NHC Group
Report Q2 25

CONTENT

Key figures

NHC Group

Unaudited, in NOK million	Q2 25	Q1 25	YTD 25	Q2 24	Q1 24	YTD 24	FY 24
Revenues & income	3,248.1	3,074.6	6,322.7	2,953.4	2,955.6	5,908.9	11,780.5
EBITDA	418.8	407.6	826.4	377.1	397.5	774.6	1,576.2
EBITDA (%)	12.9 %	13.3 %	13.1 %	12.8 %	13.4 %	13.1 %	13.4 %
EBITA	134.9	134.4	269.4	132.4	156.5	288.9	551.7
EBITA (%)	4.2 %	4.4 %	4.3 %	4.5 %	5.3 %	4.9 %	4.7 %
EBIT	126.2	125.4	251.6	123.5	145.7	269.2	515.0
EBIT (%)	3.9 %	4.1 %	4.0 %	4.2 %	4.9 %	4.6 %	4.4 %
EBT	(1.4)	(20.7)	(22.1)	8.8	10.9	19.7	(55.2)
EBT (%)	0.0 %	-0.7 %	-0.4 %	0.3 %	0.4 %	0.3 %	-0.5 %
EBITDA - adjusted for IFRS 16	118.0	111.2	229.3	122.9	147.5	270.4	491.5
EBITA - adjusted for IFRS 16	88.6	84.8	173.4	95.2	122.4	217.7	390.7

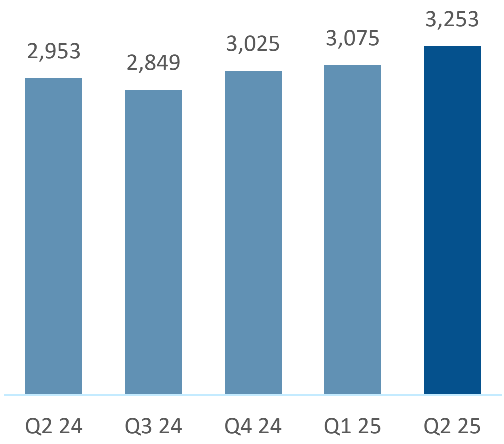
Figures are reported including effects from IFRS 16. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

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

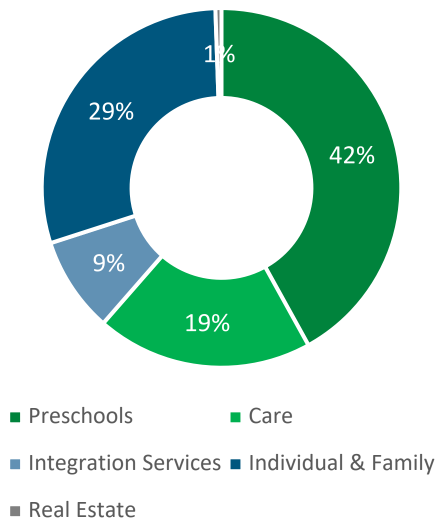
Q2 25 Highlights

- Q2 2025 revenues of NOK 3,248.1 million, a growth of 10 % YoY, mainly explained by price adjustments and organic growth within Care and Individual & Family
- Q2 2025 EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 118 million, down NOK 5 million YoY, mainly explained by Integration Services and Individual & Family (Easter seasonality), offset by positive development within Care and Preschools
- Preschools delivered an adj. EBITDA of NOK 81 million, up 5 million YoY, mainly driven by ongoing efficiency measures.
- Care generated an adj. EBITDA of NOK 0 million, up NOK 19 million YoY, mainly related to increased occupancy, price adjustments, and efficiency improvements, offset by start-up costs related to a new own management unit (120 places) and two new tender contracts in Oslo that started 1 June
- Integration Services delivered an adj. EBITDA of NOK 16 million, down NOK 13 million YoY, explained by reduced activity within Norwegian acute reception centers
- Individual & Family generated an adj. EBITDA of NOK 29 million, down NOK 18 million YoY, primarily driven by seasonality of higher personnel costs than in the comparison quarter, as the Easter holiday fell in Q2 2025, compared to Q1 in 2024 which generate a considerable amount of inconvenience allowance
- Real Estate delivered an adj. EBITDA of NOK 1 million, up NOK 4 million YoY following sale of property in Norway
- Current profitability levels are below our targets mainly due to an expected, although somewhat faster, normalization of Integration services, coupled with slower-than-anticipated development within the other segments combined
- We anticipate improvements going forward, particularly from the second half of 2025 and onwards, with more effects of the implemented and ongoing operational measures to be seen, along with further materialization of the improved fundamentals within Care. The Care segment is now on track to provide a meaningful contribution to the Group’s overall performance in the coming years

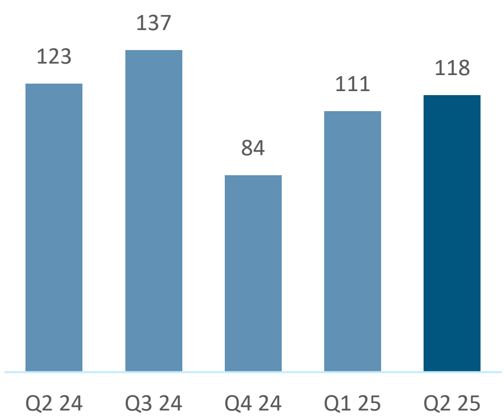
ADJ. REVENUE PER QUARTER (MNOK)



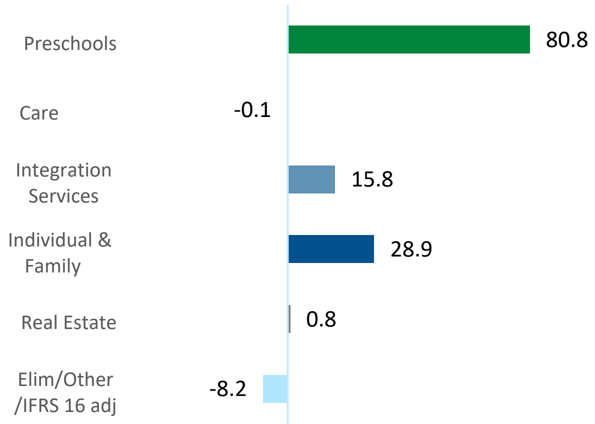
SEGMENT DISTRIBUTION Q2 25 (%)



