

NHC Group

Report Q4 24



NHC

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Key figures

NHC Group

| Unaudited, in NOK million | Q4 24 | Q3 24 | FY 24 | Q4 23 | Q3 23 | FY 23 |
|-------------------------------|---------|---------|----------|---------|---------|----------|
| Revenues & income | 3,022.1 | 2,849.5 | 11,780.5 | 2,869.7 | 2,638.5 | 10,772.2 |
| EBITDA | 394.9 | 406.7 | 1,576.2 | 341.1 | 362.7 | 1,366.2 |
| EBITDA (%) | 13.1 % | 14.3 % | 13.4 % | 11.9 % | 13.7 % | 12.7 % |
| EBITA | 115.6 | 147.2 | 551.7 | 91.5 | 139.7 | 475.6 |
| EBITA (%) | 3.8 % | 5.2 % | 4.7 % | 3.2 % | 5.3 % | 4.4 % |
| EBIT | 107.4 | 138.5 | 515.0 | 74.2 | 131.8 | 434.2 |
| EBIT (%) | 3.6 % | 4.9 % | 4.4 % | 2.6 % | 5.0 % | 4.0 % |
| EBT | (36.9) | (38.0) | (55.2) | (72.8) | 9.7 | (47.0) |
| EBT (%) | -1.2 % | -1.3 % | -0.5 % | -2.5 % | 0.4 % | -0.4 % |
| EBITDA - adjusted for IFRS 16 | 83.8 | 137.2 | 491.5 | 104.8 | 131.4 | 457.5 |
| EBITA - adjusted for IFRS 16 | 66.8 | 106.2 | 390.7 | 79.6 | 107.8 | 364.9 |

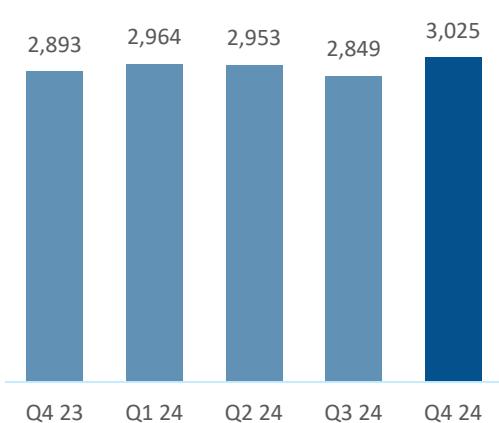
Figures are reported including effects from IFRS 16. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

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

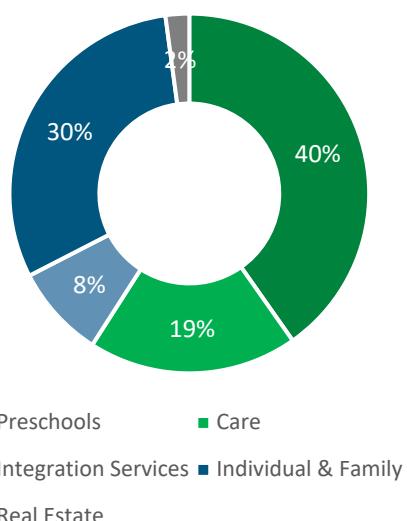
Q4 24 Highlights

- Q4 2024 revenues of NOK 3 022 million, a growth of 5 % YoY, explained by growth within Preschools and Individual & Family, offset by Integration Services (shift from acute to long-term ordinary contracts)
- Q4 2024 EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 84 million, and adj. EBITA of NOK 67 million
- Preschools delivered an adj. EBITDA of NOK 11 million, down 9 million YoY, mainly explained by a one-time seasonal technical price adjustment
- Care generated an adj. EBITDA of NOK -12 million, up NOK 2 million YoY, where the continued underlying improvement was materially offset by calendar effects compared to Q4 23
- Integration Services delivered an adj. EBITDA of NOK 20 million, down NOK 24 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 29 million, down NOK 3 million YoY, following solid operational performances by all three sub-segments offset by calendar effects compared to Q4 23
- Real Estate delivered an adj. EBITDA of NOK 48 million reflecting sale of properties in Norway, Sweden and Finland

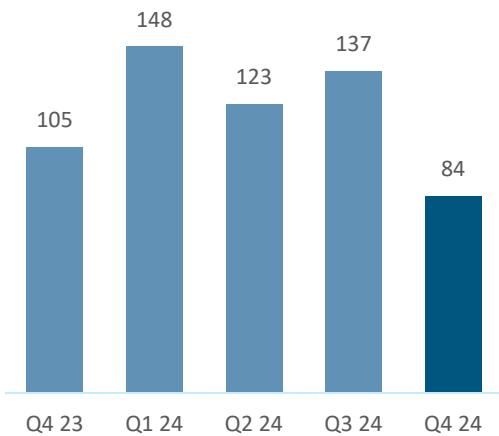
ADJ. REVENUE PER QUARTER (MNOK)



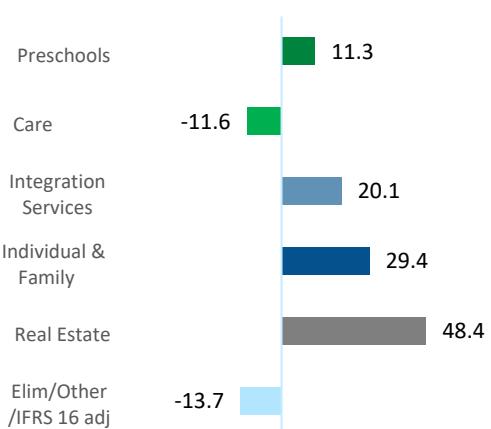
SEGMENT DISTRIBUTION Q4 24 (%)



