NHC Group
Report Q4 23

NHC

CONTENT

Key figures

NHC Group

Unaudited, in NOK million	Q4 23	Q3 23	FY 23	Q4 22	Q3 22	FY 22
Revenues & income	2,869.7	2,638.5	10,772.2	2,003.5	2,033.6	7,966.4
EBITDA	341.1	362.7	1,366.2	241.4	301.9	1,111.4
EBITDA (%)	11.9 %	13.7 %	12.7 %	12.1 %	14.8 %	14.0 %
EBITA	91.5	139.7	475.5	65.3	151.7	515.6
EBITA (%)	3.2 %	5.3 %	4.4 %	3.3 %	7.5 %	6.5 %
EBIT	74.2	131.8	434.2	53.5	143.3	476.6
EBIT (%)	2.6 %	5.0 %	4.0 %	2.7 %	7.0 %	6.0 %
EBT	(72.8)	9.7	(47.1)	(15.5)	64.1	204.8
EBT (%)	-2.5 %	0.4 %	-0.4 %	-0.8 %	3.2 %	2.6 %
EBITDA - adjusted for IFRS 16	104.8	131.4	457.4	66.9	139.9	500.6
EBITA - adjusted for IFRS 16	79.6	107.8	364.9	46.0	123.6	431.4

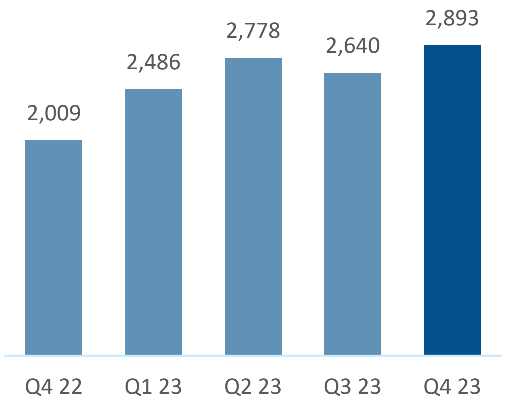
Figures are reported including effects from IFRS 16. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

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

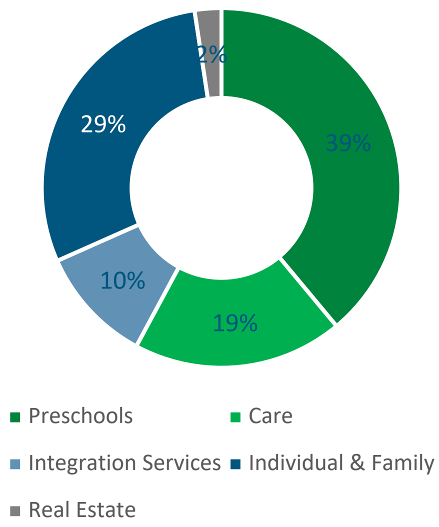
Q4 23 Highlights

- Q4 2023 revenues of NOK 2,870 million, a growth of 43 % YoY, mainly explained by the acquisition of Frösunda Group from February 2023 and growth within Preschools and Individual & Family
- Q4 2023 EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 105 million, and adj. EBITA of NOK 80 million
- Preschools delivered an adj. EBITDA of NOK 20 million, down NOK 16 million YoY on indexation delay and high growth
- Care generated an adj. EBITDA of NOK -14 million, heavily impacted by cost inflation not reflected in the income level, staff shortage, and material growth costs related to start-up of 5 large units (~550 places) during prior quarters
- Integration Services delivered another strong quarter with an adj. EBITDA of NOK 44 million following continued high activity within Accommodation Services, both in Norway and Germany
- Individual & Family generated an adj. EBITDA of NOK 32 million, significantly increased YoY following the acquisition of Frösunda and organic improvement within the Norwegian operations
- Real Estate delivered an adj. EBITDA of NOK 37 million, following sale of properties
- All operations, in line with the overall market, experience a negative impact from staff shortage and general cost inflation that are not yet fully accounted for in the current price levels

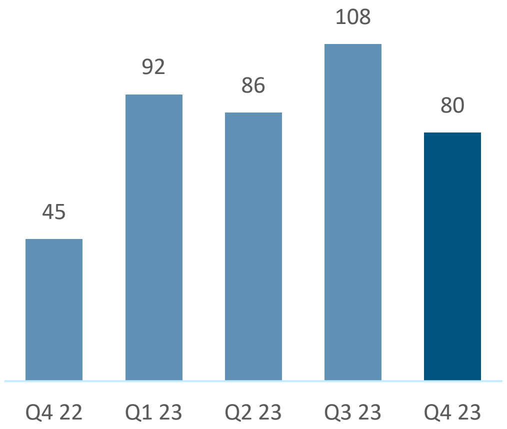
ADJ. REVENUE PER QUARTER (MNOK)



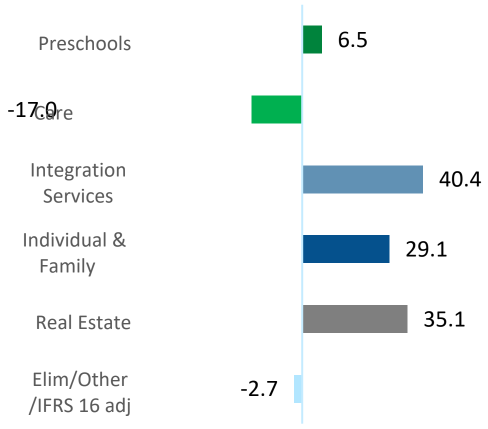
SEGMENT DISTRIBUTION Q4 23 (%)



ADJ. EBITA PER QUARTER (MNOK)

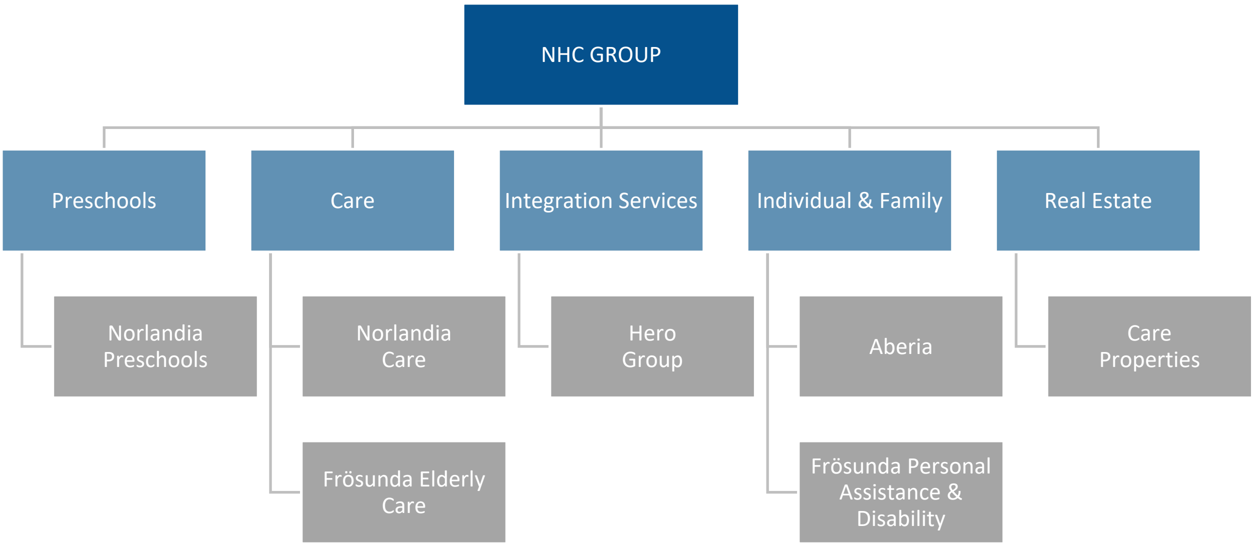


EBITA DISTRIBUTION Q4 23 (MNOK)



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 2022 Annual Report and the respective subsidiaries' web pages.



