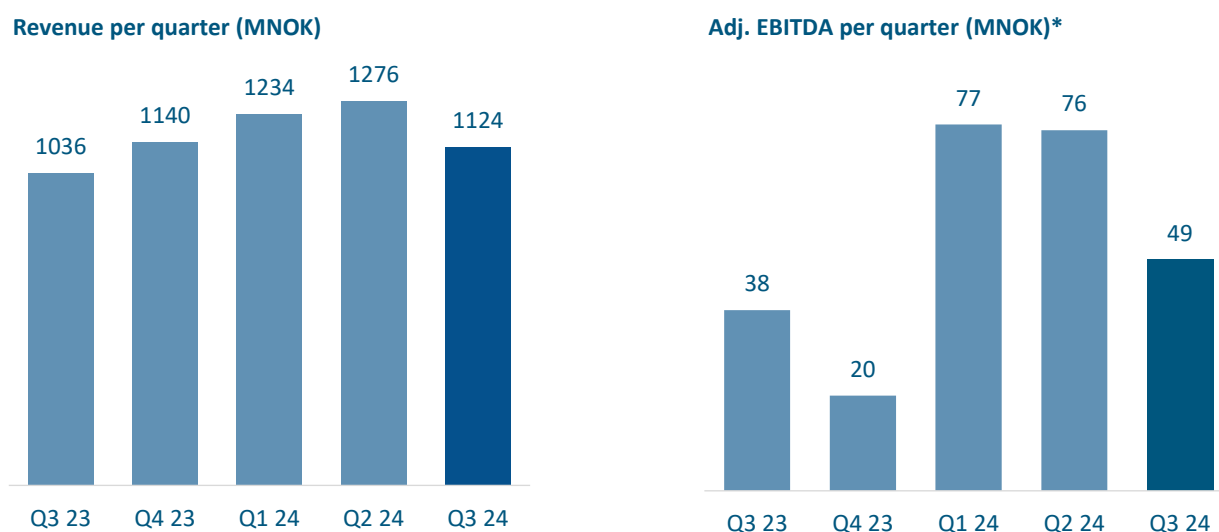
Total assets amounted to NOK 13,229.1 million at the end of Q3 24 compared to NOK 13,133.4 at year-end 2023.

Total non-current liabilities as of 30 September 2024 amounted to NOK 9,508.9 million, including NOK 6,482.0 million classified as "Lease liabilities" under IFRS 16. Borrowings amounted to NOK 2,711.4 million, an increase of NOK 93.7 million from year-end 2023. In June, NHC 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, and the net proceeds were used to refinance the former bonds in July 2024. Refer to note 8 for more information.

Per 30 September 2024 the Group's total equity amounted to NOK 942.2 million compared to NOK 943.5 million at year-end 2023.

## BUSINESS SEGMENTS

### Preschools



\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24

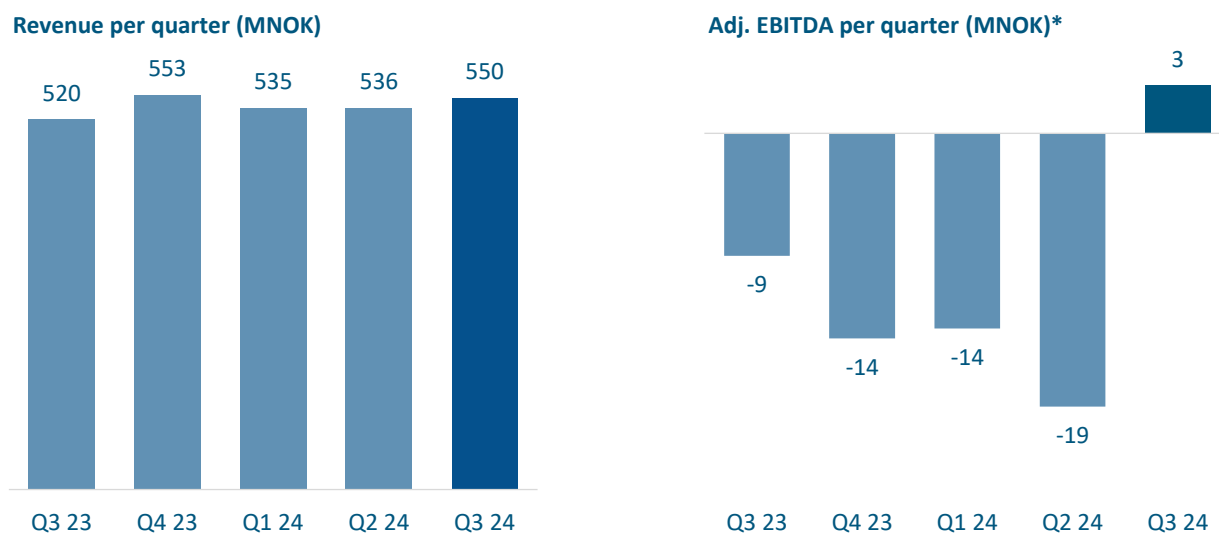
The third quarter of 2024 generated revenues of NOK 1,124 million, up from NOK 1,036 million in Q3 23. The 8 % increase YoY mainly related to growth in Sweden and Poland, along with price adjustments. The revenue reduction compared to Q2 24 is explained by seasonality in Norway and Sweden, where there is no parent pay in July.

The segment reported an adj. EBITDA of NOK 49 million in Q3 24, up NOK 11 million YoY, explained by improvements in Sweden and within the international segment (Finland, the Netherlands, and Poland). We are content with the segment's overall development and should see improvements going forward through catch-up effect on grants in several countries along with further ramp-up of new units. Overall demand is expected to increase, as the majority of our preschools are located in urban and newly built areas, which is favorable given the strong and continued urbanization trend.

In June, the Oslo District Court ruled against us in our case challenging Norwegian authorities on the unequal treatment of private and public preschools, stating that the Ministry of Education has full discretion over equal treatment definitions and leaving municipalities responsible for any legal issues. We find this stance problematic and have appealed, as the ruling lacks sufficient justification and undermines the equal treatment principle upheld since 2003. Regardless of the final outcome, we expect no negative impact for our Norwegian operations. In November 2023, the Ministry of Education proposed changes to the Kindergarten Act, aimed at securing equal rights and high quality for all children in Norway. We believe the proposal will increase disparities and limit parental choice, potentially reducing quality in the sector. Financially, however, we expect sustainable profitability going forward regardless of the proposition, backed by a strong and constructive relationship with the majority of the municipalities in which we operate, developed over many years of cooperation.

As of 30 September 2024, Norlandia Preschools operates 429 units. Of these, 32 units are owned 50% and operated by Wekita (Germany), which is consolidated in the Group as an associated company, and hence not reflected in the segment figures above.

## Care



\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24

The Care segment reported revenues of NOK 550 million in Q3 24, compared to NOK 520 million in Q3 23. Revenues increased following start-up of a new own management unit in Q1 24, increased occupancy, and price adjustments. Growth YoY was partially offset by discontinuation of loss-making units.