ADJ. EBITDA PER QUARTER (MNOK)*



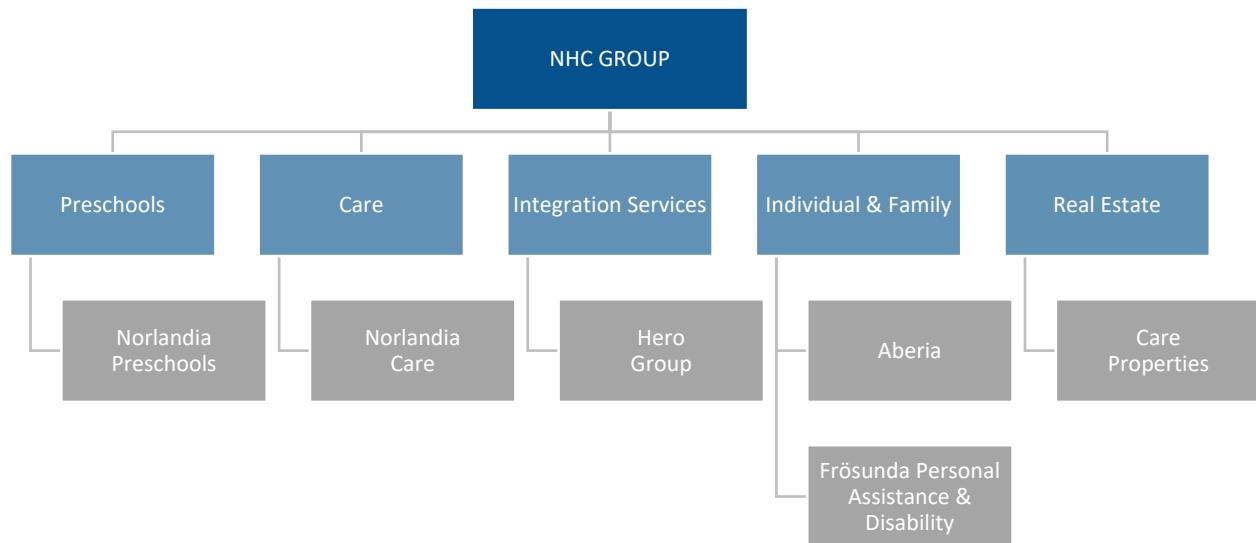
ADJ. EBITDA DISTRIBUTION Q4 24 (MNOK)*



*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 3,022.1 million in Q4 24, an 5,4 % increase YoY, mainly explained by organic growth within Individual & Family. EBITA for the quarter amounted to NOK 115.6 million, up from NOK 91.5 million in Q4 23, mainly explained by improved profitability within Care and Individual & Family.

Net financial items amounted to NOK -143.3 million for Q4 24, reflecting interest expenses of NOK 70.6 million on mainly borrowings, interest related to capitalized leasing of NOK 72.2 million, interest income of NOK 3.6 million, and net unrealized currency gain of NOK 5.3 million.

Profit/(loss) before taxes amounted to NOK -36.9 million for Q4 24, up from a profit/(loss) before taxes of NOK -72.8 million one year prior. Adjusted for IFRS 16 effects, profit before taxes came in at NOK -13.4 million for the quarter, up from NOK -26.9 million in Q4 23.

Thus, the net effect of IFRS 16 amounted to NOK 23.5 million for Q4 24, reflecting depreciation charges of NOK 262.3 million and finance charges of 72.2 million. This was offset by reduced leasing expenses of NOK 313.9 million. See APM section for more details.

Net cash inflow from operating activities in Q4 24 was NOK 452.0 compared to an inflow of NOK 423.0 million in the same quarter last year, mainly driven by higher EBITDA for the period.

Net cash flow from investing activities resulted in an outflow of NOK 27.6 million in Q4 24, compared to an outflow of NOK 70.9 million in Q4 23, mainly explained higher investments in property, plant and equipment and sales of assets. Maintenance capex amounted to NOK 22.4 million in Q4 2024, while the remaining investments related to growth initiatives mainly within the Real Estate segment.

Net cash outflow from financing activities amounted to NOK 239.9 million in Q4 24, compared to an outflow of NOK 336.6 million in Q4 23. The outflow this quarter is mainly explained by lease payments of NOK 242.4 million, and cash interest expenses, including lease liability related interest expenses and finance fees, of NOK 159.6 million.

The Group generated total cash flows of NOK 184.5 million for Q4 24.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER 31 DECEMBER 2024

As of 31 December 2024, the Group had total non-current assets of NOK 12,210.8 million, an increase of NOK 708.3 million from year-end 2023. The increase is mainly explained by higher right-of-use assets which was NOK 7,026.2 million as of 31 December 2024 compared to NOK 6,548.2 million at year-end 2023.

Cash and cash equivalents amounted to NOK 440.2 million on 31 December 2024, up 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 31 December 2024, NOK 392.8 million was drawn, compared to NOK 289.7 million at 31 December 2023.

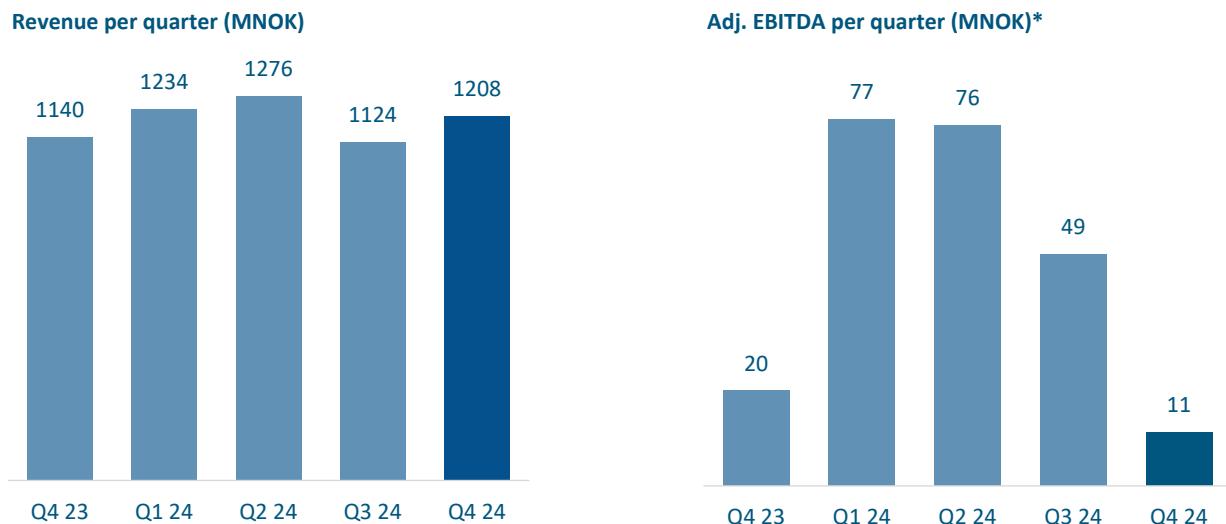
Total assets amounted to NOK 13,733.9 million at the end of Q4 24 compared to NOK 13,133.4 at year-end 2023.