ADJ. EBITDA PER QUARTER (MNOK)*



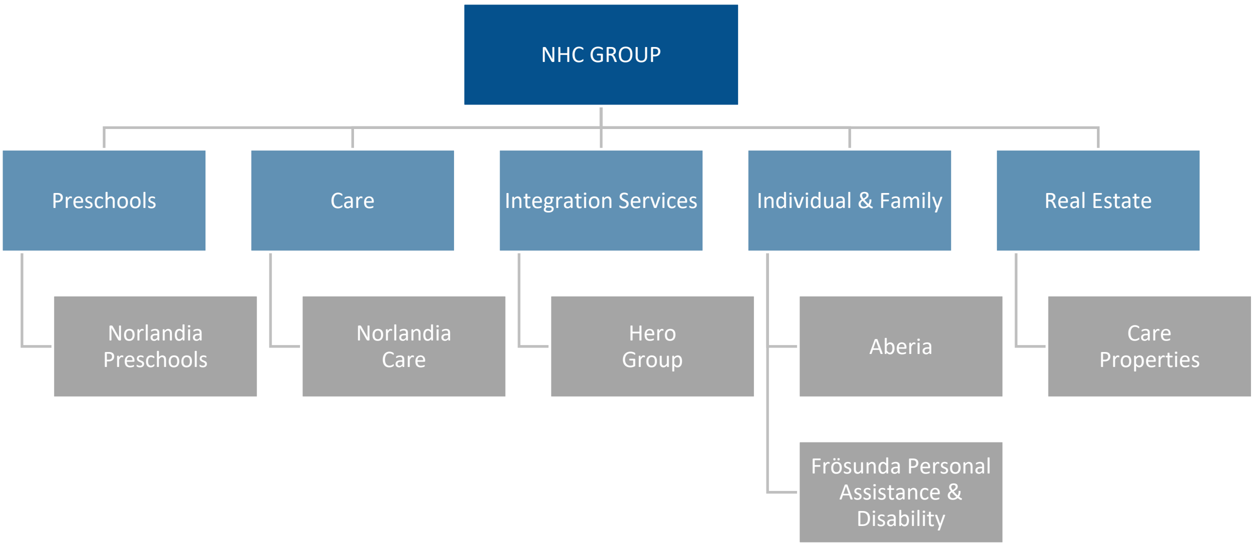
ADJ. EBITDA DISTRIBUTION Q2 25 (MNOK)*



**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 2024 Annual Report and the respective subsidiaries' web pages.



Financials

CONSOLIDATED INCOME STATEMENT AND CASH FLOWS

The Group reported consolidated revenues and income of NOK 3,248.1 million in Q2 25, an 10 % increase YoY, mainly explained by price adjustments and organic growth within Care and Individual & Family.

Net financial items amounted to NOK -126.5 million for Q2 25, reflecting interest expenses of NOK 65.2 million on mainly borrowings, interest related to capitalized leasing of NOK 63.5 million, interest income of NOK 0.9 million, and net unrealized currency gain of NOK 1.5 million.

Profit/(loss) before taxes amounted to NOK -1.4 million for Q2 25, down from a profit/(loss) before taxes of NOK 8.8 million one year prior. Adjusted for IFRS 16 effects, profit before taxes came in at NOK 15.8 million for the quarter, down from NOK 27.7 million in Q2 24.

Thus, the net effect of IFRS 16 amounted to NOK 17.2 million for Q2 25, reflecting depreciation charges of NOK 254.4 million and finance charges of 63.5 million. This was offset by reduced leasing expenses of NOK 305.2 million. See the APM section for more details.

Net cash inflow from operating activities in Q2 25 was NOK 496.6 compared to an inflow of NOK 366.8 million in the same quarter last year, mainly driven by a change in working capital for the period.

Net cash flow from investing activities resulted in an outflow of NOK 38.5 million in Q2 25, compared to an outflow of NOK 72.8 million in Q2 24, mainly explained by lower investments in property, plant and equipment, acquisitions and net change in financial receivables. Maintenance capex amounted to NOK 16.0 million in Q2 2025, while the remaining investments related to growth initiatives mainly within the Real Estate segment.

Net cash outflow from financing activities amounted to NOK 480.8 million in Q2 25, compared to an outflow of NOK 325.5 million in Q2 24. The outflow this quarter is mainly explained by lease payments of NOK 241.2 million, and cash interest expenses, including lease liability related interest expenses and finance fees, of NOK 122.0 million.

The Group generated total cash flows of NOK -22.7 million for Q2 25.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER 30 JUNE 2025

As of 30 June 2025, the Group had total non-current assets of NOK 12,195.4 million, an increase of NOK 11.5 million from year-end 2024. The increase is mainly explained by an increase in goodwill of NOK 67.7 million, most of which relates to currency effects. This was partly offset by lower right-of-use assets which were NOK 6,961.0 million as of 30 June 2025 compared to NOK 7,026.2 million at year-end 2024.

Cash and cash equivalents amounted to NOK 221.8 million on 30 June 2025, down from NOK 440.2 million on 31 December 2024. The Group has a short-term overdraft facility of NOK 500.0 million with DNB, and as of 30 June 2025, NOK 222.7 million was drawn, compared to NOK 392.8 million on 31 December 2024.

Total assets amounted to NOK 13,676.9 million at the end of Q2 25 compared to NOK 13,707.1 at year-end 2024.

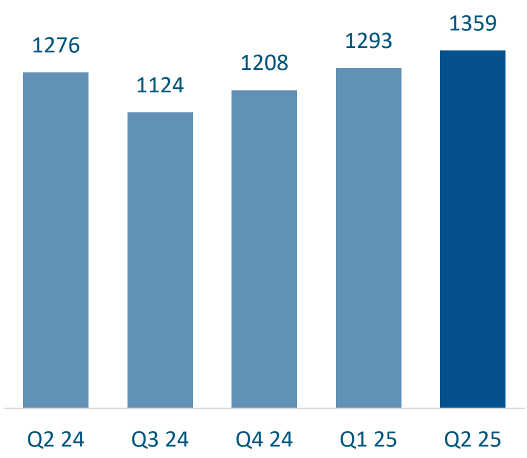
Total non-current liabilities as of 30 June 2025 amounted to NOK 9,695.4 million, including NOK 6,681.1 million classified as “Lease liabilities” under IFRS 16. Borrowings amounted to NOK 2,689.1 million, an increase of NOK 1.3 million from year-end 2024. In June 2024, NHC successfully placed a senior 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 June 2025 the Group’s total equity amounted to NOK 903.4 million compared to NOK 899.7 million at year-end 2024.