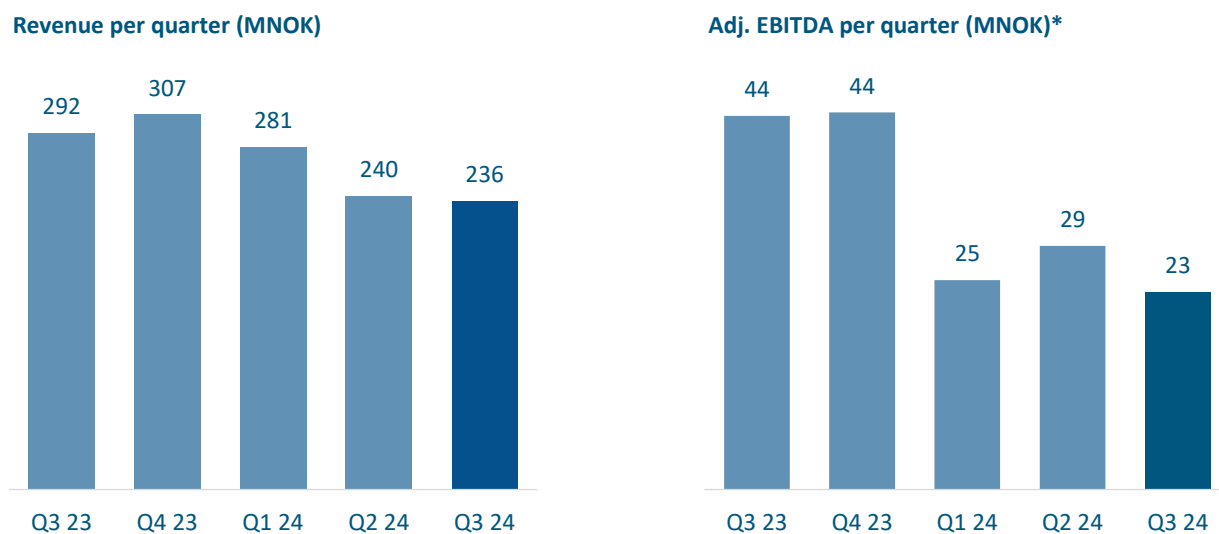
In Q3 24, Care reported an adj. EBITDA of NOK 3 million, up NOK 12 million YoY, mainly explained by increased occupancy, price adjustments, discontinuation of loss-making units and our ongoing efficiency and profitability initiatives. The segment delivered improved EBITDA for the fourth consecutive quarter and is gradually moving in the right direction now, seeing more effects of the continuous work on multiple ongoing actions. We are confident that Care will show positive numbers from 2025 and onwards, backed by recent underlying development and future demand outlook.

Since 2020, 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 EBITDA levels. When normalized, however, margins 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.

We remain confident that the long-term fundamentals for Care are strong. In all our markets there is a clear growing demand for elderly care, and in Sweden, our biggest market within Care, this is underlined by Vårdföretagarna's (Private Health business organization in Sweden) estimated capacity requirement of 28,000 new places by 2032. Further, we positively regard Kommunal's (Sweden's largest trade union) acknowledgement of the Swedish welfare crisis, hereunder discarding the previously stated ambition of zero profits within welfare, underlining the need for private and public cooperation to ensure quality. In the Norwegian market we experience a higher tender activity going forward and the municipality of Oslo launched 4 new tenders during the 2H 24.



## Integration services



\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24

Integration Services generated revenues of NOK 236 million and adj. EBITDA of NOK 23 million in Q3 24, down YoY explained by acute contracts being replaced by long-term ordinary contracts.

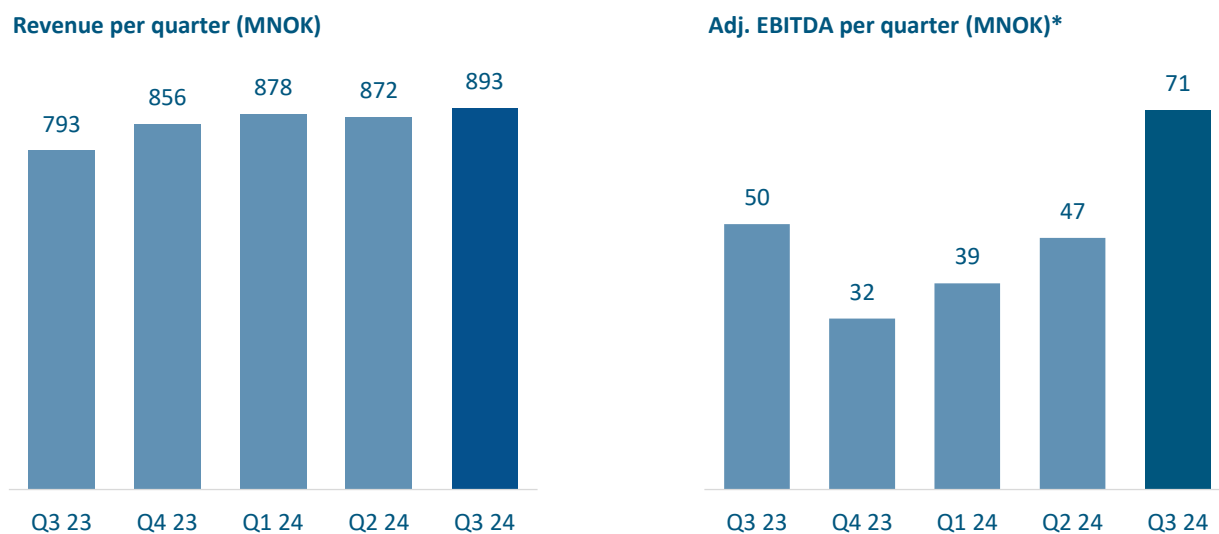
Although 2022 and 2023 are regarded as peak years, we expect continued high activity going forward as UDI is planning for arrivals next year approximately on the same level as in 2024. Through new openings and won tenders recent quarters, Hero has a strong portfolio of long-term ordinary reception centers providing capacity to meet future demand. Although the segment operates in an environment where long-term demand varies, we strongly believe revenues to remain at levels significantly higher than the irregularly low years 2018 – 2021.

EBITDA is expected to remain robust 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, proven through efficient closing of multiple acute units the last years, are amongst the factors that underpin the resilient cost base.

Our Norwegian and German operations are ready and able to rapid response when needed, as well as high volume quality accommodation services towards the general migration situation. Both of which we are currently witnessing. We foresee an underlying long-term strengthened trend as more and more people are fleeing, politics have become more positive, and the EU will be tougher on how the unfortunate burden is to be shared. Through proactivity in all our markets and backed by the current performances and outlook, Hero is positioned to deliver solid revenues and healthy profitability also when the Ukrainian crisis ends. As everyone else, Hero intensely wishes for the brutalities in Ukraine to end. 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.

Our Interpretation services are rapidly growing and achieving new milestones due to winning new tenders. With technology driving new opportunities, the competitive landscape is constantly evolving. We are closely monitoring these changes and remain a key player in this dynamic market.