Financials

CONSOLIDATED INCOME STATEMENT AND CASH FLOWS

The Group reported consolidated revenues and income of NOK 2,869.7 million in Q4 23, a 43,2 % increase YoY, mainly explained by the acquisition of Frösunda Group from February 2023 and growth within Preschools and Individual & Family. EBITA for the quarter amounted to NOK 91.5 million, up from NOK 65.3 million in Q4 22, mainly explained by the Real Estate segment reflecting sale of properties in Norway, and growth within the Individual & Family segment.

Net financial items amounted to NOK -147.2 million for Q4 23, reflecting interest expenses of NOK 86.5 million on mainly borrowings, interest related to capitalized leasing of NOK 57.7 million, interest income of NOK 7.3 million, and net unrealized currency loss of NOK 9.1 million.

Profit/(loss) before taxes amounted to NOK -72.8 million for Q4 23, down from a profit/(loss) before taxes of NOK -15.5 million one year prior. Adjusted for IFRS 16 effects, profit before taxes came in at NOK -26.9 million for the quarter, down from NOK 7.2 million in Q4 22.

Thus, the net effect of IFRS 16 amounted to NOK 45.8 million for Q4 23, reflecting depreciation charges of NOK 224.4 million and finance charges of 57.7 million. This was offset by reduced leasing expenses of NOK 260.0 million. See APM section for more details.

Net cash inflow from operating activities in Q4 23 was NOK 366.9 compared to an inflow of NOK 184.1 million in the same quarter last year, mainly driven by positive movement in working capital of NOK 63.5 million, and stronger underlying performance.

Net cash flow from investing activities resulted in an outflow of NOK 26.4 million in Q4 23, compared to an outflow of NOK 43.1 million in Q4 22, mainly explained by lower net investments in property, plant and equipment where property development projects stood for NOK 36.4 million. In addition, the Group invested NOK 2.7 million in openings of new long-term refugee centers and maintenance capital expenditures of NOK 33.2 million. These investments were partly offset by proceeds from sale of real estate in Norway.

Net cash outflow from financing activities amounted to NOK 325.0 million in Q4 23, compared to an outflow of NOK 203.1 million in Q4 22. The outflow this quarter is mainly explained by lease payments of NOK 202.3 million, and cash interest expenses, including lease liability related interest expenses, of NOK 134.9 million.

The Group generated total cash flows of NOK 15.5 million for Q4 23.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER 31 DECEMBER 2023

As of 31 December 2023, the Group had total non-current assets of NOK 11,516.0 million, an increase of NOK 2 826.8 million from year-end 2022. The increase is mainly explained by an increase in goodwill of NOK 1 180.6 million, most of which resulted from the acquisition of Brado Group which were carried over at the carrying amounts from Brado Group at the acquisition date. In addition, NHC Group had new leasing contracts resulting in higher right-of-use assets which was NOK 6,548.2 million as of 31 December 2023 compared to NOK 5 171.8 million at year-end 2022. Most of these lease contracts were recognized as part of the acquisition of Brado Group.

Cash and cash equivalents amounted to NOK 346.0 million on 31 December 2023, up from NOK 271.7 million on 31 December 2022. In March 2023, the Groups' long-term credit facility was repaid, and in replacement, the Group secured a short-term overdraft facility of NOK 350.0 million by DnB. As of 31 December 2023, NOK 289.7 million was drawn.

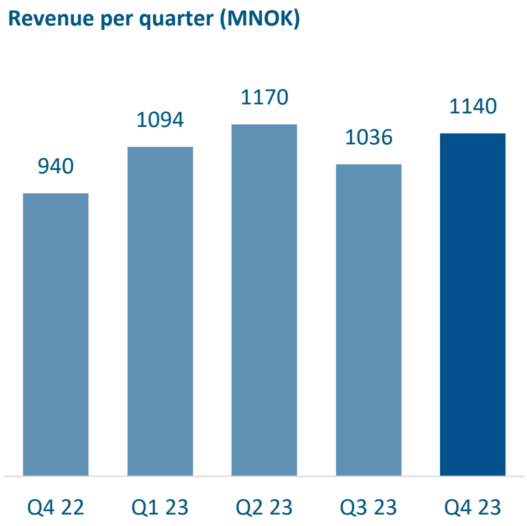
Total assets amounted to NOK 13,147.0 million at the end of Q4 23 compared to NOK 9,766.5 on 31 December 2022.

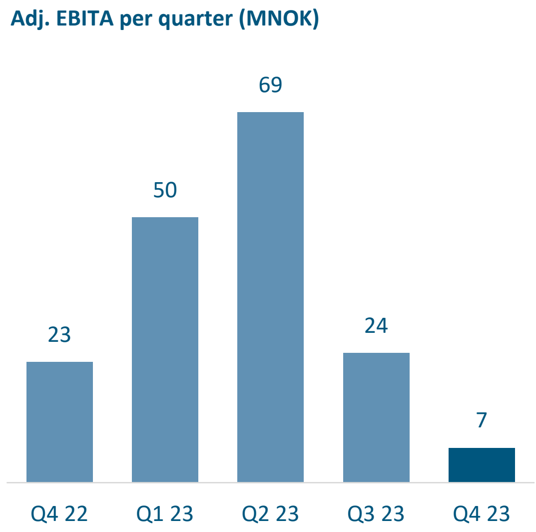
Total non-current liabilities as of 31 December 2023 amounted to NOK 9,290.6 million, including NOK 6,297.8 million classified as "Lease liabilities" under IFRS 16. Total borrowings amounted to NOK 2,617.7 million, mainly consisting of the NOK- and SEK-denominated bond loans as shown in note 8, as well as debt mainly related to Norwegian preschool properties of NOK 394.4 million. On 19 January 2023 the Group successfully placed a subsequent bond issue equivalent to NOK 522 million under the company's existing senior secured bond framework with ISINs NO0010997927 (the "NOK-tranche") and NO0010997943 (the "SEK-tranche").

Per 31 December 2023 the Group's total equity amounted to NOK 948.5 million compared to NOK 601.2 million on 31 December 2022. The increase is mainly due to the acquisition of Brado Group where NOK 388.5 million of the consideration was settled as an equity in kind, following the predecessor accounting principle as described in the Basis for preparation section below.