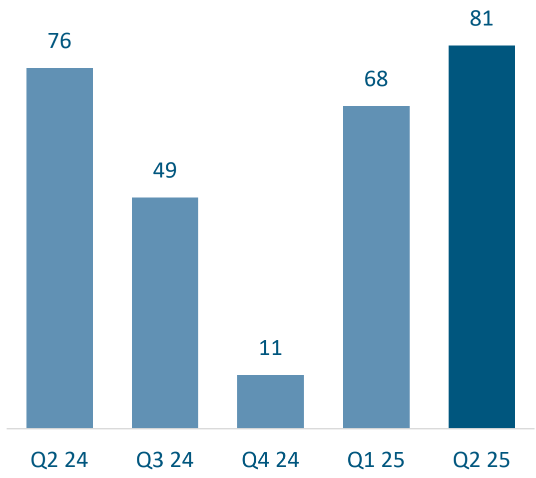
BUSINESS SEGMENTS

Preschools

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 second quarter of 2025 generated revenues of NOK 1,359 million, up from NOK 1,276 million in Q2 24. The 7 % increase YoY mainly related to price adjustments, along with new openings in Sweden.

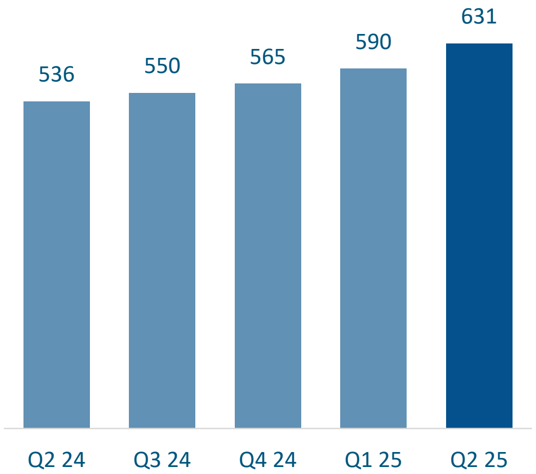
In Q2 25 the segment reported an adj. EBITDA of NOK 81 million, up NOK 5 million YoY. We are confident to see continued improvements in 2H 2025 through effects of ongoing efficiency measures and maturation of new established preschools (< 3 years old).

In a national wide report regarding customer satisfaction in preschools in Norway published earlier this year, 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.

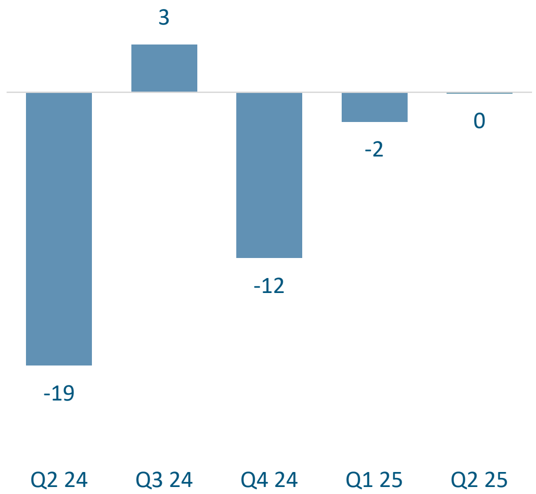
As of 30 June 2025, Norlandia Preschools operates 436 units. Of these, 33 units are owned 50% and operated by Wekita (Germany), which is consolidated in the Group as an associated company, and hence not reflected in the segment figures above.

Care

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 Care segment reported revenues of NOK 631 million in Q2 25, compared to NOK 536 million in Q2 24. Revenues increased following start-up of new own management units in Finland, increased occupancy, and price adjustments.

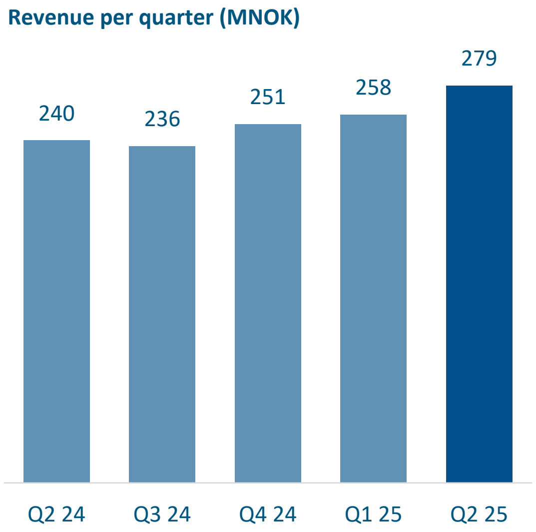
In Q2 25, Care reported an adj. EBITDA of NOK 0 million, up NOK 19 million YoY. The improvement is mainly related to increased occupancy, price adjustments, and efficiency improvements. The continued positive development was offset by start-up costs related to a new own management unit in Finland and two new large tender contracts in Oslo starting up in June. We expect the segment to deliver profits for the full year 2025 and onwards backed by the solid development in underlying drivers and future demand outlook.

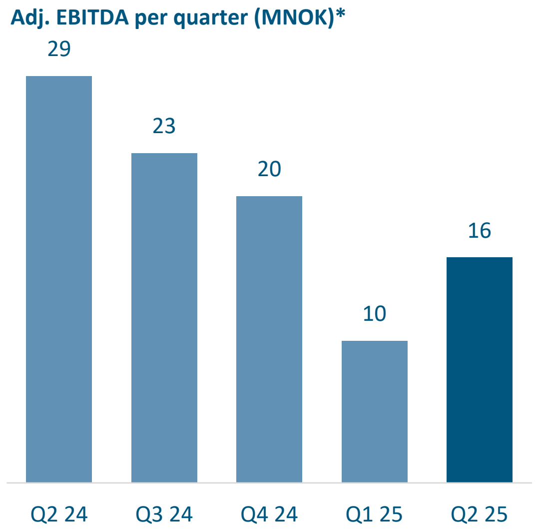
In June, Norlandia took over the operation of two nursing homes in Norway, previously under the management of the Oslo Municipality. The transition is expected to generate some initial start-up and restructuring costs; however, the units should provide a solid contribution to the Norwegian operations within a relatively short timeframe. Municipalities report increased tender activity, with more nursing homes set for public tendering to encourage innovation and the need for new cost structures. In August, Care won a Patient Hotel contract in Bergen, leveraging the Group's established hotel expertise.