## Individual & family



*\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24*

The Individual & Family segment generated revenues of NOK 893 million in Q3 24, up NOK 100 million YoY mainly explained by organic growth in Norway and price adjustments.

In Q3 24, a seasonally strong quarter, the segment recorded an adj. EBITDA of NOK 71 million, up NOK 21 million YoY. The increased EBITDA is related to solid development within all three sub-segments.

Aberia, the Norwegian operations, continue to grow organically and provided increased EBITDA YoY. Established in 2010, Aberia has grown to now reach an annual turnover of more than NOK 1,300 million. The core operations are strong on quality and reputation, EBITDA and growing, and should generate healthy EBITDA going forward.

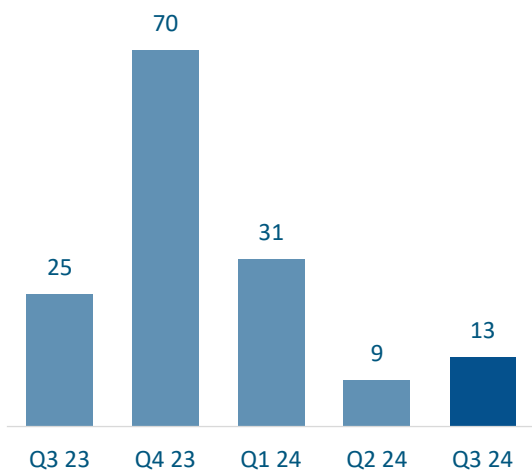
Disability care delivered improved EBITDA YoY on the back of high operational efficiency along with satisfactory occupancy levels. The sub-segment has generated strong EBITDA consistently over time and has a promising outlook in terms of top-line and EBITDA development through an increasing pipeline of new units.

Personal assistance delivered significantly increased EBITDA YoY owing to efficiency improvements. Although progressing well in a challenging climate, profit levels within 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 % while 3.0 % is announced for 2025. There are ongoing and intensified discussions to increase the prices back to healthy levels and ensure quality in a challenging sector

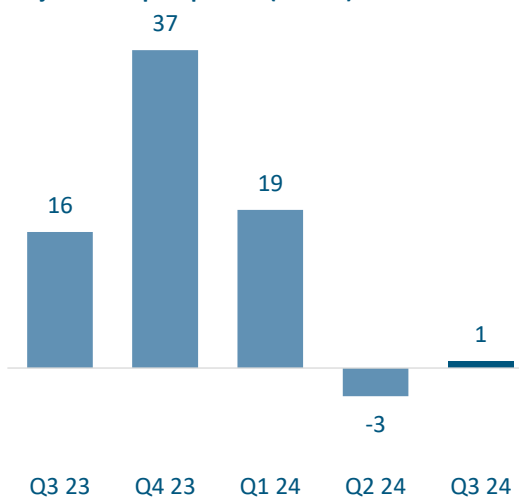
Both Aberia and Frösunda have performed extensive work to improve internal processes and routines to mitigate risks and strengthen the quality of our operations. Aberia's personal assistance was subject to inspection by the Swedish Health and Social Care Inspectorate (IVO) in 2022, which resulted in a retained license for Aberia and thus continued operations. Currently, there are no ongoing inspections of our operations.

## Real Estate

Revenue per quarter (MNOK)



Adj. EBITDA per quarter (MNOK)\*



\*Measurement performance indicators are changed from adj. EBITA to adj. EBITDA as of Q3 24

The Real Estate segment recorded revenues of NOK 13 million in Q3 24, with an adj. EBITDA of NOK 1 million.

On a quarterly basis, EBITDA within the Real Estate segment fluctuates depending on the timing of transactions. In Q4 2023, NHC signed an LOI with a total sales volume of NOK 120 million. Parts of the LOI were closed during Q4 23 and the remainder is expected to be closed in the coming quarters. Additionally, ongoing development projects and currently owned assets of more than NOK 600 million indicate further potential going forward.

With a growing need for services within welfare, we observe a strong demand for social infrastructure provided through our Real Estate division. The number of elderly people is increasing, and the current capacity is significantly lower than the future requirements. Existing infrastructure especially within Care and Preschools in the mature markets is aging and needs to be replaced by new modern buildings suited to provide high quality welfare services. NHC Real Estate has a well-diversified pipeline with both long- and short-term projects, including existing concepts and innovative property projects.

The overall market for commercial real estate has been heavily challenged recently with significant yield increases across real estate segments. Increasing interest rates and unstable economic conditions globally have dried up both the transaction and development markets in general. Although we have seen a slight softening in yields in our sales processes, we note that we outperform the overall markets in terms of yield increase. To ensure the continuation of attractive yield levels going forward and optimal long term value creation, NHC will reevaluate our balance between holding properties based on attractive property financing, selling case by case, and build certain size portfolio before selling on sale lease back.

NHC is regarded as a solid lease counterpart with a healthy portfolio and good diversification. Furthermore, we still experience high demand for our properties and healthy returns on investments. We believe this is a result of our companies being perceived as solid long-term tenants, strong company history, rational investment strategy and long-term collaborations.

## OUTLOOK AND MAIN RISK FACTORS

Climate change is one of the greatest challenges of our time. NHC has taken this concern very seriously for some time and our recently issued bond is sustainability-linked and includes a specific commitment of reducing GHG intensity emissions with 42 % by 2030. The sustainability-linked bond framework has been developed in line with the Sustainability-Linked Bond Principles, established and updated by the International Capital Markets Association (ICMA) in 2023. We wish and expect to be judged by our stakeholders on our ability to live up to our stated expectations for ESG performance. We work to reduce our emissions, protect the environment, and empower employees and customers to make more sustainable choices in their daily lives.

The Ministry of Finance in Norway recently published the Perspective Message (Perspektivmeldingen) 2024, a message 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 while number of employed at best remains stable, 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 to us 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 our biggest market within elderly care, and Finland, where we have grown significantly recent years. Although the political climate has been tough for private providers of elderly care, we are now experiencing a shifting narrative where cooperation, diversity and freedom of choice comes before political ideology. While the Care division's short-term focus is recovering after very difficult years, we have strong expectations in the mid- and long-term, backed by obvious future needs combined with our solid platform through retained system value.

The report called "The future of European competitiveness" by Mario Draghi was published in September. Many of the points addressed in the report have direct relevance for NHC Group. Recognizing the heavy regulatory load on EU businesses, Draghi advocates for streamlining reporting requirements, particularly around sustainability. This is directly relevant for our organization, which face ESG reporting requirements under the EU's Corporate Sustainability Reporting Directive (CSRD). Reducing the regulatory burden could free up resources for more direct investment in care and innovation. We also recognize that the report is very much in line with our focus on increasingly intense use of digital tools to support our delivery of care services.

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. These two tragic conflicts are, rightly so, being brought to our highest attention through various media channels, and additionally, there are growing complexities in other relationships across the globe. UDI prepares for a continued high number of refugees in 2024 and 2025 and considering the highly uncertain geopolitical climate going forward, we are mobilized to maintain our position as a central provider of accommodation for refugees being Norway's largest operator of immigration and refugee centers.