Total non-current liabilities as of 31 December 2024 amounted to NOK 9,743.3 million, including NOK 6,730.7 million classified as "Lease liabilities" under IFRS 16. Borrowings amounted to NOK 2,687.9 million, an increase of NOK 70.1 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 31 December 2024 the Group's total equity amounted to NOK 911.8 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 fourth quarter of 2024 generated revenues of NOK 1,208 million, up from NOK 1,140 million in Q4 23. The 6 % increase YoY mainly related to growth in Sweden and Poland, along with price adjustments.

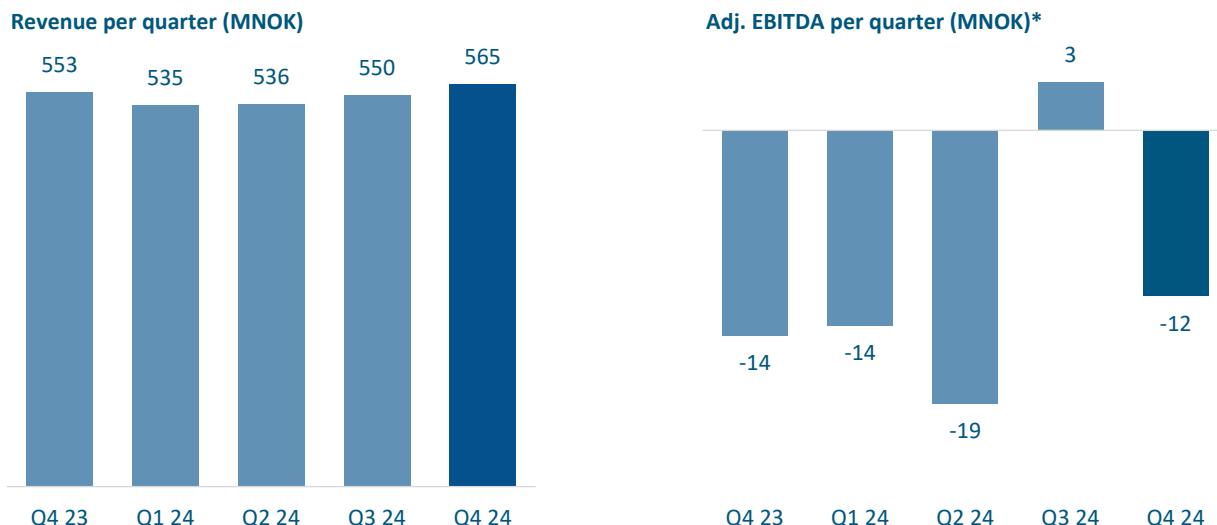
In Q4 24, a seasonally weak quarter, the segment reported an adj. EBITDA of NOK 11 million. The reduced profitability YoY was partly explained by a one-time technical adjustment where the reduced parental pay in Norway had full effect in Q4, before normalizing from 2025 and onwards. In addition, sick leave was high during the quarter and is currently being addressed with intensified measures. On a full year basis, however, the segment delivered improved EBITDA in 2024 compared to 2023.

The significant underfinancing of the private sector compared to the municipalities costs continues and stresses the private preschools. By this we are seeking even more effective staffing models, a priority to continue with full effect throughout 2025. We are content with the development and expect further improvements going forward. Overall occupancy is expected to increase, as we have a large portfolio of new established preschools (< 3 years old). The majority of our preschools are located in urban and newly built areas, which is favorable given the strong and continued urbanization trend.

In a newly published national wide report regarding customer satisfaction in preschools in Norway, the private preschools again stand out as high quality and outperform public preschools on all parameters. We are proud to report that Norlandia, compared to our competitors, had the highest relative share of top score. This confirms the role of private preschools to secure high quality at a lower cost for municipalities. For the ongoing lawsuit the private preschools aim to secure equal rights and high quality in a time where public spending is under pressure and municipalities need to seek cost effective solutions. Private preschools ensure lower costs. We advocate for a well-functioning market where operators develop together with equal rights.

As of 31 December 2024, Norlandia Preschools operates 429 units. Of these, 33 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

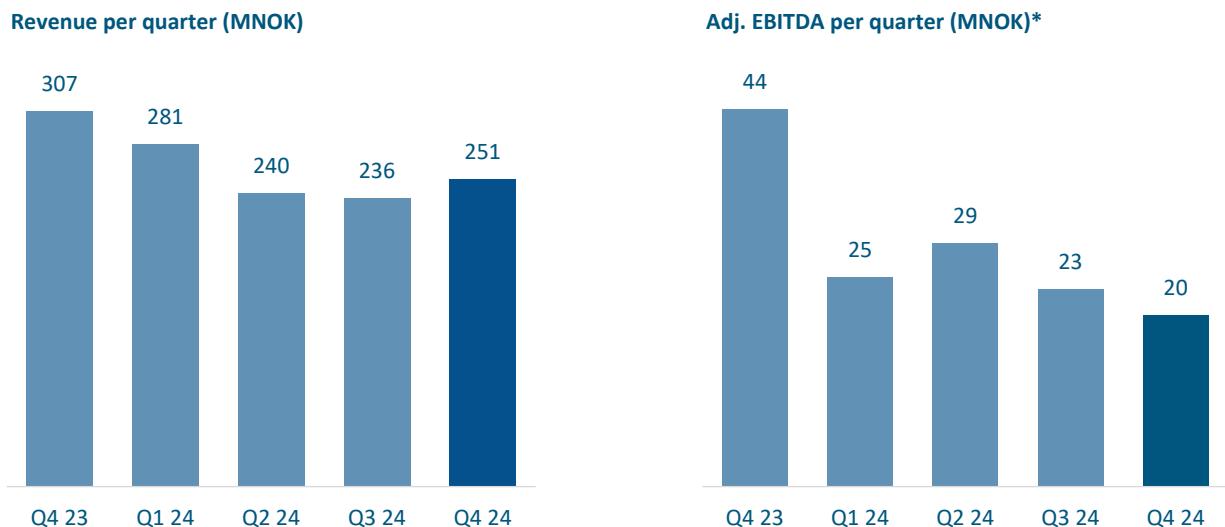
The Care segment reported revenues of NOK 565 million in Q4 24, compared to NOK 553 million in Q4 23. Revenues increased following start-up of a new own management unit in Q1 24, increased occupancy, and price adjustments. Growth YoY was partially offset by discontinuation of loss-making units.