In our two other markets, Sweden and Finland, we have increased the share of own management units to approximately half of the nursing home revenue base through multiple openings since 2020. 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 are currently experiencing a clear increase in demand for elderly care services across all our markets. This growth is driven by demographic trends and a heightened focus on delivering high-quality, person-centered care. At the same time, there is a strong push for innovation in the sector, creating new opportunities to enhance service delivery through technology and new care models. These developments position us well to respond to emerging needs and to play a leading role in shaping the future of elderly care in the Nordic region. Following several highly challenging years, Care is now on track to recovery and should become a material contributor to the Group's overall profitability in the years ahead.

Integration services





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

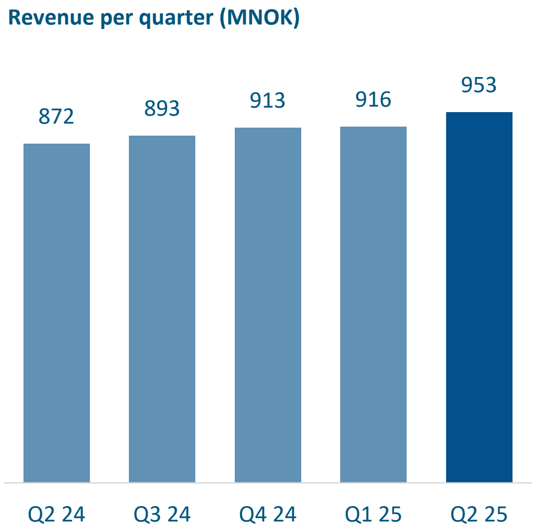
Integration Services generated revenues of NOK 279 million and adj. EBITDA of NOK 16 million in Q2 25. The reduced profitability YoY was mainly explained by reduced activity within acute reception centers in Norway.

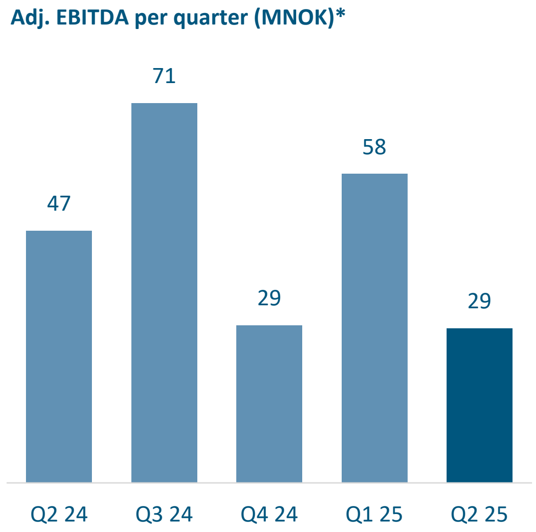
The geopolitical landscape is uncertain, and demand may vary. In their most recent estimate, UDI plans for 14,000 arrivals, representing a reduction compared to prior years. In addition to lower volumes, price adjustments on the ordinary reception center contracts have lagged behind underlying cost developments in recent years. This imbalance has put pressure on margins and contributed to a weakening of performance. However, our resilient and flexible cost base allows us to adapt efficiently, and we anticipate maintaining healthy margins despite the decline. Our focus remains on operational efficiency and quality service delivery, ensuring we remain well-positioned even in a more challenging market environment.

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 953 million in Q2 25, up NOK 81 million YoY mainly explained by organic growth in Norway and price adjustments.

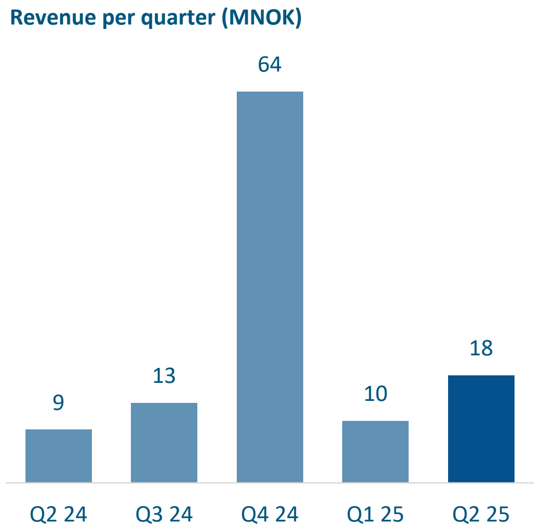
In Q2 2025, the segment reported an adjusted EBITDA of NOK 29 million, a decrease of NOK 18 million year-on-year. The decline was primarily driven by higher personnel costs than in the comparison quarter, as the Easter holiday fell in Q2 2025, compared to Q1 in 2024. This has a material effect when comparing results per quarter as inconvenient allowance costs represent a considerable share of the personnel costs. When comparing on year-to-date basis, however, this has no effect, and the segment delivered a slight improvement in 1H 2025 compared to 1H 2024.

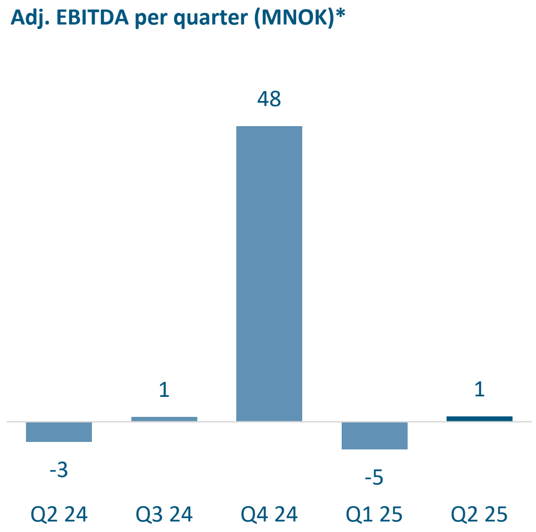
Aberia, the Norwegian operations, continued the organic, and healthy growth. Established in 2010, Aberia has grown to now reach an annual turnover of more than NOK 1,500 million. The core operations are strong on quality and reputation and should generate healthy EBITDA going forward.