BUSINESS SEGMENTS

Preschools





The fourth quarter of 2023 generated revenues of NOK 1,140 million, up from NOK 940 million in Q4 22, where the 21% YoY increase reflected growth in Sweden and Poland, along with price adjustments in Norway.

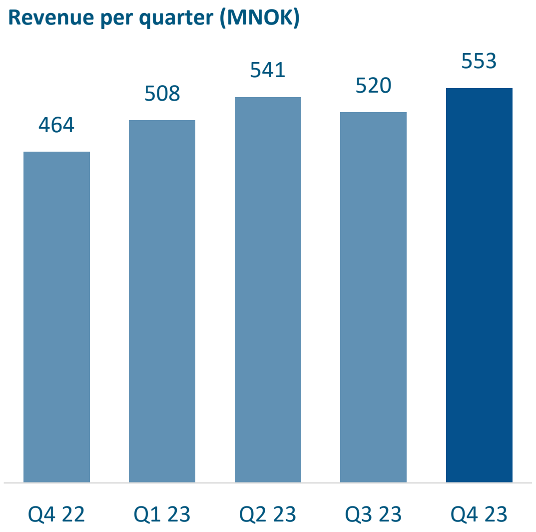
The segment reported an adj. EBITA of NOK 7 million in Q4 23, down NOK 16 million YoY. Ramp-up of new units opened in Sweden the last two years (totaling close to 3 000 new places) increase the average size of preschools. These larger units take longer than the expected period of 12-18 months to fill, currently affecting the overall profitability negatively. We do, however, expect improvements going forward backed by demography and initiated measures to increase occupancy, and once matured, the high growth in Sweden should materialize in a meaningful financial contribution.

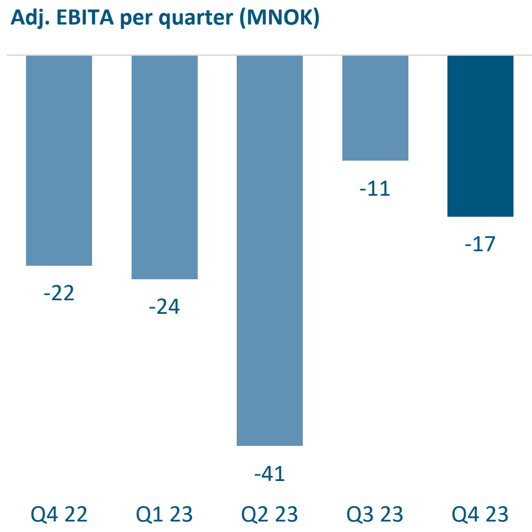
Apart from Sweden where growth is currently holding back profits, all countries delivered satisfactory performances in 2023, when considering challenges related to cost inflation that are not accounted for in the grant levels and staff shortage. Norway improved YoY in 2023 adjusted for positive one-off pension effects of NOK 60 million in 2022, on the back of increased grants and solid operations. The Norwegian grants are, however, still lower than what we are entitled to in accordance with the Norwegian Kindergarten Act, which our ongoing litigation towards Norwegian authorities is addressing. We are looking forward to the upcoming lawsuit in May this year. Our international segments, hereunder Finland, the Netherlands, and Poland, delivered improved combined profitability in 2023 compared to 2022. Onwards, we expect further improvements in all these segments, as anticipated price adjustments will have a catch-up effect on the overall profitability, along with effect of initiated operational actions to meet challenges related to staffing shortage and operational efficiency.

In November 2023, Kunnskapsdepartementet (the Ministry of Education and Research) proposed changes to the Norwegian Kindergarten Act aimed at securing equal rights and high quality for all children in Norway. The proposal implies comprehensive changes to the sector, both in terms of governance and financing, and involves handing more of the responsibility burden and steering rights to local municipalities. We strongly disagree with the proposal and are certain that the proposed changes will increase differences and reduce parent's freedom of choice, rather than increasing quality. We are convinced that the proposition is in conflict with the obtained rights we are defending in the lawsuit against the Norwegian authorities. Financially, however, we expect sustainable profitability going forward regardless of the proposition, backed by a strong and constructive relationship with the majority of the municipalities in which we operate, developed over many years of cooperation.

As of 31 December 2023, Norlandia Preschools operates 435 units. Of these, 32 units are owned 50% and operated by Wekita (Germany), which is consolidated in the Group as an associated company, and hence not reflected in the segment figures above.

Care





Including Frösunda Elderly Care from February 2023.

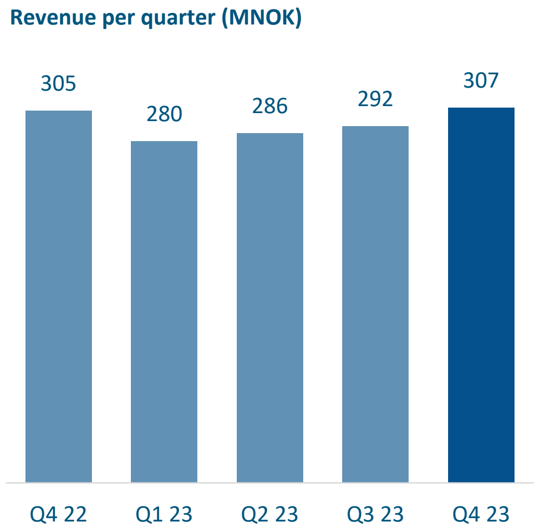
The Care segment reported revenues of NOK 553 million in Q4 23, up from NOK 464 million in Q4 22, explained by the Frösunda acquisition and start-up of several new own management units with a total capacity of around 550 places in Norway, Sweden and Finland since Q4 22.

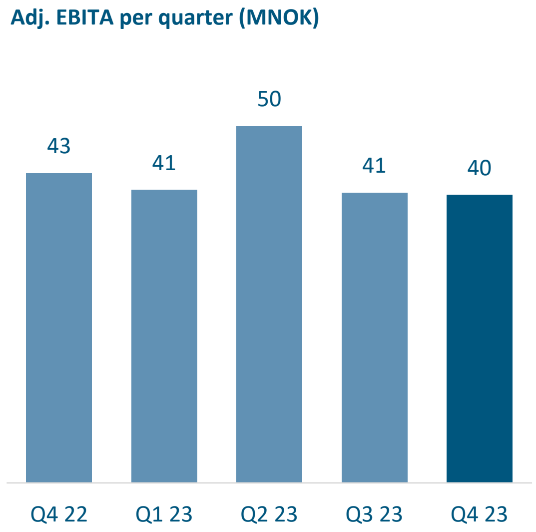
In Q4 23, the segment reported an adj. EBITA of NOK -17 million, up NOK 6 million YoY. The losses remained high in Q4 23 in line with our expectations, but we are pleased to see effects of the intense ongoing work to increase occupancy and improve operational efficiency, reflected by reduced losses compared to Q4 22. Although 2023 was a highly challenging year both financially and operationally for the segment, we now have visibility on a materially improved 2024 and onwards through:

i. Occupancy within our own management units significantly increased in the second half of 2023. This recent positive development along with expected further improvements throughout 2024, backed by a growing demand and marketing initiatives, should provide substantial financial effects and continuous improved run-rate as units fill up. Given that own management units now account for around half of our nursing home revenue base, from 10 % three years back, these improvements are significant for the segment overall. A rebalancing of the portfolio shifted towards more own management is in line with our communicated strategy.
ii. The historically high cost-inflation recent years will to a greater extent be accounted for in the income levels from 2024, factually based on known price adjustments exceeding the final negotiated upcoming wage settlement in certain sub-segments of considerable size. Through an anticipated stabilized inflation supported by reduced inflation rates recently we expect to see a catch-up effect on overall profitability going forward.
iii. A considerable part of the losses in 2023 related to a few units or sub-segments with material losses, where we have the option to end losses by withdrawal. Some of these operations are discontinued with financial effect to be seen from 2024. For the remainder of the loss-making areas, we carry on our operations backed by a strong expectation of future demand for these services along with positive signals of improved contractual terms in certain segments.
iv. High sick leave in the wake of the Covid-pandemic, personnel turnover, staff shortage, and consequentially use of hired personnel has negative impact on profitability as well as operations. Through an initiated program, we aim at diminishing these challenges along with improving operational efficiency.

We remain confident that the long-term fundamentals for Care are strong, with expectations for future growth and profitability through own-management contracts and new service offerings and concepts. Although we have struggled severely in Sweden recent years, we are positive on the outlook given a growing demand for elderly care, underlined by Vårdforetagarna's (Private Health business organization in Sweden) estimated capacity requirement of 28,000 new places by 2032. Further, we positively regard Kommunal's (Sweden's largest trade union) recent acknowledgement of the Swedish welfare crisis, hereunder discarding the previously stated ambition of zero profits within welfare, underlining the need for private and public cooperation to ensure quality.

Integration services





Integration Services generated revenues of NOK 307 million in Q4 23, slightly up YoY, driven by growth within accommodation services in Germany, offset by reduced activity within acute reception centers in Norway as this capacity is replaced with long-term ordinary reception centers. Adj. EBITA amounted to NOK 40 million and the continued strong financial performance related to solid operations both in Norway and Germany.

Following the outbreak of the Ukrainian war in 2022, Integration Services demonstrated an impressive ability to rapidly provide support in a highly emergent situation, reflected by the dramatically increased activity. Revenues experienced an expected decline YoY in 2023, following a shift from temporary acute capacity to ordinary long-term contracts, but activity levels have remained high reflected by approximately 40,000 arrivals which was in line with 2022. Although the two prior years are regarded as a peak, we expect continued high activity in 2024, backed by UDI's (The Norwegian Directorate of Immigration) most recent estimates indicating arrivals from Ukraine of between 20,000 – 40,000 in the "mid-scenario". Activity levels in the longer term, however, are more uncertain and we are rigged to rapidly upscale or downscale our operations accordingly. Considering the present geopolitical landscape and the number of long-term ordinary contracts in the current portfolio, along with several tenders coming up, we anticipate a strong demand for our services going forward and revenues significantly higher level than the irregularly low years 2018 – 2021.

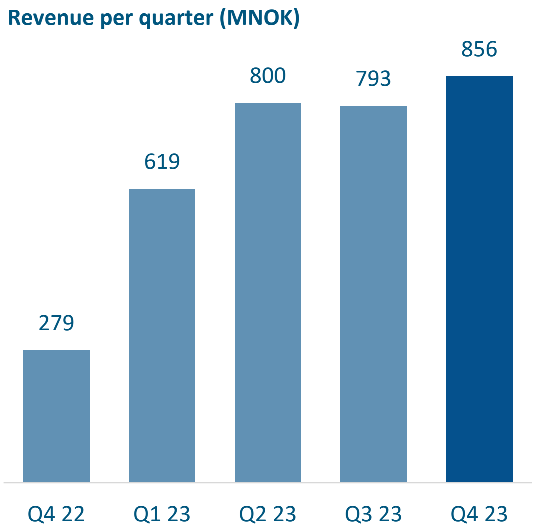
Profitability is expected to remain robust as Hero has developed a resilient cost base since the last wave of immigrants in 2015-2016. Lease contracts designed to better match UDI contracts, flexible operating costs such as personnel expenses, and a conservative approach to costs associated with closing of units are amongst the factors that underpin the resilient cost base.

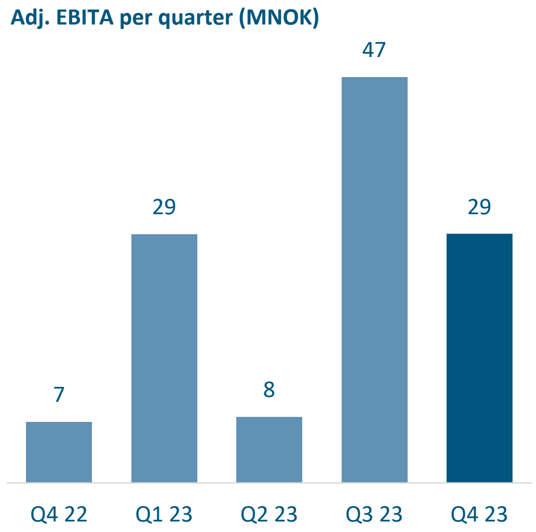
In Germany, our accommodation services delivered 236 % YoY revenue growth in 2023 and solid profitability, following high occupancy and special agreements with the immigration authorities. We now operate 7 reception centers in Germany and continue to pursue organic growth in a market with strong demand for our services going forward.

In addition to accommodation services in Norway and Germany, Hero also operates within interpretation in Norway and Sweden. After a comprehensive re-organization of the Interpretation Service segment during recent years, the operations are now solid, both in terms of growth and profitability. Starting in September, Hero Tolk has been awarded a new frame agreement with the Police districts in Norway. This confirms the position and quality in the operation, in addition to high volume. In 2023, the segment delivered YoY revenue growth of 28 % and satisfactory profitability.

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. Although we consider the current situation as a peak, we foresee an underlying long-term strengthened trend as more and more people are fleeing, politics have become more positive, and the EU will be tougher on how the unfortunate burden is to be shared. Through proactivity in all our markets and backed by the current performances and outlook, Hero is positioned to deliver solid revenues and healthy profitability also when the Ukrainian crisis ends. As everyone else, Hero intensely wishes for the brutalities in Ukraine to end. For as long as it takes, Hero will remain a mobilized tool for immigration authorities to host asylum seekers and migrants in a respectful and dignified way.

Individual & family





Including Frösunda Personal Assistance and Frösunda Disability from February 2023.

The Individual & Family segment generated revenues of NOK 856 million in Q4 23, significantly increased YoY following the acquisition of Frösunda and organic growth within the Norwegian operations.