The market fundamentals within NHC's operating areas remain strong, and so do our motivation to be a progressive part of our growing markets. After recent rapid growth, we continue to consolidate and steady execute actions on efficiency and profitability. This will evolve into higher operating margins as growth initiatives recent years mature.

## USE OF ALTERNATIVE PERFORMANCE MEASURES (APM)

Alternative Performance Measures (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework, often used to enhance the stakeholders understanding of the Group's performance. Norlandia Health & Care Group's financial information is prepared in accordance with International Reporting Standards (IFRS). In addition, the Group presents the financial measure "EBITDA", "EBITA" and "EBIT" in its quarterly reports, which are not financial measures as defined in IFRS. 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, accompanied by comparatives for the corresponding previous periods and regularly reviewed by management.

On January 1, 2019, Norlandia Health & Care Group adopted the new leasing standard which had a material impact on the financial statements. Consolidated figures for the Group are presented according to the new leasing standard. For the presentation of the business segments "EBITA-adjusted" is used, which exclude the IFRS 16 effects.

Measure	Description	Purpose
EBITDA	Earnings before net financial items, tax, depreciation, amortisation and impairment, and share of net income from associated companies.	Used to monitor the company's profit/loss generated by operating activities and facilitate comparisons of profitability between different companies and industries.
Adjusted EBITDA	Same as above excluding IFRS 16 effects	Same as above excluding IFRS 16 effects, which is the parameter used for internal performance analysis.
EBITA	Earnings before net financial items, tax, and amortisation, and share of net income from associated companies.	Used to monitor the company's profit/loss generated by operating activities and facilitate comparisons of profitability between different companies and industries.
Adjusted EBITA	Same as above excluding IFRS 16 effects	Same as above excluding IFRS 16 effects, which is the parameter used for internal performance analysis.
EBIT – operating profit/(loss)	Earnings before net financial items, tax, and share of net income from associated companies	Enables comparability of profitability regardless of capital structure or tax situation.
Adjusted EBIT – operating profit/(loss)	Same as above excluding IFRS 16 effects	Same as above excluding IFRS 16 effects, which is the parameter used for internal performance analysis.

## Reconciliation of reported profit/(loss) before taxes to adjusted figures

(NOK million)	Q3 24	Q3 24 - IFRS 16	Q3 24 - Adjusted	Q3 23	Q3 23 - IFRS 16	Q3 23 - Adjusted
Operating revenues	2,842.6	-	2,842.6	2,621.3	-	2,621.3
Other income	6.9	(0.2)	6.7	17.2	1.2	18.4
<b>Total</b>	<b>2,849.5</b>	<b>(0.2)</b>	<b>2,849.3</b>	<b>2,638.5</b>	<b>1.2</b>	<b>2,639.7</b>
Direct cost of goods and services	(106.6)	-	(106.6)	(60.7)	-	(60.7)
Personnel expenses	(2,025.3)	-	(2,025.3)	(1,904.1)	-	(1,904.1)
Other operating expenses	(310.9)	(269.2)	(580.1)	(311.0)	(232.5)	(543.4)
<b>EBITDA</b>	<b>406.7</b>	<b>(269.5)</b>	<b>137.2</b>	<b>362.7</b>	<b>(231.3)</b>	<b>131.4</b>
Depreciation	(259.4)	228.4	(31.1)	(223.0)	199.4	(23.6)
<b>EBITA</b>	<b>147.2</b>	<b>(41.1)</b>	<b>106.2</b>	<b>139.7</b>	<b>(31.9)</b>	<b>107.8</b>
Amortisation	(8.8)	-	(8.8)	(7.9)	-	(7.9)
<b>Operating profit/(loss) - EBIT</b>	<b>138.5</b>	<b>(41.1)</b>	<b>97.4</b>	<b>131.8</b>	<b>(31.9)</b>	<b>99.9</b>
Net financial items	(176.1)	58.1	(117.9)	(122.2)	51.7	(70.6)
Share of net income from associated companies	(0.4)	-	(0.4)	0.2	-	0.2
<b>Profit/(loss) before taxes - EBT</b>	<b>(38.0)</b>	<b>17.0</b>	<b>(21.0)</b>	<b>9.7</b>	<b>19.8</b>	<b>29.5</b>

(NOK million)	YTD 24	YTD 24 - IFRS 16	YTD 24 - Adjusted	YTD 23	YTD 23 - IFRS 16	YTD 23 - Adjusted
Operating revenues	8,730.8	-	8,730.8	7,868.0	-	7,868.0
Other income	27.7	7.8	35.5	34.5	1.0	35.5
<b>Total</b>	<b>8,758.5</b>	<b>7.8</b>	<b>8,766.3</b>	<b>7,902.5</b>	<b>1.0</b>	<b>7,903.5</b>
Direct cost of goods and services	(313.1)	-	(313.1)	(257.1)	-	(257.1)
Personnel expenses	(6,246.4)	-	(6,246.4)	(5,572.7)	-	(5,572.7)
Other operating expenses	(1,017.7)	(781.5)	(1,799.2)	(1,047.6)	(673.5)	(1,721.1)
<b>EBITDA</b>	<b>1,181.3</b>	<b>(773.7)</b>	<b>407.7</b>	<b>1,025.1</b>	<b>(672.5)</b>	<b>352.6</b>
Depreciation	(745.2)	661.3	(83.8)	(641.0)	573.7	(67.3)
<b>EBITA</b>	<b>436.2</b>	<b>(112.3)</b>	<b>323.8</b>	<b>384.1</b>	<b>(98.8)</b>	<b>285.3</b>
Amortisation	(28.5)	-	(28.5)	(24.1)	-	(24.1)
<b>Operating profit/(loss) - EBIT</b>	<b>407.6</b>	<b>(112.3)</b>	<b>295.3</b>	<b>359.9</b>	<b>(98.8)</b>	<b>261.1</b>
Net financial items	(425.2)	170.2	(255.0)	(334.8)	151.8	(183.0)
Share of net income from associated companies	(0.7)	-	(0.7)	0.5	-	0.5
<b>Profit/(loss) before taxes - EBT</b>	<b>(18.3)</b>	<b>57.9</b>	<b>39.6</b>	<b>25.7</b>	<b>53.0</b>	<b>78.7</b>

## RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS

The interim financial statements are, to the best of our knowledge and based on our best opinion, presented in accordance with International Financial Reporting 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, 13 November 2024

Board of Directors of Norlandia Health & Care Group AS

Kristian A. Adolfsen  
Chairman of the Board

Roger Adolfsen  
Member of the Board

Ingvild Myhre  
Member of the Board

Yngvar Tov Herbjørnsson  
CEO

**For more information:**

Roger Larsen

CFO

[roger.larsen@norlandia.com](mailto:roger.larsen@norlandia.com)

Anders Belsvik

Finance Manager & Investor Relations

[anders.belsvik@norlandia.com](mailto:anders.belsvik@norlandia.com)

**Ticker codes:**

Norlandia Health & Care Group AS has issued two bond loans listed on Oslo Stock Exchange ([www.euronext.com](http://www.euronext.com)) with the following names and ticker codes:

Norlandia Health & Care Group AS 24/28 FRN FLOOR C

Ticker: NHCG04 ESG

Norlandia Health & Care Group AS 24/28 FRN SEK FLOOR C

Ticker: NHCG03 ESG

The report is available on [www.oslobors.no](http://www.oslobors.no).