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 a solid pipeline of new units.

Considering the current unreasonably low-price level, Personal assistance in Sweden delivered a satisfactory financial performance, owing to solid operational efficiency. Over time, the personal assistance sector in Sweden has been systematically underfinanced significantly, reducing margins to unsustainable levels.

Real Estate





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

The Real Estate segment recorded revenues of NOK 18 million in Q2 25, with adj. EBITDA of NOK 1 million, following sale of a property in Norway. We continuously evaluate prevailing market prices and anticipated shifts in interest rates and may adjust the timing of transactions to align with observed and expected developments. As an average over years, however, our annual target EBITDA remains at NOK 60 million.

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 increases. 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

Overall, the group is well-positioned for continued progress in 2025, with each segment contributing to a balanced and resilient portfolio. Structural drivers such as demographic shifts, political prioritization of welfare services, and the demand for quality care and education provide a strong foundation for improvements going forward. Our diversified operations, strong market positions, and focus on quality and innovation enable us to adapt to changing conditions and pursue sustainable value creation across all business areas.

Within Preschools, continued efficiency measures and the maturation of newly established preschools are anticipated to support performance improvements. High customer satisfaction scores for private preschools, where Norlandia is a top performer, reinforce the value private providers bring in delivering quality services cost-effectively. We remain committed to advocating for equal treatment of private providers to ensure a fair and sustainable childcare sector.

The Care segment is on a clear path to recovery and long-term growth. New nursing home contracts in Oslo represent a significant step forward in Norway and are expected to enhance revenue and profitability once fully implemented. In Sweden and Finland, a greater focus on own management units is set to strengthen margins as occupancy stabilizes. Demographic trends and an increasing emphasis on high-quality, person-centered care continue to drive demand across all our markets.

While demand within Integration Services may fluctuate due to geopolitical uncertainty, our adaptable cost structure allows us to respond effectively to volume changes. We expect reduced profitability within Integration Services in 2025 but remain confident in our ability to deliver stable margins. Our operations in Norway and Germany are well-equipped for rapid mobilization, and we see long-term potential as migration pressures persist, and political sentiment evolves. Additionally, our interpretation services continue to grow strongly, supported by new tenders and a dynamic market shaped by technological advances. We remain focused on maintaining a competitive edge and delivering high-quality services in this evolving landscape.

The Individual & Family segment is expected to continue its solid development, driven by strong performance across all subsegments. In Norway, Aberia's organic growth reflects a well-established and reputable operation that is positioned for sustained profitability. In Sweden, both the disability care and personal assistance services have shown resilience, with the former maintaining high efficiency and the latter adapting well despite structural underfunding. We anticipate further improvements supported by a growing pipeline of new units and continued focus on operational excellence across markets.

The Real Estate segment continues to address the growing need for modern social infrastructure. Although the broader commercial real estate market remains challenging due to higher interest rates and economic uncertainty, our portfolio has demonstrated resilience. Demand for our properties remains strong, underpinned by our reputation as a solid and stable lease counterpart. We continue to acquire and establish properties at attractive prices, while carefully analyzing whether this is a period to hold back on sales in anticipation of yields coming down.

Political and regulatory risk remains relevant, though polarization appears to be easing. In both Sweden and Norway there is continued political preference for non-profit providers, with related legal proceedings ongoing. At the same time, welfare states increasingly recognize the value of balanced competition and are beginning to offer more equitable contracts. However, in several segments providers are still expected to assume significant risk and raise quality standards within low-margin frameworks, creating potential sustainability challenges.

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 in 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)	Q2 25	Q2 25 - IFRS 16	Q2 25 - Adjusted	Q2 24	Q2 24 - IFRS 16	Q2 24 - Adjusted
Operating revenues	3,245.3	-	3,245.3	2,949.2	-	2,949.2
Other income	2.8	4.5	7.2	4.1	0.1	4.2
Total	**3,248.1**	**4.5**	**3,252.5**	**2,953.4**	**0.1**	**2,953.5**
Direct cost of goods and services	(101.7)	-	(101.7)	(98.0)	-	(98.0)
Personnel expenses	(2,392.3)	-	(2,392.3)	(2,111.6)	-	(2,111.6)
Other operating expenses	(335.3)	(305.2)	(640.5)	(366.6)	(254.4)	(621.0)
EBITDA	**418.8**	**(300.8)**	**118.0**	**377.1**	**(254.3)**	**122.9**
Depreciation	(283.9)	254.4	(29.5)	(244.7)	217.1	(27.6)
EBITA	**134.9**	**(46.3)**	**88.6**	**132.4**	**(37.2)**	**95.2**
Amortisation	(8.8)	-	(8.8)	(8.9)	-	(8.9)
Operating profit/(loss) - EBIT	**126.2**	**(46.3)**	**79.8**	**123.5**	**(37.2)**	**86.3**
Net financial items	(126.5)	63.5	(63.0)	(114.4)	56.0	(58.4)
Share of net income from associated companies	(1.1)	-	(1.1)	(0.3)	-	(0.3)
Profit/(loss) before taxes - EBT	**(1.4)**	**17.2**	**15.8**	**8.8**	**18.8**	**27.7**

(NOK million)	YTD 25	YTD 25 - IFRS 16	YTD 25 - Adjusted	YTD 24	YTD 24 - IFRS 16	YTD 24 - Adjusted
Operating revenues	6,319.9	-	6,319.9	5,888.2	-	5,888.2
Other income	2.8	4.4	7.2	20.7	8.1	28.8
Total	**6,322.7**	**4.4**	**6,327.1**	**5,908.9**	**8.1**	**5,917.0**
Direct cost of goods and services	(203.4)	-	(203.4)	(206.5)	-	(206.5)
Personnel expenses	(4,614.1)	-	(4,614.1)	(4,221.0)	-	(4,221.0)
Other operating expenses	(678.7)	(601.5)	(1,280.3)	(706.7)	(512.3)	(1,219.0)
EBITDA	**826.4**	**(597.1)**	**229.3**	**774.6**	**(504.2)**	**270.4**
Depreciation	(557.0)	501.1	(55.9)	(485.7)	433.0	(52.8)
EBITA	**269.4**	**(96.0)**	**173.4**	**288.9**	**(71.3)**	**217.7**
Amortisation	(17.8)	-	(17.8)	(19.8)	-	(19.8)
Operating profit/(loss) - EBIT	**251.6**	**(96.0)**	**155.6**	**269.2**	**(71.3)**	**197.9**
Net financial items	(272.3)	125.8	(146.4)	(249.2)	112.1	(137.1)
Share of net income from associated companies	(1.5)	-	(1.5)	(0.3)	-	(0.3)
Profit/(loss) before taxes - EBT	**(22.1)**	**29.8**	**7.7**	**19.7**	**40.8**	**60.6**