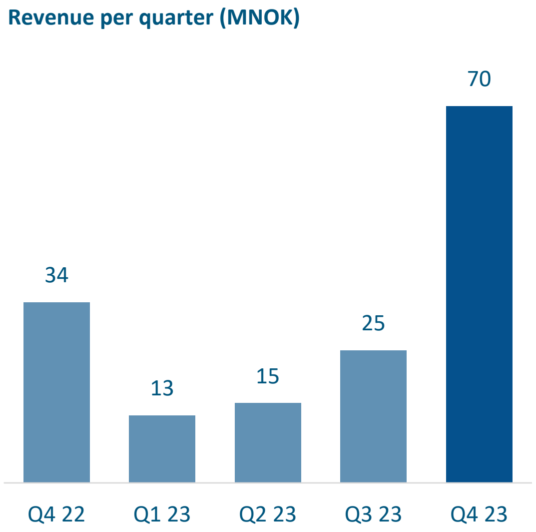
The acquisition of Frösunda significantly strengthens the Individual & Family segment, increasing the annual turnover to over NOK 3 billion and providing more stability in terms of profitability. We regard the consolidation as a perfect fit combining highly complementary competencies across the organizations in Norway and Sweden, with unrealized synergy potential, and have great expectations for the segment going forward.

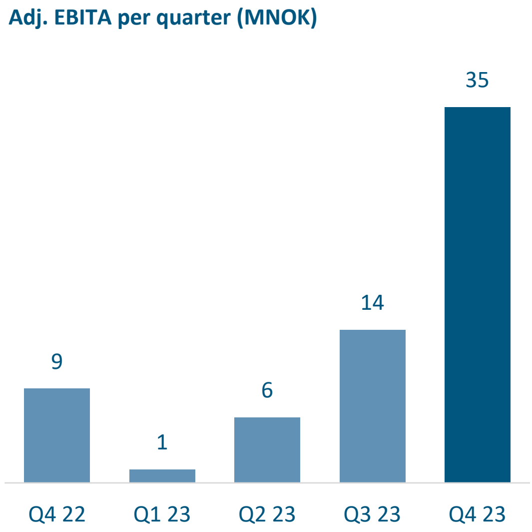
In Q4 23, the segment recorded an adj. EBITA of NOK 29 million. Frösunda Personal Assistance delivered weak underlying profitability as the 2023 price increase does not fully account for increased costs. Over time, the Personal Assistance sector in Sweden has been systematically underfinanced significantly reducing margins to unsustainable levels. The wage settlement in 2023 significantly surpassed the 2023 price increase of 1.5 % and decreased margins YoY. Although we expect slight improvements in 2024, the price increase is only 2.5 % and there are ongoing and intensified discussions to increase the prices back to healthy levels and ensure quality in a challenging sector. Frösunda Disability, on the other hand, delivered another solid quarter on the back of efficient operations and satisfactory occupancy levels.

The core operations in Norway, Child Care and Respite Care services, delivered material organic YoY and solid profitability despite challenges related to staff shortage. Established in 2010, Aberia has grown quickly to now reach an annual turnover of more than NOK 1,200 million. Recent years, the majority of the growth has been achieved organically through tender wins within our core operations. Further, the segment has been through a major restructuring to stream-line operations and focus its portfolio, implying that loss-making operations have been terminated or divested. The core operations are strong on quality and reputation, profitable and growing, and the segment is clearly moving in the right direction and should be generating healthy profitability going forward.

Both Aberia and Frösunda have performed extensive work to improve internal processes and routines to mitigate risks and strengthen quality of our operations. Aberia's personal assistance was subject to inspection by the Swedish Health and Social Care Inspectorate (IVO) in 2022, which resulted in a retained license for Aberia and thus continued operations.

Real Estate





The Real Estate segment recorded revenues of NOK 70 million in Q4 23, with an adj. EBITA of NOK 35 million. For 2023 as a total NHC exceeds the long-term profitability goal, and have done so since these goals were set in 2017.

With a growing need for services within welfare, we observe a strong demand for social infrastructure that we provide within 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. With the future lack of personnel, new innovations are needed, to provide better and more efficient infrastructure and social meeting points. NHC Real Estate has a well-diversified pipeline with both long- and short-term projects, including existing concepts and innovative property projects. In 2024 we plan to initiate two larger development projects, both projects considered major innovations within our markets. The projects will create significant value for our segments and place the group in a good position to face the challenges of the future.

In Q4 23 NHC signed a LOI with a total sales volume of NOK 120 million. Parts of the LOI were closed during Q4 23 and the remainder is expected to be closed during Q1 24. The Q4 23 LOI combined with a LOI signed in Q2 22 creates a strong pipeline going forward. Furthermore, multiple ongoing development projects in addition to currently owned assets serve as further potential for 2024. Over time NHC has obtained a significant long-term real estate portfolio consisting of properties leased internally, creating underlying liquidity within real estate to facilitate further growth.

The overall market for commercial real estate has been heavily challenged throughout 2023 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 significantly in terms of yield increase. 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.

During Q4 23 NHC Real Estate Norway and the former Frösunda real estate team officially merged. Going forward the team will collaborate on development projects, maintenance, and strategy. Both teams have extensive experience, and we believe that combining the teams will create significant value, specifically in developing quality real estate concepts for the future and streamlining development processes.

OUTLOOK AND MAIN RISK FACTORS

The present geopolitical landscape is undeniably fraught with increased tension and challenges in several areas around the world. Devastating scenes continue to unfold in the Middle East, in addition to the war in Ukraine that now has lasted for two years. These two tragic conflicts are, rightly so, being brought to our highest attention through various media channels, and additionally, there are growing complexities in other relationships across the globe. UDI prepares for a continued high number of refugees in 2024 and considering the newest estimates and the highly uncertain geopolitical climate going forward, we are mobilized to maintain our position as a central provider of accommodation for refugees being Norway's largest operator of immigration and refugee centers.

In September, the Norwegian municipal election was held, and we regard the results highly positive, both in terms of certain local outcomes yielding a favourable climate for private providers and especially acknowledging the majority of the population's provable positiveness towards freedom of choice within welfare services. In an article published in Q4 2023, the important labor union Kommunal in Sweden acknowledges the crisis within Swedish welfare and addressed the need for private and public cooperation to ensure quality, discarding the previously stated ambition of zero profits within welfare. This is necessary to establish sustainable and predictable conditions for serious service providers and most importantly ensuring an attractive workplace with competitive salary levels for employees. Regardless of these positive events in the two most important markets for the Group, we continue to actively take steps to limit our exposure to unfavourable political- and market shifts through diversification across services, countries, and municipalities.

High inflation in all the countries where we operate and increasing interest rates impact the Group's profitability. Increased salaries, electricity prices and general costs had a negative impact on both 2022 and 2023, as prices are not adjusted according to the current cost level in many of our agreements. We do, however, regard the weakened profitability in some segments as temporary, considering that most of the cost increases over time will be reflected in future agreements through renegotiations or index clauses. In addition, we experience challenges related to staff shortages, in line with the overall market, and address this by new recruiting and retention practices. Overall NHC addresses a tense and demanding landscape also by increasing volumes through organic development. Scale has become more important and recent years with intense efforts on growth in this context has been planned and successful. During 2024 NHC will consolidate somewhat more in order to make profits from growth and synergies from scale and acquisitions come through.