In Q4 24, Care reported an adj. EBITDA of NOK -12 million, up NOK 2 million YoY. The improvement mainly related to increased occupancy, price adjustments, and efficiency improvements. The continued positive development in underlying drivers and profitability was offset by calendar effects attributable to the Christmas holiday compared to Q4 23 and starting up a new large unit (120 places). On a full year basis, the segment delivered an EBITDA improvement of NOK 42 million through continuous work on multiple actions. Although the full year improvement was material, we acknowledge that it has taken longer than expected to see the full effects of ongoing initiatives. We are, however, confident that Care will deliver profits in 2025 and onwards, backed by solid underlying development and future demand outlook.

Since 2020, the share of own management units has increased materially through new openings in Sweden and Finland, now accounting for approximately half of the nursing home 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.

In all our markets there is a clear growing demand for elderly care. In Sweden, our biggest market within Care, this is underlined by Vårdforetagarna's (Private Health business organization in Sweden) estimated capacity requirement of 28,000 new places by 2032. In the Norwegian market we experience higher tender activity with ongoing nursing home tenders in Oslo and other tenders in pipeline.

Integration services



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

Integration Services generated revenues of NOK 251 million and adj. EBITDA of NOK 20 million in Q4 24, down YoY explained by acute contracts being replaced by long-term ordinary contracts.

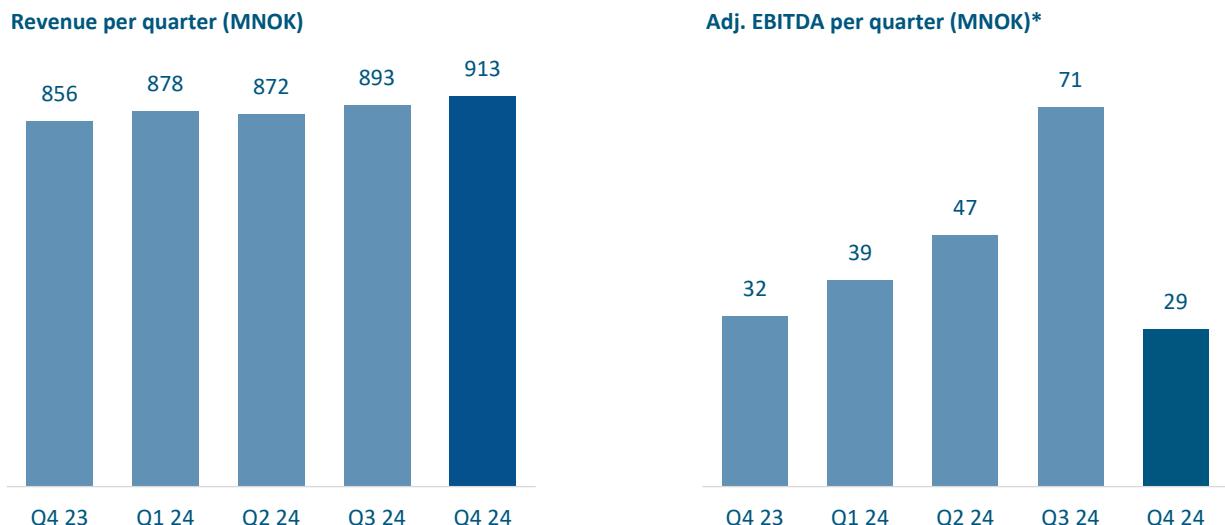
On a full year basis, Integration Services delivered an EBITDA of NOK 96 million, significantly down on the peak years 2022 and 2023, as expected. While the number of arrivals from Ukraine is expected to decrease in 2025, UDI (The Norwegian Directorate of Immigration) plans for an increased number of arrivals from other countries, representing a slight negative net effect given the most recent estimates. Although the geopolitical landscape is uncertain and demand may vary, we anticipate solid activity in 2025.

We expect the current portfolio of long-term ordinary contracts to deliver healthy margins going forward, albeit at lower levels than the ended acute reception center contracts. A resilient cost base developed since the last wave of immigrants in 2015-2016 enables Hero to adjust operations according to changes in demand. 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. 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 913 million in Q4 24, up NOK 57 million YoY mainly explained by organic growth in Norway and price adjustments.

In Q4 24, a seasonally weak quarter, the segment recorded an adj. EBITDA of NOK 29 million, slightly down YoY explained by calendar effects attributable to the Christmas holiday relative to the comparison quarter. On a full year basis, the segment delivered improved EBITDA of NOK 63 million YoY following strong underlying development by all sub-segments, partially explained by negative one-offs within Personal Assistance in 2023.

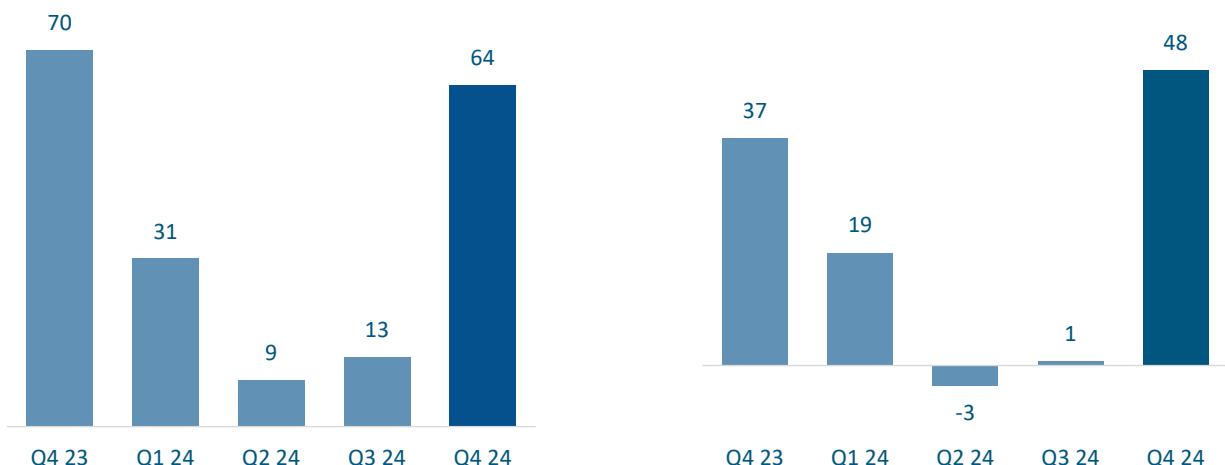
Aberia, the Norwegian operations, continued the organic, and healthy growth. Established in 2010, Aberia has grown to now reach an annual turnover of more than NOK 1,400 million. The core operations are strong on quality and reputation and should generate healthy EBITDA going forward.