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, 21 August 2025

Board of Directors of Norlandia Health & Care Group AS

Kristian A. Adolfsen	Roger Adolfsen	Ingvild Myhre	Linda Hofstad Helleland
Chairman of the Board	Member of the Board	Member of the Board	Member of the Board

Yngvar Tov Herbjørnssønn
CEO

For more information:

Roger Larsen
CFO
roger.larsen@norlandia.com

Anders Belsvik
Finance Manager & Investor Relations
anders.belsvik@norlandia.com

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

Consolidated Income Statement

NHC Group

Unaudited, in NOK million	Notes	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Operating revenues		3,245.3	2,949.2	6,319.9	5,888.2	11,700.1
Other income		2.8	4.1	2.8	20.7	80.4
Total	3	**3,248.1**	**2,953.4**	**6,322.7**	**5,908.9**	**11,780.5**
Direct cost of goods and services		(101.7)	(98.0)	(203.4)	(206.5)	(459.7)
Personnel expenses		(2,392.3)	(2,111.6)	(4,614.1)	(4,221.0)	(8,435.6)
Other operating expenses		(335.3)	(366.6)	(678.7)	(706.7)	(1,309.0)
EBITDA		**418.8**	**377.1**	**826.4**	**774.6**	**1,576.2**
Depreciation		(283.9)	(244.7)	(557.0)	(485.7)	(1,024.5)
EBITA	3	**134.9**	**132.4**	**269.4**	**288.9**	**551.7**
Amortisation	4	(8.8)	(8.9)	(17.8)	(19.8)	(36.7)
Operating profit/(loss) - EBIT		**126.2**	**123.5**	**251.6**	**269.2**	**515.0**
Net financial items	5	(126.5)	(114.4)	(272.3)	(249.2)	(568.6)
Share of net income from associated companies		(1.1)	(0.3)	(1.5)	(0.3)	(1.6)
Profit/(loss) before taxes		**(1.4)**	**8.8**	**(22.1)**	**19.7**	**(55.2)**
Income taxes	6	(4.2)	(3.0)	(4.1)	(4.0)	19.0
Net income		**(5.6)**	**5.8**	**(26.2)**	**15.7**	**(36.2)**
Net income attributable to:						
Equity holders of the parent company		(5.1)	7.6	(24.1)	19.5	(27.9)
Non-controlling interests		(0.5)	(1.8)	(2.2)	(3.8)	(8.3)

Consolidated Statement of Comprehensive Income

NHC Group

Unaudited, in NOK million	Q2 25	Q2 24	YTD 25	YTD 24	FY24
Net income	**(5.6)**	**5.8**	**(26.2)**	**15.7**	**(36.2)**
Currency translation differences	11.3	(5.6)	18.7	(5.1)	11.3
Items that may be subsequently reclassified to P&L	**11.3**	**(5.6)**	**18.7**	**(5.1)**	**11.3**
Remeasurement of defined benefit pension plans	-	-	-	-	(5.7)
Income taxes related to these items	-	-	-	-	1.3
Items that will not be subsequently reclassified to P&L	**-**	**-**	**-**	**-**	**(4.5)**
Other comprehensive income/(loss), net of taxes	**11.3**	**(5.6)**	**18.7**	**(5.1)**	**6.8**
Total comprehensive income	**5.7**	**0.2**	**(7.6)**	**10.7**	**(29.4)**
Total comprehensive income attributable to					
Equity holders of the parent company	7.6	0.7	(4.7)	15.5	(17.5)
Non-controlling interests	(1.9)	(0.5)	(2.8)	(4.8)	(11.9)

Consolidated Statement of Financial Position

NHC Group

Unaudited, in NOK million	Notes	30.06.2025	30.06.2024	31.12.2024
ASSETS				
Non-current assets				
Property, plant & equipment		1,028.0	1,037.9	983.9
Right-of-use assets		6,961.0	6,473.1	7,026.2
Goodwill	7	3,285.3	3,165.8	3,217.7
Intangible assets	7	492.2	507.0	503.7
Deferred tax assets		233.5	222.9	231.8
Investment in associated companies		75.4	34.2	76.6
Other investments		38.5	33.5	33.0
Other non-current receivables		81.5	37.7	111.0
Total non-current assets		**12,195.4**	**11,512.1**	**12,183.9**
Current assets				
Inventories		14.5	8.3	8.4
Trade receivables		786.9	753.9	683.2
Other current receivables		458.3	453.0	391.4
Cash and cash equivalents		221.8	222.4	440.2
Total current assets		**1,481.5**	**1,437.7**	**1,523.2**
Total assets		**13,676.9**	**12,949.8**	**13,707.1**
EQUITY AND LIABILITIES				
Equity				
Share capital		496.1	496.1	496.1
Other equity		407.9	464.0	414.6
Equity attributable to owners of the parent		**904.0**	**960.1**	**910.6**
Non-controlling interests		(0.6)	(5.6)	(11.0)
Total equity		**903.4**	**954.5**	**899.7**
Liabilities				
Pension liabilities		3.5	2.2	3.5
Borrowings	8	2,689.1	409.8	2,687.9
Lease liabilities		6,681.1	6,238.9	6,730.7
Deferred tax liabilities		185.9	212.1	179.9
Other non-current liabilities		135.8	127.1	125.2
Total non-current liabilities		**9,695.4**	**6,990.1**	**9,727.1**
Trade payables		219.0	247.4	245.0
Current borrowings	8	283.4	2,484.6	455.1
Current lease liabilities		924.7	785.7	908.1
Taxes payable		6.1	13.7	5.1
Other current liabilities		1,644.8	1,473.8	1,466.9
Total current liabilities		**3,078.1**	**5,005.3**	**3,080.3**
Total liabilities		**12,773.4**	**11,995.3**	**12,807.4**
Total equity and liabilities		**13,676.9**	**12,949.8**	**13,707.1**