Climate change is one of the greatest challenges of our time. NHC has taken this concern very seriously for some time and our bond, issued in Q2 21, is sustainability-linked with specific ESG commitments. We wish and expect to be judged by our stakeholders on our ability to live up to our stated expectations for ESG performance. We work to reduce our emissions, protect the environment, and empower employees and customers to make more sustainable choices in their daily lives. The extreme weather we have seen over the last years in many parts of the world is a powerful reminder that all members of society must renew, intensify, and increase their commitments to actions which contribute to a sustainable environment. The COP28 UN Climate Change Conference which finished up in Dubai in December importantly acknowledged that fossil fuels were the cause of the warming climate for the first time. The final decision text from the conference called for the "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner" to achieve net-zero emissions by 2050. NHC is absolutely contributing to this transitioning.

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 23	Q4 23 - IFRS 16	Q4 23 - Adjusted	Q4 22	Q4 22 - IFRS 16	Q4 22 - Adjusted
Operating revenues	2,828.4	-	2,828.4	1,997.7	-	1,997.7
Other income	41.3	23.7	65.0	5.7	5.5	11.2
Total	**2,869.7**	**23.7**	**2,893.4**	**2,003.5**	**5.5**	**2,009.0**
Direct cost of goods and services	(94.1)	-	(94.1)	(97.5)	-	(97.5)
Personnel expenses	(2,067.3)	-	(2,067.3)	(1,344.6)	-	(1,344.6)
Other operating expenses	(367.2)	(260.0)	(627.2)	(320.0)	(180.0)	(500.0)
EBITDA	**341.1**	**(236.2)**	**104.8**	**241.4**	**(174.5)**	**66.9**
Depreciation	(249.6)	224.4	(25.2)	(176.1)	155.2	(20.9)
EBITA	**91.5**	**(11.9)**	**79.6**	**65.3**	**(19.3)**	**46.0**
Amortisation	(17.2)	-	(17.2)	(11.8)	-	(11.8)
Operating profit/(loss) - EBIT	**74.2**	**(11.9)**	**62.3**	**53.5**	**(19.3)**	**34.2**
Net financial items	(147.2)	57.7	(89.5)	(70.3)	41.9	(28.3)
Share of net income from associated companies	0.3	-	0.3	1.3	(0.0)	1.3
Profit/(loss) before taxes - EBT	**(72.8)**	**45.8**	**(26.9)**	**(15.5)**	**22.6**	**7.2**

(NOK million)	FY 23	FY 23 - IFRS 16	FY 23 - Adjusted	FY 22	FY 22 - IFRS 16	FY 22 - Adjusted
Operating revenues	10,696.4	-	10,696.4	7,934.1	-	7,934.1
Other income	75.7	24.8	100.5	32.3	30.6	62.9
Total	**10,772.2**	**24.8**	**10,796.9**	**7,966.4**	**30.6**	**7,997.0**
Direct cost of goods and services	(351.2)	-	(351.2)	(353.2)	-	(353.2)
Personnel expenses	(7,640.0)	-	(7,640.0)	(4,985.9)	-	(4,985.9)
Other operating expenses	(1,414.8)	(933.5)	(2,348.3)	(1,515.9)	(641.3)	(2,157.2)
EBITDA	**1,366.2**	**(908.8)**	**457.4**	**1,111.4**	**(610.7)**	**500.6**
Depreciation	(890.7)	798.1	(92.6)	(595.7)	526.5	(69.2)
EBITA	**475.5**	**(110.7)**	**364.9**	**515.6**	**(84.2)**	**431.4**
Amortisation	(41.4)	-	(41.4)	(39.0)	-	(39.0)
Operating profit/(loss) - EBIT	**434.2**	**(110.7)**	**323.5**	**476.6**	**(84.2)**	**392.4**
Net financial items	(482.0)	209.5	(272.5)	(273.1)	152.5	(120.6)
Share of net income from associated companies	0.8	-	0.8	1.3	-	1.3
Profit/(loss) before taxes - EBT	**(47.1)**	**98.8**	**51.8**	**204.8**	**68.3**	**273.1**

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, 22 February 2024

Board of Directors of Norlandia Health & Care Group AS

Kristian A. Adolfsen	Roger Adolfsen	Ingvild Myhre
Chairman 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 21/25 FRN FLOOR C
Ticker: NHCG01 ESG

Norlandia Health & Care Group AS 21/25 FRN SEK FLOOR C
Ticker: NHCG02 ESG

The report is available on www.oslobors.no.

Interim condensed financial information

Consolidated Income Statement

NHC Group

Unaudited, in NOK million	Notes	Q4 23	Q4 22	FY 23	FY 22
Operating revenues		2,828.4	1,997.7	10,696.4	7,934.1
Other income		41.3	5.7	75.7	32.3
Total	3	**2,869.7**	**2,003.5**	**10,772.2**	**7,966.4**
Direct cost of goods and services		(94.1)	(97.5)	(351.2)	(353.2)
Personnel expenses		(2,067.3)	(1,344.6)	(7,640.0)	(4,985.9)
Other operating expenses		(367.2)	(320.0)	(1,414.8)	(1,515.9)
EBITDA		**341.1**	**241.4**	**1,366.2**	**1,111.4**
Depreciation		(249.6)	(176.1)	(890.7)	(595.7)
EBITA	3	**91.5**	**65.3**	**475.5**	**515.6**
Amortisation	4	(17.2)	(11.8)	(41.4)	(39.0)
Operating profit/(loss) - EBIT		**74.2**	**53.5**	**434.2**	**476.6**
Net financial items	5,	(147.2)	(70.3)	(482.0)	(273.1)
Share of net income from associated companies		0.3	1.3	0.8	1.3
Profit/(loss) before taxes		**(72.8)**	**(15.5)**	**(47.1)**	**204.8**
Income taxes	6	23.2	(21.4)	27.6	(35.3)
Net income		**(49.6)**	**(36.9)**	**(19.5)**	**169.5**
Net income attributable to:					
Equity holders of the parent company		(58.6)	(36.9)	(23.8)	169.4
Non-controlling interests		9.0	(0.0)	4.3	0.1

Consolidated Statement of Comprehensive Income

NHC Group

Unaudited, in NOK million	Q4 23	Q4 22	FY 23	FY22
Net income	**(49.6)**	**(36.9)**	**(19.5)**	**169.5**
Currency translation differences	19.5	13.5	44.5	(5.2)
Items that may be subsequently reclassified to P&L	**19.5**	**13.5**	**44.5**	**(5.2)**
Remeasurement of defined benefit pension plans	9.8	(10.0)	9.8	(10.0)
Income taxes related to these items	(2.2)	2.2	(2.2)	2.2
Items that will not be subsequently reclassified to P&L	**7.6**	**(7.8)**	**7.6**	**(7.8)**
Other comprehensive income/(loss), net of taxes	**27.1**	**5.7**	**52.1**	**(13.0)**
Total comprehensive income	**(22.4)**	**(31.2)**	**32.7**	**156.5**
Total comprehensive income attributable to				
Equity holders of the parent company	(28.5)	(27.5)	34.6	158.0
Non-controlling interests	5.9	(3.6)	(2.0)	(1.4)