Disability care in Sweden delivered solid contributions 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.

Considering the current unreasonably low-price level and in a seasonally challenging quarter, Personal assistance in Sweden delivered a satisfactory financial performance, owing to improved operational efficiency. 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.

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 64 million in Q4 24, with an adj. EBITDA of NOK 48 million, reflecting sale of properties in Norway, Sweden, and Finland. On a full year basis, the segment delivered an EBITDA of NOK 64 million, above the target EBITDA of NOK 60 million per year.

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

The Ministry of Finance in Norway published the Perspective Message (Perspektivmeldingen) in 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 present geopolitical landscape is undeniably fraught with increased tension and challenges in several areas around the world. The war in Ukraine has now lasted for three years and the situation in the Middle East is still highly uncertain. 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's (The Norwegian Directorate of Immigration) most recent estimates indicate relatively high activity in 2025, slightly reduced compared to 2024, and considering the 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 steadily 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) | Q4 24 | Q4 24 - IFRS 16 | Q4 24 - Adjusted | Q4 23 | Q4 23 - IFRS 16 | Q4 23 - Adjusted |
|---|----------------|--------------------|---------------------|----------------|--------------------|---------------------|
| Operating revenues | 2,969.3 | - | 2,969.3 | 2,828.4 | - | 2,828.4 |
| Other income | 52.7 | 2.9 | 55.6 | 41.3 | 23.7 | 65.0 |
| Total | 3,022.1 | 2.9 | 3,024.9 | 2,869.7 | 23.7 | 2,893.4 |
| Direct cost of goods and services | (146.6) | - | (146.6) | (94.1) | - | (94.1) |
| Personnel expenses | (2,189.2) | - | (2,189.2) | (2,067.3) | - | (2,067.3) |
| Other operating expenses | (291.4) | (313.9) | (605.3) | (367.2) | (260.0) | (627.2) |
| EBITDA | 394.9 | (311.1) | 83.8 | 341.1 | (236.2) | 104.9 |
| Depreciation | (279.3) | 262.3 | (17.0) | (249.6) | 224.4 | (25.2) |
| EBITA | 115.6 | (48.7) | 66.8 | 91.5 | (11.9) | 79.6 |
| Amortisation | (8.2) | - | (8.2) | (17.2) | - | (17.2) |
| Operating profit/(loss) - EBIT | 107.4 | (48.7) | 58.7 | 74.2 | (11.9) | 62.4 |
| Net financial items | (143.3) | 72.2 | (71.1) | (147.2) | 57.7 | (89.6) |
| Share of net income from associated companies | (0.9) | - | (0.9) | 0.3 | - | 0.3 |
| Profit/(loss) before taxes - EBT | (36.9) | 23.5 | (13.4) | (72.8) | 45.8 | (26.9) |

| (NOK million) | FY 24 | FY 24 - IFRS 16 | FY 24 - Adjusted | FY 23 | FY 23 - IFRS 16 | FY 23 - Adjusted |
|---|-----------------|--------------------|---------------------|-----------------|--------------------|---------------------|
| Operating revenues | 11,700.1 | - | 11,700.1 | 10,696.4 | - | 10,696.4 |
| Other income | 80.4 | 10.7 | 91.1 | 75.7 | 24.8 | 100.5 |
| Total | 11,780.5 | 10.7 | 11,791.2 | 10,772.2 | 24.8 | 10,796.9 |
| Direct cost of goods and services | (459.7) | - | (459.7) | (351.2) | - | (351.2) |
| Personnel expenses | (8,435.6) | - | (8,435.6) | (7,640.0) | - | (7,640.0) |
| Other operating expenses | (1,309.0) | (1,095.4) | (2,404.5) | (1,414.8) | (933.5) | (2,348.3) |
| EBITDA | 1,576.2 | (1,084.7) | 491.5 | 1,366.2 | (908.8) | 457.5 |
| Depreciation | (1,024.5) | 923.7 | (100.8) | (890.7) | 798.1 | (92.6) |
| EBITA | 551.7 | (161.0) | 390.7 | 475.6 | (110.7) | 364.9 |
| Amortisation | (36.7) | - | (36.7) | (41.4) | - | (41.4) |
| Operating profit/(loss) - EBIT | 515.0 | (161.0) | 354.0 | 434.2 | (110.7) | 323.5 |
| Net financial items | (568.6) | 242.4 | (326.1) | (482.0) | 209.5 | (272.5) |
| Share of net income from associated companies | (1.6) | - | (1.6) | 0.8 | - | 0.8 |
| Profit/(loss) before taxes - EBT | (55.2) | 81.4 | 26.2 | (47.0) | 98.8 | 51.8 |

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, 24 February 2025

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

Linda Hofstad Helleland

Member of the Board

Yngvar Tov Herbjørnssønn

CEO

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Ticker codes:

Norlandia Health & Care Group AS has issued two bond loans listed on Oslo Stock Exchange (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.

Interim condensed financial

Consolidated Income Statement

NHC Group

| Unaudited, in NOK million | Notes | Q4 24 | Q4 23 | FY 24 | FY 23 |
|---|-------|----------------|----------------|-----------------|-----------------|
| Operating revenues | | 2,969.3 | 2,828.4 | 11,700.1 | 10,696.4 |
| Other income | | 52.7 | 41.3 | 80.4 | 75.7 |
| Total | 3 | 3,022.1 | 2,869.7 | 11,780.5 | 10,772.2 |
| Direct cost of goods and services | | (146.6) | (94.1) | (459.7) | (351.2) |
| Personnel expenses | | (2,189.2) | (2,067.3) | (8,435.6) | (7,640.0) |
| Other operating expenses | | (291.4) | (367.2) | (1,309.0) | (1,414.8) |
| EBITDA | | 394.9 | 341.1 | 1,576.2 | 1,366.2 |
| Depreciation | | (279.3) | (249.6) | (1,024.5) | (890.7) |
| EBITA | 3 | 115.6 | 91.5 | 551.7 | 475.6 |
| Amortisation | 4 | (8.2) | (17.2) | (36.7) | (41.4) |
| Operating profit/(loss) - EBIT | | 107.4 | 74.2 | 515.0 | 434.2 |
| Net financial items | 5 | (143.3) | (147.2) | (568.6) | (482.0) |
| Share of net income from associated companies | | (0.9) | 0.3 | (1.6) | 0.8 |
| Profit/(loss) before taxes | | (36.9) | (72.8) | (55.2) | (47.0) |
| Income taxes | 6 | 33.4 | 8.1 | 31.1 | 12.5 |
| Net income | | (3.5) | (64.6) | (24.1) | (34.5) |
| Net income attributable to: | | | | | |
| Equity holders of the parent company | | (1.3) | (73.8) | (15.7) | (39.0) |
| Non-controlling interests | | (2.2) | 9.2 | (8.4) | 4.5 |