Consolidated Statement of Cash Flows

NHC Group

Unaudited, in NOK million	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Cash flow from operating activities					
EBITDA	418.8	377.1	826.4	774.6	1,576.2
Net taxes paid and other EBITDA cash adjustments	(18.3)	(16.5)	(37.8)	(42.2)	(87.1)
Change in net working capital	96.1	6.2	(18.8)	59.5	81.0
Net cash flow from operating activities	**496.6**	**366.8**	**769.8**	**791.9**	**1,570.2**
Cash flow from investing activities					
Net investment in property, plant and equipment and intangible assets	(69.4)	(78.4)	(117.8)	(152.0)	(327.9)
Net investments in shares in subsidiaries	(12.7)	(42.6)	(21.0)	(47.6)	(59.9)
Net investment in shares in associates and other investments	(9.3)	(1.6)	(5.9)	(12.1)	(10.8)
Proceeds from sale of assets	39.0	54.5	39.0	54.5	170.7
Net change in financial receivables	13.0	(5.0)	12.1	(20.0)	(4.8)
Interest received	0.9	0.3	1.6	1.1	6.9
Net cash flow from investing activities	**(38.5)**	**(72.8)**	**(92.0)**	**(176.2)**	**(225.8)**
Cash flow from financing activities					
Net change in interest-bearing debt	(117.6)	8.8	(166.4)	(78.8)	158.3
Proceeds from non-current bonds	-	-	-	-	2,278.5
Repayment of current bond	-	-	-	-	(2,238.3)
Repayment of lease liabilities	(241.2)	(201.3)	(477.3)	(404.3)	(855.3)
Distribution to non-controlling interest	(0.0)	0.0	(0.2)	(0.2)	-
Net interest paid and other financial items	(122.0)	(133.1)	(245.8)	(260.2)	(548.3)
Distributions to/from owners	(0.0)	-	-	-	(45.0)
Net cash flow from financing activities	**(480.8)**	**(325.5)**	**(889.6)**	**(743.4)**	**(1,250.0)**
Changes in cash and cash equivalents					
Net change in cash and cash equivalents	(22.7)	(31.5)	(211.8)	(127.7)	94.3
Effects of changes in exchange rates on cash	(3.9)	3.7	(6.6)	4.1	(0.1)
Cash and cash equivalents at the beginning of period	248.4	250.2	440.2	346.0	346.0
Cash and cash equivalents at end of period	**221.8**	**222.4**	**221.8**	**222.4**	**440.2**

Consolidated Statement of Changes in Equity

NHC Group

2025	Attributable to equity holders of the parent							
Unaudited, in NOK million	Share capital	Share premium	Other paid in equity	Retained earnings	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
Equity as of 1 January 2025	**496.1**	**372.2**	**10.0**	**(46.2)**	**78.6**	**910.6**	**(11.0)**	**899.7**
Net income for the period	-	-	-	(24.1)	-	**(24.1)**	(2.2)	**(26.2)**
Other comprehensive income for the period	-	-	-	-	19.3	**19.3**	(0.7)	**18.7**
Total comprehensive income for the period	**-**	**-**	**-**	**(24.1)**	**19.3**	**(4.7)**	**(2.8)**	**(7.6)**
Contributions by and distributions to owners								
Distribution to non-controlling interests	-	-	-	-	-	**-**	(0.2)	**(0.2)**
Acqusition of NCI without a change in control	-	-	-	(1.9)	-	**(1.9)**	1.9	**-**
Acquisition of subsidiary with NCI							11.5	**11.5**
Total contributions and distributions	-	-	-	(1.9)	-	**(1.9)**	13.2	**11.3**
Equity as of 30 June 2025	**496.1**	**372.2**	**10.0**	**(72.1)**	**97.9**	**904.0**	**(0.6)**	**903.4**

2024	Attributable to equity holders of the parent							
Unaudited, in NOK million	Share capital	Share premium	Other paid in equity	Retained earnings	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
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	-	-	-	(27.9)	-	**(27.9)**	(8.3)	**(36.2)**
Other comprehensive income for the period	-	-	-	(4.5)	14.9	**10.4**	(3.6)	**6.8**
Total comprehensive income for the period	**-**	**-**	**-**	**(32.4)**	**14.9**	**(17.5)**	**(11.9)**	**(29.4)**
Contributions by and distributions to owners								
Group contribution to owner	-	-	-	(22.5)	-	**(22.5)**	-	**(22.5)**
Effect of business combination under common control	-	-	-	7.3	-	**7.3**	-	**7.3**
Distribution to non-controlling interest	-	-	-	-	-	**-**	(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**	**(46.2)**	**78.6**	**910.6**	**(11.0)**	**899.7**

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 2024 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 2024. 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.

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)	Q2 25	Q2 24	YTD 2025	YTD 2024	FY 2024
Revenues and income by segment					
Preschools	1,359.3	1,276.1	2,652.2	2,509.7	4,842.1
Care	630.8	536.2	1,220.5	1,071.3	2,186.5
Integration services	278.5	240.1	536.7	520.6	1,008.3
Individual & Family	953.4	871.6	1,869.0	1,749.9	3,556.3
Real Estate	17.6	8.7	27.7	40.2	117.3
Other/Elim/IFRS 16 adj	8.5	20.5	16.5	17.2	70.0
Total	**3,248.1**	**2,953.4**	**6,322.7**	**5,908.9**	**11,780.5**

(NOK million)	Q2 25	Q2 24	YTD 2025	YTD 2024	FY 2024
EBITDA by segment					
Preschools	80.8	76.1	148.9	153.4	213.5
Care	(0.1)	(19.2)	(2.1)	(32.9)	(41.1)
Integration services	15.8	28.5	25.8	53.0	96.2
Individual & Family	28.9	47.1	86.6	85.7	186.1
Real Estate	0.8	(3.3)	(3.7)	15.2	64.4
Other/Elim/IFRS 16 adj	292.5	247.9	570.9	500.2	1,057.1
Total	**418.8**	**377.1**	**826.4**	**774.6**	**1,576.2**