# Interim condensed

## Consolidated Income Statement

NHC Group

Unaudited, in NOK million	Notes	Q3 24	Q3 23	YTD 24	YTD 23	FY 23
Operating revenues		2,842.6	2,621.3	8,730.8	7,868.0	10,696.4
Other income		6.9	17.2	27.7	34.5	75.7
<b>Total</b>	3	<b>2,849.5</b>	<b>2,638.5</b>	<b>8,758.5</b>	<b>7,902.5</b>	<b>10,772.2</b>
Direct cost of goods and services		(106.6)	(60.7)	(313.1)	(257.1)	(351.2)
Personnel expenses		(2,025.3)	(1,904.1)	(6,246.4)	(5,572.7)	(7,640.0)
Other operating expenses		(310.9)	(311.0)	(1,017.7)	(1,047.6)	(1,414.8)
<b>EBITDA</b>		<b>406.7</b>	<b>362.7</b>	<b>1,181.3</b>	<b>1,025.1</b>	<b>1,366.2</b>
Depreciation		(259.4)	(223.0)	(745.2)	(641.0)	(890.7)
<b>EBITA</b>	3	<b>147.2</b>	<b>139.7</b>	<b>436.2</b>	<b>384.1</b>	<b>475.6</b>
Amortisation	4	(8.8)	(7.9)	(28.5)	(24.1)	(41.4)
<b>Operating profit/(loss) - EBIT</b>		<b>138.5</b>	<b>131.8</b>	<b>407.6</b>	<b>359.9</b>	<b>434.2</b>
Net financial items	5	(176.1)	(122.2)	(425.2)	(334.8)	(482.0)
Share of net income from associated companies		(0.4)	0.2	(0.7)	0.5	0.8
<b>Profit/(loss) before taxes</b>		<b>(38.0)</b>	<b>9.7</b>	<b>(18.3)</b>	<b>25.7</b>	<b>(47.0)</b>
Income taxes	6	1.7	1.3	(2.3)	4.4	12.5
<b>Net income</b>		<b>(36.3)</b>	<b>11.1</b>	<b>(20.6)</b>	<b>30.1</b>	<b>(34.5)</b>
<b>Net income attributable to:</b>						
Equity holders of the parent company		(33.9)	13.7	(14.4)	34.8	(39.0)
Non-controlling interests		(2.4)	(2.6)	(6.2)	(4.7)	4.5

## Consolidated Statement of Comprehensive Income

NHC Group

Unaudited, in NOK million	Q3 24	Q3 23	YTD 24	YTD 23	FY23
<b>Net income</b>	<b>(36.3)</b>	<b>11.1</b>	<b>(20.6)</b>	<b>30.1</b>	<b>(34.5)</b>
Currency translation differences	23.9	(12.0)	18.9	25.0	44.6
<b>Items that may be subsequently reclassified to P&amp;L</b>	<b>23.9</b>	<b>(12.0)</b>	<b>18.9</b>	<b>25.0</b>	<b>44.6</b>
Remeasurement of defined benefit pension plans	-	-	-	-	10.6
Income taxes related to these items	-	-	-	-	(3.0)
<b>Items that will not be subsequently reclassified to P&amp;L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>
<b>Other comprehensive income/(loss), net of taxes</b>	<b>23.9</b>	<b>(12.0)</b>	<b>18.9</b>	<b>25.0</b>	<b>52.2</b>
<b>Total comprehensive income</b>	<b>(12.4)</b>	<b>(0.9)</b>	<b>(1.7)</b>	<b>55.1</b>	<b>17.7</b>
<b>Total comprehensive income attributable to</b>					
Equity holders of the parent company	(7.8)	(2.2)	7.7	63.1	19.5
Non-controlling interests	(4.5)	1.3	(9.3)	(7.9)	(1.8)

# Consolidated Statement of Financial Position

NHC Group

Unaudited, in NOK million	Notes	30.09.2024	30.09.2023	31.12.2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment		1,039.5	879.6	957.9
Right-of-use assets		6,730.1	6,088.5	6,548.2
Goodwill	7	3,234.2	3,114.5	3,175.2
Intangible assets	7	501.5	518.0	522.7
Deferred tax assets		223.6	215.5	225.0
Investment in associated companies		34.6	34.1	34.5
Other investments		33.5	10.9	21.3
Other non-current receivables		40.2	33.3	17.7
<b>Total non-current assets</b>		<b>11,837.1</b>	<b>10,894.3</b>	<b>11,502.5</b>
<b>Current assets</b>				
Inventories		8.3	10.8	7.7
Trade receivables		687.3	691.4	746.8
Other current receivables		444.1	408.7	530.4
Cash and cash equivalents		252.3	335.8	346.0
<b>Total current assets</b>		<b>1,392.0</b>	<b>1,446.7</b>	<b>1,630.9</b>
<b>Total assets</b>		<b>13,229.1</b>	<b>12,341.1</b>	<b>13,133.4</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		496.1	496.1	496.1
Other equity		456.3	517.1	448.6
<b>Equity attributable to owners of the parent</b>		<b>952.4</b>	<b>1,013.2</b>	<b>944.7</b>
Non-controlling interests		(10.2)	(7.8)	(1.2)
<b>Total equity</b>		<b>942.2</b>	<b>1,005.3</b>	<b>943.5</b>
<b>Liabilities</b>				
Pension liabilities		1.9	8.1	1.4
Borrowings	8	2,711.4	2,563.3	2,617.7
Lease liabilities		6,482.0	5,861.1	6,297.8
Deferred tax liabilities		211.1	236.7	218.3
Other non-current liabilities		102.6	126.4	142.1
<b>Total non-current liabilities</b>		<b>9,508.9</b>	<b>8,795.7</b>	<b>9,277.3</b>
Trade payables		221.1	210.1	347.0
Current borrowings	8	308.5	354.2	381.6
Current lease liabilities		827.3	688.9	764.1
Taxes payable		13.7	1.9	11.8
Other current liabilities		1,407.5	1,285.0	1,408.0
<b>Total current liabilities</b>		<b>2,778.0</b>	<b>2,540.1</b>	<b>2,912.6</b>
<b>Total liabilities</b>		<b>12,286.9</b>	<b>11,335.7</b>	<b>12,189.9</b>
<b>Total equity and liabilities</b>		<b>13,229.1</b>	<b>12,341.1</b>	<b>13,133.4</b>