Consolidated Statement of Comprehensive Income

NHC Group

| Unaudited, in NOK million | Q4 24 | Q4 23 | FY 24 | FY23 |
|--|---------------|---------------|---------------|---------------|
| Net income | (3.5) | (64.6) | (24.1) | (34.5) |
| Currency translation differences | (7.5) | 19.6 | 11.4 | 44.6 |
| Items that may be subsequently reclassified to P&L | (7.5) | 19.6 | 11.4 | 44.6 |
| Remeasurement of defined benefit pension plans | (5.7) | 10.6 | (5.7) | 10.6 |
| Income taxes related to these items | 1.3 | (3.0) | 1.3 | (3.0) |
| Items that will not be subsequently reclassified to P&L | (4.5) | 7.6 | (4.5) | 7.6 |
| Other comprehensive income/(loss), net of taxes | (12.0) | 27.2 | 6.9 | 52.2 |
| Total comprehensive income | (15.5) | (37.4) | (17.2) | 17.7 |
| Total comprehensive income attributable to | | | | |
| Equity holders of the parent company | (12.9) | (43.5) | (5.3) | 19.5 |
| Non-controlling interests | (2.5) | 6.1 | (11.9) | (1.8) |

Consolidated Statement of Financial Position

NHC Group

| Unaudited, in NOK million | Notes | 31.12.2024 | 31.12.2023 |
|--|-------|-----------------|-----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | | 983.9 | 957.9 |
| Right-of-use assets | | 7,026.2 | 6,548.2 |
| Goodwill | 7 | 3,217.7 | 3,175.2 |
| Intangible assets | 7 | 503.7 | 522.7 |
| Deferred tax assets | | 258.7 | 225.0 |
| Investment in associated companies | | 76.6 | 34.5 |
| Other investments | | 33.0 | 21.3 |
| Other non-current receivables | | 111.0 | 17.7 |
| Total non-current assets | | 12,210.8 | 11,502.5 |
| Current assets | | | |
| Inventories | | 8.4 | 7.7 |
| Trade receivables | | 683.1 | 746.8 |
| Other current receivables | | 391.4 | 530.4 |
| Cash and cash equivalents | | 440.2 | 346.0 |
| Total current assets | | 1,523.2 | 1,630.9 |
| Total assets | | 13,733.9 | 13,133.4 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 496.1 | 496.1 |
| Other equity | | 426.7 | 448.6 |
| Equity attributable to owners of the parent | | 922.8 | 944.7 |
| Non-controlling interests | | (11.0) | (1.2) |
| Total equity | | 911.8 | 943.5 |
| Liabilities | | | |
| Pension liabilities | | 3.5 | 1.4 |
| Borrowings | 8 | 2,687.9 | 2,617.7 |
| Lease liabilities | | 6,730.7 | 6,297.8 |
| Deferred tax liabilities | | 196.1 | 218.3 |
| Other non-current liabilities | | 125.2 | 142.1 |
| Total non-current liabilities | | 9,743.3 | 9,277.3 |
| Trade payables | | 244.8 | 347.0 |
| Current borrowings | 8 | 455.1 | 381.6 |
| Current lease liabilities | | 908.1 | 764.1 |
| Taxes payable | | 3.7 | 11.8 |
| Other current liabilities | | 1,467.1 | 1,408.0 |
| Total current liabilities | | 3,078.8 | 2,912.6 |
| Total liabilities | | 12,822.2 | 12,189.9 |
| Total equity and liabilities | | 13,733.9 | 13,133.4 |

Consolidated Statement of Cash Flows

NHC Group

| Unaudited, in NOK million | Q4 24 | Q4 23 | FY 24 | FY 23 |
|---|----------------|----------------|------------------|------------------|
| Cash flow from operating activities | | | | |
| EBITDA | 394.9 | 341.0 | 1,576.2 | 1,366.2 |
| Net taxes paid and other EBITDA cash adjustments | (24.1) | (37.8) | (87.1) | (107.9) |
| Change in net working capital | 81.1 | 119.7 | 81.0 | 54.8 |
| Net cash flow from operating activities | 452.0 | 423.0 | 1,570.2 | 1,313.1 |
| Cash flow from investing activities | | | | |
| Net investment in property, plant and equipment and intangible assets | (125.1) | (73.6) | (327.9) | (244.3) |
| Net investments in shares in subsidiaries | (11.9) | (27.3) | (59.9) | 62.7 |
| Net investment in shares in associates and other investments | 2.3 | (8.0) | (10.8) | (8.0) |
| Proceeds from sale of assets | 85.2 | 15.1 | 170.7 | 60.3 |
| Net change in financial receivables | 17.6 | 11.2 | (4.8) | 19.3 |
| Interest received | 4.2 | 11.6 | 6.9 | 11.6 |
| Net cash flow from investing activities | (27.6) | (70.9) | (225.8) | (98.4) |
| Cash flow from financing activities | | | | |
| Net change in interest-bearing debt | 207.4 | 12.2 | 158.3 | 187.4 |
| Proceeds from non-current bonds | (0.4) | 0.0 | 2,278.5 | 501.4 |
| Repayment of current bond | 0.0 | 0.0 | (2,238.3) | (657.0) |
| Repayment of lease liabilities | (242.4) | (202.3) | (855.3) | (724.0) |
| Distribution to non-controlling interest | 0.2 | - | - | - |
| Net interest paid and other financial items | (159.6) | (146.6) | (548.3) | (462.4) |
| Distributions to/from owners | (45.0) | - | (45.0) | - |
| Net cash flow from financing activities | (239.9) | (336.6) | (1,250.0) | (1,154.7) |
| Changes in cash and cash equivalents | | | | |
| Net change in cash and cash equivalents | 184.5 | 15.5 | 94.3 | 60.0 |
| Effects of changes in exchange rates on cash | 3.4 | (5.3) | (0.1) | 14.2 |
| Cash and cash equivalents at the beginning of period | 252.3 | 335.8 | 346.0 | 271.7 |
| Cash and cash equivalents at end of period | 440.2 | 346.0 | 440.2 | 346.0 |