(NOK million)	Q2 25	Q2 24	YTD 2025	YTD 2024	FY 2024
EBITA by segment					
Preschools	66.6	61.5	120.8	125.9	156.7
Care	(2.8)	(22.0)	(7.5)	(38.2)	(51.7)
Integration services	9.2	24.5	14.6	44.9	78.7
Individual & Family	25.7	44.2	80.3	79.6	174.1
Real Estate	(1.3)	(6.1)	(8.0)	10.0	49.4
Other/Elim/IFRS 16 adj	37.5	30.5	69.1	66.8	144.6
Total	**134.9**	**132.5**	**269.4**	**288.9**	**551.8**

(NOK million)	Q2 25	Q2 24	YTD 2025	YTD 2024	FY 2024
EBIT by segment					
Preschools	61.1	56.0	109.9	112.9	133.7
Care	(3.9)	(23.0)	(9.7)	(40.1)	(55.7)
Integration services	9.2	24.5	14.6	44.9	78.7
Individual & Family	23.5	41.7	75.6	74.7	164.4
Real Estate	(1.3)	(6.1)	(8.0)	10.0	49.4
Other/Elim/IFRS 16 adj	37.5	30.5	69.1	66.8	144.6
Total	**126.2**	**123.6**	**251.6**	**269.2**	**515.1**

(NOK million)	Q2 25	Q2 24	YTD 2025	YTD 2024	FY 2024
Operating revenues by geography					
Norway	1,369.9	1,240.9	2,696.8	2,507.4	4,951.3
Sweden	1,339.1	1,229.6	2,604.5	2,475.9	4,902.6
International	512.8	453.5	977.0	868.1	1,739.0
Other/Elimination	23.4	25.2	41.5	36.8	107.2
Total revenues by geography	**3,245.3**	**2,949.3**	**6,319.9**	**5,888.2**	**11,700.1**

YTD 2025	Preschools	Care	Integration services	Individual & Family	Other / Elim
Norway	47%	14%	89%	43%	0%
Sweden	25%	72%	0%	57%	0%
International	28%	14%	11%	0%	0%
Real Estate/Other/Elimination	0%	0%	0%	0%	100%
Total revenues by geography	**100%**	**100%**	**100%**	**100%**	**100%**

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%**

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)	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Interest income	0.9	0.4	1.6	1.1	6.3
Interest expenses	(65.2)	(76.7)	(134.0)	(148.6)	(332.4)
Interest expenses lease liability	(63.5)	(56.0)	(125.8)	(112.1)	(242.4)
Net foreign exchange gains/(losses)	1.5	18.1	(12.3)	7.6	6.9
Other finance income	0.1	1.1	0.1	4.8	5.3
Other finance expenses	(0.2)	(1.3)	(1.8)	(1.9)	(12.3)
Net financial items	**(126.5)**	**(114.4)**	**(272.3)**	**(249.2)**	**(568.6)**

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)	30.06.2025	30.06.2024	31.12.2024
Bond loans	2,388.9	2,272.7	2,353.0
Current overdraft facilities	222.7	198.1	392.8
Property debt outside ringfence structure	355.5	395.7	384.1
Other debt/property debt	5.4	27.8	13.1
Total current and non-current borrowings	**2,972.5**	**2,894.4**	**3,143.0**

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.

The Group has a short-term overdraft facility of NOK 500.0 million with DNB, and as of 31 March 2025, NOK 334.5 million was drawn.

9. 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 June 2025.

Financial statements for the parent company

Income statement

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Revenues		2,207	1,101	4,415	2,274	4,702
Total		**2,207**	**1,101**	**4,415**	**2,274**	**4,702**
Personnel expenses		(435)	(302)	(1,381)	(931)	(2,853)
Other operating expenses		(8,442)	(4,974)	(10,265)	3,553	(13,019)
Operating profit/(loss)		**(6,669)**	**(4,174)**	**(7,232)**	**4,896**	**(11,170)**
Net financial items	1	(28,588)	(3,300)	(68,858)	(49,628)	(77,645)
Profit/(loss) before taxes		**(35,257)**	**(7,475)**	**(76,090)**	**(44,732)**	**(88,815)**
Income taxes		-	-	-	-	-
Net income		**(35,257)**	**(7,475)**	**(76,090)**	**(44,732)**	**(88,815)**

Statement of financial position

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	30.06.2025	30.06.2024	31.12.2024
ASSETS				
Non-current assets				
Shares in subsidiaries and associates		2,213,920	2,165,402	2,213,920
Loans to group companies		1,177,403	1,120,758	1,192,268
Total non-current assets		**3,391,323**	**3,286,160**	**3,406,188**
Current assets				
Current group receivables		356,633	501,181	527,106
Other current receivables		423	848	522
Cash and cash equivalents		24,543	54,346	100,261
Total current assets		**381,599**	**556,375**	**627,889**
Total assets		**3,772,922**	**3,842,535**	**4,034,077**
EQUITY AND LIABILITIES				
Equity				
Share capital		496,053	496,053	496,053
Share premium reserve		372,190	372,190	372,190
Other paid-in capital		10,005	10,005	10,005
Total restricted equity		**878,248**	**878,248**	**878,248**
Retained earnings		185,754	328,427	261,844
Total equity		**1,064,002**	**1,206,675**	**1,140,092**
Liabilities				
Non-current liabilities				
Bond loans	1	2,337,832	-	2,299,688
Non-current non-interest-bearing debt		71,837	91,510	68,881
Total non-current liabilities		**2,409,669**	**91,510**	**2,368,570**
Current liabilities				
Trade payables		1,635	559	153
Trade payables group companies		2,733	-	-
Current liabilities to group companies		18,510	70,705	75,354
Current overdraft facilities		222,728	198,074	392,807
Bond loans, short-term	1	-	2,221,843	-
Other current liabilities		53,645	53,169	57,101
Total current liabilities		**299,251**	**2,544,350**	**525,415**
Total liabilities		**2,708,920**	**2,635,860**	**2,893,985**
Total equity and liabilities		**3,772,922**	**3,842,535**	**4,034,077**

Notes

1. FINANCE COSTS

Finance Costs in Q2 25 includes NOK 53.5 million in interest expense related to the bond loan. Net currency movement for the period was NOK -9.1 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.

The Group has a short-term overdraft facility of NOK 500.0 million with DNB, and as of 30 June 2025, NOK 222.7 million was drawn.

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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