## Consolidated Statement of Cash Flows

NHC Group

Unaudited, in NOK million	Q3 24	Q3 23	YTD 24	YTD 23	FY 23
<b>Cash flow from operating activities</b>					
<b>EBITDA</b>	406.7	362.7	1,181.3	1,025.2	1,366.2
Net taxes paid and other EBITDA cash adjustments	(20.8)	(28.0)	(63.0)	(70.1)	(107.9)
Change in net working capital	(59.7)	(261.8)	(0.1)	(65.0)	54.8
<b>Net cash flow from operating activities</b>	<b>326.2</b>	<b>72.9</b>	<b>1,118.2</b>	<b>890.1</b>	<b>1,313.1</b>
<b>Cash flow from investing activities</b>					
Net investment in property, plant and equipment and intangible assets	(50.7)	(35.7)	(202.8)	(170.8)	(244.3)
Net investments in shares in subsidiaries	(0.5)	(11.8)	(48.1)	90.0	62.7
Net investment in shares in associates and other investments	(1.0)	-	(13.1)	-	(8.0)
Proceeds from sale of assets	31.0	27.4	85.5	45.2	60.3
Net change in financial receivables	(2.4)	8.4	(22.5)	8.0	19.3
Interest received	1.6	-	2.7	-	11.6
<b>Net cash flow from investing activities</b>	<b>(22.0)</b>	<b>(11.7)</b>	<b>(198.2)</b>	<b>(27.6)</b>	<b>(98.4)</b>
<b>Cash flow from financing activities</b>					
Net change in interest-bearing debt	29.7	144.8	(49.1)	175.3	187.4
Proceeds from non-current bonds	2,278.9	0.0	2,278.9	501.3	501.4
Repayment of current bond	(2,238.3)	-	(2,238.3)	(657.1)	(657.0)
Repayment of lease liabilities	(208.6)	(180.8)	(612.9)	(521.7)	(724.0)
Distribution to non-controlling interest	(0.0)	-	(0.2)	-	-
Net interest paid and other financial items	(128.5)	(118.0)	(388.7)	(315.8)	(462.4)
<b>Net cash flow from financing activities</b>	<b>(266.7)</b>	<b>(153.9)</b>	<b>(1,010.2)</b>	<b>(818.0)</b>	<b>(1,154.7)</b>
<b>Changes in cash and cash equivalents</b>					
<b>Net change in cash and cash equivalents</b>	37.6	(92.7)	(90.1)	44.6	60.0
Effects of changes in exchange rates on cash	(7.7)	11.6	(3.5)	19.5	14.2
Cash and cash equivalents at the beginning of period	222.4	416.9	346.0	271.7	271.7
<b>Cash and cash equivalents at end of period</b>	<b>252.3</b>	<b>335.8</b>	<b>252.3</b>	<b>335.8</b>	<b>346.0</b>

## Consolidated Statement of Changes in Equity

NHC Group

2024	Attributable to equity holders of the parent					Total equity to holders of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Other paid in equity	Retained earnings	Translation differences			
Unaudited, in NOK million								
<b>Equity as of 1 January 2024</b>	<b>496.1</b>	<b>372.2</b>	<b>10.0</b>	<b>2.7</b>	<b>63.7</b>	<b>944.7</b>	<b>(1.2)</b>	<b>943.5</b>
Net income for the period	-	-	-	(14.4)	-	(14.4)	(6.2)	(20.6)
Other comprehensive income for the period	-	-	-	-	22.1	22.1	(3.2)	18.9
<b>Total comprehensive income for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14.4)</b>	<b>22.1</b>	<b>7.7</b>	<b>(9.3)</b>	<b>(1.7)</b>
<b>Contributions by and distributions</b>								
Distribution to non-controlling interests	-	-	-	-	-	-	(0.2)	(0.2)
Transactions with non-controlling interests	-	-	-	-	-	-	0.5	0.5
<b>Total contributions and</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.0)</b>	<b>-</b>	<b>(0.0)</b>	<b>0.4</b>	<b>0.4</b>
<b>Equity as of 30 September 2024</b>	<b>496.1</b>	<b>372.2</b>	<b>10.0</b>	<b>(11.7)</b>	<b>85.8</b>	<b>952.3</b>	<b>(10.2)</b>	<b>942.2</b>

2023	Attributable to equity holders of the parent					Total equity to holders of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Other paid in equity	Retained earnings	Translation differences			
Unaudited, in NOK million								
<b>Equity as of 1 January 2023</b>	<b>312.0</b>	<b>167.8</b>	<b>-</b>	<b>108.4</b>	<b>12.8</b>	<b>600.9</b>	<b>0.2</b>	<b>601.2</b>
Net income for the period	-	-	-	(39.0)	-	(39.0)	4.5	(34.5)
Other comprehensive income for the period	-	-	-	7.6	50.9	58.5	(6.3)	52.2
<b>Total comprehensive income for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31.4)</b>	<b>50.9</b>	<b>19.5</b>	<b>(1.8)</b>	<b>17.7</b>
<b>Contributions by and distributions</b>								
Capital increase	184.1	204.4	-	-	-	388.5	-	388.5
Group contribution to owner	-	-	10.0	-	-	10.0	-	10.0
Effect of business combination under common control, predecessor accounting	-	-	-	(74.2)	-	(74.2)	-	(74.2)
Distribution to non-controlling interest	-	-	-	-	-	-	(0.1)	(0.1)
Transactions with non-controlling interests	-	-	-	-	-	-	0.5	0.5
<b>Total contributions and</b>	<b>184.1</b>	<b>204.4</b>	<b>10.0</b>	<b>(74.2)</b>	<b>-</b>	<b>324.2</b>	<b>0.4</b>	<b>324.6</b>
<b>Equity as of 31 December 2023</b>	<b>496.1</b>	<b>372.2</b>	<b>10.0</b>	<b>2.7</b>	<b>63.7</b>	<b>944.7</b>	<b>(1.2)</b>	<b>943.5</b>

# Notes to the consolidated statements

## 1. GENERAL

The consolidated financial statements of Norlandia Health & Care Group 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 interim financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 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 interim financial statements are unaudited.

### 2.1 BUSINESS COMBINATION UNDER COMMON CONTROL

In Q1 2023 NHC Group acquired control over Frösunda Omsorg AB ("Frösunda") including its parent company Brado AB ("Brado"), which was defined as a business combination under common control as the ultimate owners of both NHC Group and Brado are the same. In addition, NHC Group acquired control over the shares in Agito Norge AS, Agito Sverige AB and Agito Nordic AB in Q4 2023 which was also 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 as used in earlier years as well when this was relevant.

Considering relevant facts and circumstances for common control transactions the principles used and assessed by the management is broadly described as predecessor accounting. The principles of predecessor accounting 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 accounting. 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.

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.

Please refer to note 9 for further information about the transaction regarding Brado AB.

### 3. REVENUE, EBITDA, EBITA AND EBIT BY SEGMENT

The Group has identified operation segments in accordance with the reporting requirement in IFRS 8. Based on the legal structure and the internal reporting the reportable segments are; "Preschool", "Care", "Integration Services", "Individual & Family" and "Real Estate". The segment "Other" includes both Group eliminations as well as Other operating revenue not related to the identified segments.