Consolidated Statement of Changes in Equity

NHC Group

| 2024 Unaudited, in NOK million | Attributable to equity holders of the parent | | | | | | Non-controlling interests | Total equity |
|---|--|---------------|----------------------|-------------------|-------------------------|---------------------------------------|---------------------------|---------------|
| | Share capital | Share premium | Other paid in equity | Retained earnings | Translation differences | Total equity to holders of the parent | | |
| Equity as of 1 January 2024 | 496.1 | 372.2 | 10.0 | 2.7 | 63.7 | 944.7 | (1.2) | 943.5 |
| Net income for the period | - | - | - | (15.7) | - | (15.7) | (8.4) | (24.1) |
| Other comprehensive income for the period | - | - | - | (4.5) | 14.9 | 10.4 | (3.5) | 6.9 |
| Total comprehensive income for the period | - | - | - | (20.2) | 14.9 | (5.3) | (11.9) | (17.2) |
| Contributions by and distributions | | | | | | | | |
| Effect of business combination under common control | - | - | - | 7.3 | - | 7.3 | - | 7.3 |
| Distribution to owners | - | - | - | (22.5) | - | (22.5) | - | (22.5) |
| Distribution to non-controlling interests | - | - | - | - | - | - | (0.2) | (0.2) |
| Transactions with non-controlling interests | - | - | - | (1.3) | - | (1.3) | 2.2 | 0.9 |
| Total contributions and distributions | - | - | - | (16.6) | - | (16.6) | 2.1 | (14.5) |
| Equity as of 31 December 2024 | 496.1 | 372.2 | 10.0 | (34.0) | 78.6 | 922.8 | (11.0) | 911.8 |
| 2023 Unaudited, in NOK million | Attributable to equity holders of the parent | | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Other paid in equity | Retained earnings | Translation differences | Total equity to holders of the parent | | |
| Equity as of 1 January 2023 | 312.0 | 167.8 | - | 108.4 | 12.8 | 600.9 | 0.2 | 601.2 |
| 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 |
| Total comprehensive income for the period | - | - | - | (31.4) | 50.9 | 19.5 | (1.8) | 17.7 |
| Contributions by and distributions | | | | | | | | |
| Capital increase | 184.1 | 204.4 | - | - | - | 388.5 | - | 388.5 |
| Group contribution from owner | - | - | 10.0 | - | - | 10.0 | - | 10.0 |
| Effect of business combination under common control | - | - | - | (74.2) | - | (74.2) | - | (74.2) |
| Distribution to non-controlling interest | - | - | - | - | - | - | (0.1) | (0.1) |
| Transactions with non-controlling interests | - | - | - | - | - | - | 0.5 | 0.5 |
| Total contributions and distributions | 184.1 | 204.4 | 10.0 | (74.2) | - | 324.2 | 0.4 | 324.6 |
| Equity as of 31 December 2023 | 496.1 | 372.2 | 10.0 | 2.7 | 63.7 | 944.7 | (1.2) | 943.5 |

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) | Q4 24 | Q4 23 | FY 2024 | FY 2023 |
|---------------------------------------|----------------|----------------|-----------------|-----------------|
| Revenues and income by segment | | | | |
| Preschools | 1,208.4 | 1,139.9 | 4,842.1 | 4,440.7 |
| Care | 565.2 | 553.5 | 2,186.5 | 2,122.1 |
| Integration services | 251.4 | 307.1 | 1,008.3 | 1,164.7 |
| Individual & Family | 913.4 | 855.9 | 3,556.3 | 3,067.8 |
| Real Estate | 64.0 | 70.4 | 117.3 | 122.8 |
| Other/Elim/IFRS 16 adj | 19.6 | (57.1) | 70.0 | (145.8) |
| Total | 3,022.1 | 2,869.7 | 11,780.5 | 10,772.2 |

| (NOK million) | Q4 24 | Q4 23 | FY 2024 | FY 2023 |
|--------------------------|--------------|--------------|----------------|----------------|
| EBITDA by segment | | | | |
| Preschools | 11.3 | 20.1 | 213.5 | 204.5 |
| Care | (11.6) | (14.4) | (41.1) | (83.3) |
| Integration services | 20.1 | 44.1 | 96.2 | 182.5 |
| Individual & Family | 29.4 | 32.0 | 186.1 | 123.1 |
| Real Estate | 48.4 | 37.2 | 64.4 | 63.5 |
| Other/Elim/IFRS 16 adj | 297.3 | 222.1 | 1,057.1 | 875.8 |
| Total | 394.9 | 341.1 | 1,576.2 | 1,366.2 |

| (NOK million) | Q4 24 | Q4 23 | FY 2024 | FY 2023 |
|-------------------------|--------------|-------------|--------------|--------------|
| EBITA by segment | | | | |
| Preschools | (3.4) | 6.5 | 156.7 | 149.9 |
| Care | (14.2) | (17.0) | (51.7) | (92.8) |
| Integration services | 14.6 | 40.4 | 78.7 | 172.1 |
| Individual & Family | 26.5 | 29.1 | 174.1 | 113.2 |
| Real Estate | 44.9 | 35.1 | 49.4 | 56.8 |
| Other/Elim/IFRS 16 adj | 47.2 | (2.7) | 144.5 | 76.3 |
| Total | 115.6 | 91.5 | 551.7 | 475.6 |

| (NOK million) | Q4 24 | Q4 23 | FY 2024 | FY 2023 |
|------------------------|--------------|-------------|--------------|--------------|
| EBIT by segment | | | | |
| Preschools | (8.1) | 1.5 | 133.7 | 129.6 |
| Care | (15.2) | (27.1) | (55.7) | (105.5) |
| Integration services | 14.6 | 40.4 | 78.7 | 172.1 |
| Individual & Family | 24.1 | 27.0 | 164.4 | 104.9 |
| Real Estate | 44.9 | 35.1 | 49.4 | 56.8 |
| Other/Elim/IFRS 16 adj | 47.2 | (2.7) | 144.5 | 76.3 |
| Total | 107.4 | 74.2 | 515.0 | 434.2 |