Consolidated Statement of Financial Position

NHC Group

Unaudited, in NOK million	Notes	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Property, plant & equipment		957.9	792.0
Right-of-use assets		6,548.2	5,171.8
Goodwill	7	3,175.2	1,994.6
Intangible assets	7	522.7	529.7
Deferred tax assets		238.5	109.5
Investment in associated companies		34.5	25.6
Other investments		21.3	25.4
Other non-current receivables		17.7	40.5
Total non-current assets		**11,516.0**	**8,689.2**
Current assets			
Inventories		7.7	5.6
Trade receivables		746.8	417.4
Other current receivables		530.4	382.7
Cash and cash equivalents		346.0	271.7
Total current assets		**1,630.9**	**1,077.3**
Total assets		**13,147.0**	**9,766.5**
EQUITY AND LIABILITIES			
Equity			
Share capital		496.1	312.0
Other equity		453.8	288.9
Equity attributable to owners of the parent		**949.8**	**600.9**
Non-controlling interests		(1.3)	0.2
Total equity		**948.5**	**601.2**
Liabilities			
Pension liabilities		1.4	6.3
Borrowings	8	2,617.7	2,115.6
Lease liabilities		6,297.8	4,996.2
Deferred tax liabilities		236.3	146.4
Other non-current liabilities		137.4	30.0
Total non-current liabilities		**9,290.6**	**7,294.5**
Trade payables		347.0	191.0
Borrowings	8	381.6	71.4
Lease liabilities		764.1	531.2
Taxes payable		2.2	14.0
Other current liabilities		1,412.9	1,063.2
Total current liabilities		**2,907.9**	**1,870.8**
Total liabilities		**12,198.5**	**9,165.3**
Total equity and liabilities		**13,147.0**	**9,766.5**

Consolidated Statement of Cash Flows

NHC Group

Unaudited, in NOK million	Q4 23	Q4 22	FY 23	FY 22
Cash flow from operating activities				
EBITDA	341.1	241.5	1,366.2	1,111.4
Net taxes paid and other EBITDA cash adjustments	(37.7)	46.9	(107.9)	(59.6)
Change in net working capital	63.5	(104.3)	(1.3)	(95.5)
Net cash flow from operating activities	**366.9**	**184.1**	**1,257.1**	**956.2**
Cash flow from investing activities				
Net investment in property, plant and equipment	(72.3)	(78.8)	(243.1)	(196.5)
Investment in shares in business	(27.3)	(16.7)	62.7	(86.4)
Proceeds from sale of assets	69.9	50.0	115.1	181.7
Net change in financial receivables	3.3	2.5	11.3	2.5
Net cash flow from investing activities	**(26.4)**	**(43.1)**	**(54.0)**	**(98.8)**
Cash flow from financing activities				
Net change in interest-bearing debt	12.2	11.4	187.4	(78.9)
Proceeds from non-current bonds	0.0	-	501.4	-
Repayment of current bond	(0.0)	-	(657.0)	-
Lease liability - amortisation	(202.3)	(140.5)	(724.0)	(491.3)
Payment to non-controlling interest	-	0.1	-	(7.3)
Net interest paid and other financial items	(134.9)	(74.0)	(450.8)	(285.3)
Distributions to/from owners	-	-	-	(20.0)
Net cash flow from financing activities	**(325.0)**	**(203.1)**	**(1,143.0)**	**(882.9)**
Changes in cash and cash equivalents				
Net change in cash and cash equivalents	15.5	(62.2)	60.0	(25.4)
Effects of changes in exchange rates on cash	(5.3)	1.5	14.2	(4.1)
Cash and cash equivalents at the beginning of period	335.8	332.3	271.7	301.2
Cash and cash equivalents at end of period	**346.0**	**271.7**	**346.0**	**271.7**

Consolidated Statement of Changes in Equity

NHC Group

2023 Unaudited, in NOK million	Attributable to equity holders of the parent Share capital	Share premium	Other equity	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
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	-	-	(23.8)	-	**(23.8)**	4.3	**(19.5)**
Other comprehensive income for the period	-	-	7.6	50.8	**58.4**	(6.3)	**52.1**
Total comprehensive income for the period	**-**	**-**	**(16.1)**	**50.8**	**34.6**	**(2.0)**	**32.7**
Contributions by and distributions to owners							
Capital increase	184.1	204.4	-	-	**388.5**	-	**388.5**
Effect of business combination under common control, predecessor accounting	-	-	(74.2)	-	**(74.2)**	-	**(74.2)**
Distribution to non-controlling interests	-	-	-	-	**-**	(0.1)	**(0.1)**
Transactions with non-controlling interests	-	-	-	-	**-**	0.5	**0.5**
Total contributions and distributions	184.1	204.4	(74.2)	-	**314.2**	0.4	**314.6**
Equity as of 31 December 2023	**496.1**	**372.2**	**18.0**	**63.6**	**949.8**	**(1.4)**	**948.5**

2022 Unaudited, in NOK million	Attributable to equity holders of the parent Share capital	Share premium	Other equity	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
Equity as of 1 January 2022	**312.0**	**167.8**	**(35.2)**	**16.4**	**461.0**	**11.0**	**472.0**
Net income for the period	-	-	169.4	-	**169.4**	0.1	**169.5**
Other comprehensive income for the period	-	-	(7.8)	(3.6)	**(11.4)**	(1.6)	**(13.0)**
Total comprehensive income for the period	**-**	**-**	**161.6**	**(3.6)**	**158.0**	**(1.4)**	**156.5**
Contributions by and distributions to owners							
Group contribution to owner	-	-	(20.0)	-	**(20.0)**	-	**(20.0)**
Distribution to non-controlling interest	-	-	-	-	**-**	(0.2)	**(0.2)**
Transactions with non-controlling interests	-	-	2.0	-	**2.0**	(9.1)	**(7.1)**
Total contributions and distributions	**-**	**-**	**(18.0)**	**-**	**(18.0)**	**(9.3)**	**(27.3)**
Equity as of 31 December 2022	**312.0**	**167.8**	**108.4**	**12.8**	**600.9**	**0.2**	**601.2**

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 2022 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 2022. 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 23	Q4 22	FY 2023	FY 2022
Revenues and income by segment				
Preschools	1,139.9	940.0	4,440.7	3,664.5
Care	553.5	464.1	2,122.0	1,764.0
Integration services	307.1	304.5	1,164.7	1,471.7
Individual & Family	855.9	278.8	3,067.7	1,031.6
Real Estate	70.4	34.4	122.7	121.3
Other/Elim/IFRS 16 adj	(57.1)	(18.4)	(145.8)	(86.6)
Total	**2,869.7**	**2,003.5**	**10,772.0**	**7,966.4**

(NOK million)	Q4 23	Q4 22	FY 2023	FY 2022
EBITDA by segment				
Preschools	20.1	35.8	204.5	256.0
Care	(14.4)	(20.6)	(83.3)	(28.7)
Integration services	44.1	44.8	182.5	185.8
Individual & Family	32.0	8.7	123.1	30.0
Real Estate	37.2	12.2	63.6	72.6
Other/Elim/IFRS 16 adj	222.1	160.5	875.7	595.6
Total	**341.1**	**241.5**	**1,366.1**	**1,111.4**