(NOK million)	Q3 24	Q3 23	YTD 2024	YTD 2023	FY 2023
<b>Revenues and income by segment</b>					
Preschools	1,124.0	1,036.4	3,633.7	3,300.7	4,440.7
Care	550.0	519.5	1,621.3	1,568.5	2,122.1
Integration services	236.2	291.8	756.8	857.6	1,164.7
Individual & Family	893.0	793.3	2,642.9	2,211.9	3,067.8
Real Estate	13.1	24.8	53.3	52.4	122.8
Other/Elim/IFRS 16 adj	33.2	(27.4)	50.4	(88.7)	(145.8)
<b>Total</b>	<b>2,849.5</b>	<b>2,638.5</b>	<b>8,758.5</b>	<b>7,902.4</b>	<b>10,772.2</b>

(NOK million)	Q3 24	Q3 23	YTD 2024	YTD 2023	FY 2023
<b>EBITDA by segment</b>					
Preschools	48.8	38.1	202.2	184.4	204.5
Care	3.4	(8.6)	(29.5)	(68.9)	(83.3)
Integration services	23.1	43.7	76.1	138.5	182.5
Individual & Family	71.0	49.7	156.7	91.1	123.1
Real Estate	0.8	15.9	16.0	26.3	63.5
Other/Elim/IFRS 16 adj	259.6	223.8	759.8	653.7	875.8
<b>Total</b>	<b>406.7</b>	<b>362.7</b>	<b>1,181.3</b>	<b>1,025.1</b>	<b>1,366.2</b>

(NOK million)	Q3 24	Q3 23	YTD 2024	YTD 2023	FY 2023
<b>EBITA by segment</b>					
Preschools	34.3	24.3	160.1	143.4	149.9
Care	0.7	(11.1)	(37.6)	(75.7)	(92.8)
Integration services	19.1	40.7	64.1	131.8	172.1
Individual & Family	68.0	47.4	147.6	84.1	113.2
Real Estate	(5.5)	14.3	4.5	21.7	56.8
Other/Elim/IFRS 16 adj	30.7	24.1	97.4	79.0	76.3
<b>Total</b>	<b>147.2</b>	<b>139.7</b>	<b>436.1</b>	<b>384.2</b>	<b>475.6</b>

(NOK million)	Q3 24	Q3 23	YTD 2024	YTD 2023	FY 2023
<b>EBIT by segment</b>					
Preschools	28.9	19.3	141.9	128.1	129.6
Care	(0.3)	(11.9)	(40.4)	(78.4)	(105.5)
Integration services	19.1	40.7	64.1	131.8	172.1
Individual & Family	65.6	45.4	140.3	77.9	104.9
Real Estate	(5.5)	14.3	4.5	21.7	56.8
Other/Elim/IFRS 16 adj	30.7	24.1	97.4	79.0	76.3
<b>Total</b>	<b>138.5</b>	<b>131.8</b>	<b>407.6</b>	<b>360.0</b>	<b>434.2</b>

(NOK million)	Q3 24	Q3 23	YTD 2024	YTD 2023	FY 2023
<b>Operating revenues by geography</b>					
Norway	1,167.8	1,143.6	3,686.4	3,472.7	4,682.8
Sweden	1,195.9	1,132.0	3,671.7	3,334.2	4,567.2
International	439.4	365.4	1,296.3	1,130.9	1,543.6
Other/Elimination	39.5	-19.7	76.3	-69.8	(97.1)
<b>Total revenues by geography</b>	<b>2,842.6</b>	<b>2,621.3</b>	<b>8,730.8</b>	<b>7,868.0</b>	<b>10,696.4</b>

YTD 2024	Preschools	Care	Integration services	Individual & Family	Other / Elim
Norway	48%	13%	88%	40%	0%
Sweden	24%	75%	0%	60%	0%
International	28%	12%	12%	0%	0%
Real Estate/Other/Elimination	0%	0%	0%	0%	100%
<b>Total revenues by geography</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

2023	Preschools	Care	Integration services	Individual & Family	Other / Elim
Norway	48%	14%	89%	39%	0%
Sweden	24%	76%	1%	61%	0%
International	28%	9%	10%	0%	0%
Real Estate/Other/Elimination	0%	0%	0%	0%	100%
<b>Total revenues by geography</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



#### 4. AMORTIZATION

Primarily relates to amortization of excess values in Norlandia Care Group AS and investments in subsidiaries within the Care segment.

#### 5. NET FINANCIAL ITEMS

The finance income and loss are presented net as Net Financial Items in the Income 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 in the Income Statement. As the Group has net investments in SEK, the effect is partially offset by a corresponding opposite effect through Currency translation differences in the Statement of Comprehensive income.

(NOK million)	Q3 24	Q3 23	YTD 24	YTD 23	FY 23
Interest income	1.6	1.4	2.7	4.3	11.6
Interest expenses	(113.2)	(70.7)	(261.8)	(187.0)	(273.5)
Interest expenses lease liability	(58.1)	(51.7)	(170.2)	(151.8)	(209.5)
Net foreign exchange gains/(losses)	(5.9)	(4.9)	1.7	2.2	(7.0)
Other finance income	0.4	0.0	5.2	0.1	(0.3)
Other finance expenses	(0.9)	3.6	(2.8)	(2.5)	(3.3)
<b>Net financial items</b>	<b>(176.1)</b>	<b>(122.2)</b>	<b>(425.2)</b>	<b>(334.8)</b>	<b>(482.0)</b>

#### 6. TAX CALCULATIONS

Calculation of income tax is calculated yearly and presented in the annual statements. Tax expense recognized in the quarterly reports relates to tax effects from the amortization of intangible assets.

#### 7. INTANGIBLE ASSETS AND GOODWILL

The intangible assets in the Group primarily relates to goodwill, excess value on customer contracts and trademark, which were generated through the various acquisitions within the Group.

#### 8. BORROWINGS

The debt financing for the Group is made up of bond loans, property debt and a revolving credit facility.

(NOK million)	30.09.2024	30.09.2023	31.12.2023
Bond loans	2,365.4	2,226.8	2,271.5
Non-current revolving credit facility	-	-	-
Current overdraft facilities	238.8	273.9	289.7
Property debt outside ringfence structure	387.6	384.2	394.3
Other debt/property debt	28.1	32.6	43.8
<b>Total current and non-current borrowings</b>	<b>3,019.9</b>	<b>2,917.5</b>	<b>2,999.3</b>

Bond Loans (NOK million)	Maturity	Nominal value	Currency	Nominal value
Norlandia Health & Care Group AS	7/2028	1,250.0	NOK	1,250.0
Norlandia Health & Care Group AS	7/2028	1,050.0	SEK	1,050.0
<b>Total</b>		<b>2,300.0</b>		<b>2,300.0</b>

In June 2024, the Group successfully placed a senior secured sustainability-linked bond. The bond consists of a NOK and SEK tranche with a total amount of NOK 2,300 million, and it has a minimum liquidity covenant of NOK 125 million. The bond is due in July 2028.