| (NOK million) | Q4 24 | Q4 23 | FY 2024 | FY 2023 |
|--|----------------|----------------|-----------------|-----------------|
| Operating revenues by geography | | | | |
| Norway | 1,246.3 | 1,206.2 | 4,951.3 | 4,682.8 |
| Sweden | 1,230.9 | 1,232.9 | 4,902.6 | 4,567.2 |
| International | 461.3 | 416.6 | 1,739.0 | 1,543.6 |
| Other/Elimination | 30.9 | (27.3) | 107.2 | (97.1) |
| Total revenues by geography | 2,969.3 | 2,828.4 | 11,700.1 | 10,696.4 |

| YTD 2024 | Preschools | Care | Integration services | Individual & Family | Other / Elim |
|------------------------------------|-------------|-------------|----------------------|---------------------|--------------|
| Norway | 48% | 13% | 88% | 41% | 0% |
| Sweden | 24% | 74% | 0% | 59% | 0% |
| International | 28% | 13% | 12% | 0% | 0% |
| Real Estate/Other/Elimination | 0% | 0% | 0% | 0% | 100% |
| Total revenues by geography | 100% | 100% | 100% | 100% | 100% |

| 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% |
| Total revenues by geography | 100% | 100% | 100% | 100% | 100% |

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) | Q4 24 | Q4 23 | FY 24 | FY 23 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Interest income | 3.6 | 7.3 | 6.3 | 11.6 |
| Interest expenses | (70.6) | (86.5) | (332.4) | (273.5) |
| Interest expenses lease liability | (72.2) | (57.7) | (242.4) | (209.5) |
| Net foreign exchange gains/(losses) | 5.3 | (9.1) | 6.9 | (7.0) |
| Other finance income | 0.1 | (0.4) | 5.3 | (0.3) |
| Other finance expenses | (9.5) | (0.8) | (12.3) | (3.3) |
| Net financial items | (143.3) | (147.2) | (568.6) | (482.0) |

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, as well as leased assets in Q4.

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) | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| Bond loans | 2,353.0 | 2,271.5 |
| Current overdraft facilities | 392.8 | 289.7 |
| Property debt outside ringfence structure | 384.1 | 394.3 |
| Other debt/property debt | 13.1 | 43.8 |
| Total current and non-current borrowings | 3,143.0 | 2,999.3 |

| 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 |
| Total | | 2,300.0 | | 2,300.0 |

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 non-current credit facility was repaid, and in replacement, the company secured a current 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 2024. In Q4, a final consideration for the Agito companies bought in Q4 2023 were made and resulted in a net effect booked against retained earnings of NOK 7.3 million. As this adjustment was not material for the Group, the carrying values are not shown below.

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 |
| Total non-current assets | 1,991.2 |
| Receivables | 294.2 |
| Cash and cash equivalents | 129.9 |
| Total current assets | 424.1 |
| Deferred tax liability | 5.0 |
| Non-current lease liability | 766.3 |
| Other non-current liabilities | 19.1 |
| Total non-current liabilities | 790.3 |
| Current interest-bearing debt | 688.1 |
| Current lease liability | 128.7 |
| Other current liabilities | 339.3 |
| Total current liabilities | 1,156.2 |
| Total net assets purchased | 468.8 |
| Total consideration* | 511.6 |
| Effect of business combination under common control, equity | (42.8) |

*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 31 December 2024.

Financial statements for the parent company

Income statement

Norlandia Health & Care Group AS

| Unaudited, in NOK thousands | Note | Q4 24 | Q4 23 | FY 24 | FY 23 |
|-----------------------------------|------|-----------------|----------------|------------------|-----------------|
| Revenues | | 1,469 | 1,178 | 4,702 | 4,712 |
| Total | | 1,469 | 1,178 | 4,702 | 4,712 |
| Personnel expenses | | (1,104) | (1,092) | (2,853) | (2,578) |
| Other operating expenses | | (4,383) | (2,409) | (3,052) | (17,150) |
| Operating profit/(loss) | | (4,018) | (2,323) | (1,203) | (15,017) |
| Net financial items | 1 | (26,025) | 187,196 | (164,344) | 76,289 |
| Profit/(loss) before taxes | | (30,043) | 184,873 | (165,547) | 61,272 |
| Income taxes | | - | (14,123) | - | (13,991) |
| Net income | | (30,043) | 170,750 | (165,547) | 47,281 |

Statement of financial position

Norlandia Health & Care Group AS

| Unaudited, in NOK thousands | Note | 31.12.2024 | 31.12.2023 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Shares in subsidiaries and associates | | 2,165,402 | 2,165,402 |
| Loans to group companies | | 1,192,268 | 1,073,279 |
| Total non-current assets | | 3,357,670 | 3,238,681 |
| Current assets | | | |
| Current group receivables | | 460,871 | 689,975 |
| Other current receivables | | 377 | 127 |
| Cash and cash equivalents | | 100,260 | 37,667 |
| Total current assets | | 561,508 | 727,768 |
| Total assets | | 3,919,178 | 3,966,450 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 496,053 | 496,053 |
| Share premium reserve | | 372,190 | 372,190 |
| Share premium reserve | | 10,005 | 10,005 |
| Total restricted equity | | 878,248 | 878,248 |
| Retained earnings | | 185,112 | 373,159 |
| Total equity | | 1,063,360 | 1,251,407 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Bond loans | 1 | 2,299,688 | 2,220,187 |
| Non-current non-interest-bearing debt | | 68,881 | 102,525 |
| Total non-current liabilities | | 2,368,570 | 2,322,712 |
| Current liabilities | | | |
| Trade payables | | 154 | 263 |
| Current liabilities to group companies | | 37,331 | 48,679 |
| Current overdraft facilities | | 392,807 | 289,687 |
| Other current liabilities | | 56,956 | 53,702 |
| Total current liabilities | | 487,248 | 392,331 |
| Total liabilities | | 2,855,818 | 2,715,043 |
| Total equity and liabilities | | 3,919,178 | 3,966,450 |

Notes

1. FINANCE COSTS

Finance Costs in Q4 24 includes NOK 58.5 million in interest expense related to the bond loan. Net currency movement for the period was NOK 7.2 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 non-current credit facility was repaid, and in replacement, the company secured a current overdraft facility of NOK 350 million by DnB. This was increased to NOK 500 million in July 2024.

Group web pages

NORLANDIA CARE AS

www.norlandiacare.no

HERO GROUP AS

www.hero.no

NORLANDIA BARNEHAGENE AS

www.norlandiabarnehagene.no

ABERIA HEALTHCARE AS

www.aberia.no

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