(NOK million)	Q4 23	Q4 22	FY 2023	FY 2022
EBITA by segment				
Preschools	6.5	22.6	150.0	206.7
Care	(17.0)	(22.1)	(92.7)	(34.4)
Integration services	40.4	43.4	172.1	181.1
Individual & Family	29.1	7.1	113.2	24.9
Real Estate	35.1	8.8	56.8	68.9
Other/Elim/IFRS 16 adj	(2.7)	4.9	76.3	67.8
Total	**91.5**	**64.7**	**475.7**	**515.0**

(NOK million)	Q4 23	Q4 22	FY 2023	FY 2022
EBIT by segment				
Preschools	1.5	12.3	129.6	181.4
Care	(27.1)	(25.4)	(105.4)	(40.1)
Integration services	40.4	43.4	172.1	181.1
Individual & Family	27.0	1.0	104.9	16.9
Real Estate	35.1	9.3	56.8	69.5
Other/Elim/IFRS 16 adj	(2.7)	12.8	76.3	67.9
Total	**74.2**	**53.5**	**434.3**	**476.6**

(NOK million)	Q4 23	Q4 22	FY 2023	FY 2022
Operating revenues by geography				
Norway	1,206.2	1,094.4	4,682.8	4,577.7
Sweden	1,232.9	592.9	4,567.2	2,244.5
International	416.6	300.1	1,543.6	1,109.3
Other/Elimination	(27.3)	10.4	(97.1)	2.7
Total revenues by geography	**2,828.4**	**1,997.7**	**10,696.4**	**7,934.1**

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%**

2022	Preschools	Care	Integration services	Individual & Family	Other / Elim
Norway	50%	23%	97%	88%	0%
Sweden	23%	72%	1%	12%	0%
International	27%	5%	3%	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 23	Q4 22	FY 23	FY 22
Interest income	7.3	1.1	11.6	2.5
Interest expenses	(86.5)	(40.9)	(273.5)	(142.9)
Interest expenses lease liability	(57.7)	(41.9)	(209.5)	(152.5)
Net foreign exchange gains/(losses)	(9.1)	13.0	(7.0)	24.8
Other finance income	(0.4)	0.6	(0.3)	0.8
Other finance expenses	(0.8)	(2.2)	(3.3)	(5.8)
Net financial items	**(147.2)**	**(70.3)**	**(482.0)**	**(273.1)**

6. TAX CALCULATIONS

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

7. INTANGIBLE ASSETS AND GOODWILL

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

8. BORROWINGS

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

(NOK million)	31.12.2023	31.12.2022
Bond loans	2,271.5	1,674.2
Non-current revolving credit facility	-	106.2
Current overdraft facilities	289.7	0.0
Property debt outside ringfence structure	395.4	395.3
Other debt/property debt	42.7	11.2
Total current and non-current borrowings	**2,999.3**	**2,187.0**

Bond Loans (NOK million)	Maturity	Nominal value	Currency	Nominal value
Norlandia Health & Care Group AS	5/2025	1,130.0	NOK	1,130.0
Norlandia Health & Care Group AS	5/2025	1,102.0	SEK	1,102.0
Total		**2,232.0**		**2,232.0**

In May 2021, the Group successfully placed a senior secured sustainability-linked bond due in May 2025. The bond consists of a NOK and SEK tranche with a total amount of NOK 1,700 million as shown in the table below. The bond loan has a minimum liquidity covenant, of NOK 100 million.

On 19 January 2023 the Group successfully placed a subsequent bond issue equivalent to NOK 522 million under the company's existing senior secured bond framework with ISINs NO0010997927 (the "NOK-tranche") and NO0010997943 (the "SEK-tranche").

In March 2023, the long-term credit facility was repaid, and in replacement, the Group secured a short-term overdraft facility of NOK 350 million by DnB.

9. BUSINESS COMBINATIONS UNDER COMMON CONTROL

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	23.9
Total current assets	**318.1**
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	582.1
Current lease liability	128.7
Other current liabilities	339.3
Total non-current liabilities	**1,050.2**
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 2023.

Financial statements for the parent company

Income statement

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	Q4 23	Q4 22	FY 23	FY 22
Revenues		1,178	1,890	4,712	7,035
Total		**1,178**	**1,890**	**4,712**	**7,035**
Personnel expenses		(1,069)	(959)	(2,578)	(2,340)
Other operating expenses		(2,432)	(8,256)	(17,150)	(12,447)
Operating profit/(loss)		**(2,323)**	**(7,325)**	**(15,017)**	**(7,752)**
Net financial items	1	(54,148)	220,929	(165,056)	161,202
Profit/(loss) before taxes		**(56,471)**	**213,603**	**(180,073)**	**153,450**
Income taxes		-	(31,405)	132	(31,405)
Net income		**(56,471)**	**182,198**	**(179,941)**	**122,045**

Statement of financial position

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Deferred tax asset		132	-
Shares in subsidiaries and associates		2,150,701	1,665,128
Loans to group companies		1,073,279	503,501
Total non-current assets		**3,224,112**	**2,168,628**
Current assets			
Current group receivables		448,630	522,008
Other current receivables		127	5,263
Cash and cash equivalents		37,667	36,419
Total current assets		**486,424**	**563,691**
Total assets		**3,710,536**	**2,732,319**
EQUITY AND LIABILITIES			
Equity			
Share capital		496,053	312,000
Share premium reserve		372,190	167,784
Total restricted equity		**868,243**	**479,784**
Retained earnings		145,937	325,878
Total equity		**1,014,180**	**805,662**
Liabilities			
Non-current liabilities			
Bond loans	1	2,220,187	1,643,486
Non-current interest-bearing debt	1	-	106,245
Non-current non-interest-bearing debt		102,525	-
Total non-current liabilities		**2,322,712**	**1,749,731**
Current liabilities			
Trade payables		263	-
Current liabilities to group companies		29,993	142,751
Current overdraft facilities		289,687	0
Other current liabilities		53,702	34,175
Total current liabilities		**373,645**	**176,926**
Total liabilities		**2,696,356**	**1,926,657**
Total equity and liabilities		**3,710,536**	**2,732,319**

Notes

1. FINANCE COSTS

Finance Costs in Q4 23 includes NOK 60.5 million in interest expense related to the bond loan. Net currency movement for the period was NOK -22.0 million for the quarter.

On 19 January 2023 Norlandia Health & Care Group AS successfully placed a subsequent bond issue equivalent to NOK 522 million under the company's existing senior secured bond framework with ISINs NO0010997927 (the "NOK-tranche") and NO0010997943 (the "SEK-tranche").

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

Group web pages

NORLANDIA CARE GROUP AS
www.norlandia.no

HERO GROUP AS
www.hero.no

NORLANDIA BARNEHAGENE AS
www.norlandiabarnehagene.no

KIDSA DRIFT AS
www.kidsabarnehager.no

ABERIA HEALTHCARE AS
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