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 which were called and fully repaid in July 2024.

In March 2023, the long-term credit facility was repaid, and in replacement, the company secured a short-term overdraft facility of NOK 350 million by DnB. This was increased to NOK 500 million in July 2024.

## 9. BUSINESS COMBINATIONS UNDER COMMON CONTROL

### 2024

There have been no significant acquisitions under common control in the first and second quarter.

### 2023

In Q1 23 NHC Group acquired control over Frösunda Omsorg AB ("Frösunda") including its parent company Brado AB ("Brado"), which was defined as a business combination under common control as the ultimate owners of both NHC Group and Brado Group are the same.

Frösunda was founded in 1994 and have become a leading supplier of private care services in Sweden. The Group is a diversified care operator within Disability, Personal Assistance and Elderly Care, which significantly strengthens NHC's operations within the Individual and Family and Care segments.

In addition, the Group acquired control over the shares in Agito Norway, Agito Sverige AB and Agito Nordic AB as of late December 2023. This transaction was also defined as a business combination under common control and resulted in a net effect booked against retained earnings of NOK 31.4 million. As this transaction was not material for the Group, the carrying values are not shown below.

The table below shows the carrying values of assets and liabilities from Brado Group included in the NHC Group as from the acquisition date:

#### Allocation of purchase value of Brado AB Group

(NOK million)	Book value
Goodwill	1,108.4
Other intangible assets	6.5
Deferred tax asset	16.1
Property plant and equipment	21.5
Right-of-use-assets	838.8
<b>Total non-current assets</b>	<b>1,991.2</b>
Receivables	294.2
Cash and cash equivalents	23.9
<b>Total current assets</b>	<b>318.1</b>
Deferred tax liability	5.0
Non-current lease liability	766.3
Other non-current liabilities	19.1
<b>Total non-current liabilities</b>	<b>790.3</b>
Current interest-bearing debt	582.1
Current lease liability	128.7
Other current liabilities	339.3
<b>Total current liabilities</b>	<b>1,050.2</b>
Total net assets purchased	468.8
Total consideration*	511.6
<b>Effect of business combination under common control, equity</b>	<b>(42.8)</b>

\*Part of the consideration was settled as a way of a seller's credit of NOK 388.5 million which were transported to the ultimate parent company Hospitality Invest AS, and then converted to equity in NHC as shown in the statement of equity. In addition, an earn-out was recognized as a non-current liability at the time of the acquisition.

#### **10. EVENTS AFTER BALANCE SHEET DATE**

No known material events have occurred after the balance sheet date which would have had any effect on the reported figures as of 30 September 2024.

# Financial statements for the parent company

## Income statement

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	Q3 24	Q3 23	YTD 24	YTD 23	FY 23
Revenues		959	1,178	3,233	3,534	4,712
<b>Total</b>		<b>959</b>	<b>1,178</b>	<b>3,233</b>	<b>3,534</b>	<b>4,712</b>
Personnel expenses		(910)	(469)	(1,749)	(1,510)	(2,578)
Other operating expenses		(2,131)	(7,022)	1,331	(14,718)	(17,150)
<b>Operating profit/(loss)</b>		<b>(2,081)</b>	<b>(6,313)</b>	<b>2,815</b>	<b>(12,694)</b>	<b>(15,017)</b>
Net financial items	1	(88,691)	(15,786)	(138,319)	(110,907)	76,289
<b>Profit/(loss) before taxes</b>		<b>(90,772)</b>	<b>(22,099)</b>	<b>(135,504)</b>	<b>(123,601)</b>	<b>61,272</b>
Income taxes		-	-	-	132	(13,991)
<b>Net income</b>		<b>(90,772)</b>	<b>(22,099)</b>	<b>(135,504)</b>	<b>(123,469)</b>	<b>47,281</b>

## Statement of financial position

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	30.09.2024	30.09.2023	31.12.2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Deferred tax asset		-	132	-
Shares in subsidiaries and associates		2,165,402	2,150,701	2,165,402
Loans to group companies		1,173,352	1,089,328	1,073,279
<b>Total non-current assets</b>		<b>3,338,753</b>	<b>3,240,161</b>	<b>3,238,681</b>
<b>Current assets</b>				
Current group receivables		469,621	425,218	689,975
Other current receivables		625	437	127
Cash and cash equivalents		28,249	35,349	37,667
<b>Total current assets</b>		<b>498,494</b>	<b>461,004</b>	<b>727,768</b>
<b>Total assets</b>		<b>3,837,248</b>	<b>3,701,165</b>	<b>3,966,450</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		496,053	496,053	496,053
Share premium reserve		372,190	372,190	372,190
Share premium reserve		10,005	-	10,005
<b>Total restricted equity</b>		<b>878,248</b>	<b>868,243</b>	<b>878,248</b>
Retained earnings		237,655	202,408	373,159
<b>Total equity</b>		<b>1,115,903</b>	<b>1,070,651</b>	<b>1,251,407</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bond loans	1	2,310,101	2,177,370	2,220,187
Non-current non-interest-bearing debt		68,836	98,760	102,525
<b>Total non-current liabilities</b>		<b>2,378,937</b>	<b>2,276,130</b>	<b>2,322,712</b>
<b>Current liabilities</b>				
Trade payables		575	21	263
Current liabilities to group companies		45,774	29,785	48,679
Current overdraft facilities		238,766	273,901	289,687
Other current liabilities		57,293	50,677	53,702
<b>Total current liabilities</b>		<b>342,408</b>	<b>354,384</b>	<b>392,331</b>
<b>Total liabilities</b>		<b>2,721,345</b>	<b>2,630,514</b>	<b>2,715,043</b>
<b>Total equity and liabilities</b>		<b>3,837,248</b>	<b>3,701,165</b>	<b>3,966,450</b>

# Notes

## 1. FINANCE COSTS

Finance Costs in Q3 24 includes NOK 198.0 million in interest expense related to the bond loan. Net currency movement for the period was NOK -25.3 million for the quarter.

In June 2024, the Group successfully placed a senior secured sustainability-linked bond. The bond consists of a NOK and SEK tranche with a total amount of NOK 2,300 million, and it has a minimum liquidity covenant of NOK 125 million. The bond is due in July 2028.

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 which were called and fully repaid in July 2024.

In March 2023, the long-term credit facility was repaid, and in replacement, the company secured a short-term overdraft facility of NOK 350 million by DnB. This was increased to NOK 500 million in July 2024.

## Group web pages

### **NORLANDIA CARE GROUP AS**

[www.norlandia.no](http://www.norlandia.no)

### **HERO GROUP AS**

[www.hero.no](http://www.hero.no)

### **NORLANDIA BARNEHAGENE AS**

[www.norlandiabarnehagene.no](http://www.norlandiabarnehagene.no)

### **KIDSA DRIFT AS**

[www.kidsabarnehager.no](http://www.kidsabarnehager.no)

### **ABERIA HEALTHCARE AS**

[www.aberia.no](http://www.aberia.no)

**NHC Group**

Karl Johans gate 37  
0162 Oslo  
Norway

