NHC Group
Report Q3 23

CONTENT

Key figures

NHC Group

Unaudited, in NOK million	Q3 23	Q2 23	YTD 23	Q3 22	Q2 22	YTD 22	FY 22
Revenues & income	2,638.5	2,779.5	7,902.5	2,033.6	2,242.0	5,962.9	7,966.4
EBITDA	362.7	340.9	1,025.1	301.9	281.6	869.9	1,111.4
EBITDA (%)	13.7 %	12.3 %	13.0 %	14.8 %	12.6 %	14.6 %	14.0 %
EBITA	139.7	121.2	384.1	151.7	145.9	450.3	515.6
EBITA (%)	5.3 %	4.4 %	4.9 %	7.5 %	6.5 %	7.6 %	6.5 %
EBIT	131.8	112.7	359.9	143.3	136.9	423.1	476.6
EBIT (%)	5.0 %	4.1 %	4.6 %	7.0 %	6.1 %	7.1 %	6.0 %
EBT	9.7	18.6	25.7	64.1	67.1	220.3	204.8
EBT (%)	0.4 %	0.7 %	0.3 %	3.2 %	3.0 %	3.7 %	2.6 %
EBITDA - adjusted for IFRS 16	131.4	108.4	352.6	139.9	137.1	433.7	500.6
EBITA - adjusted for IFRS 16	107.8	85.7	285.3	123.6	120.6	385.4	431.4

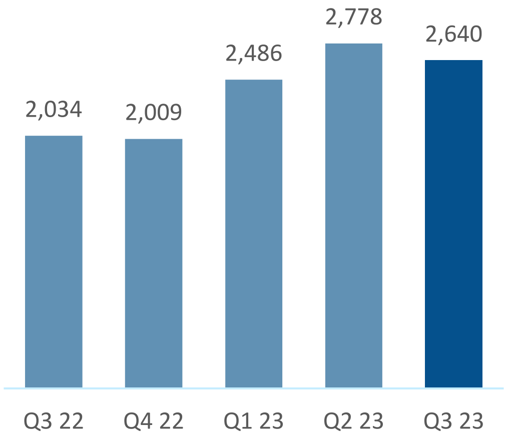
Figures are reported including effects from IFRS 16. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

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

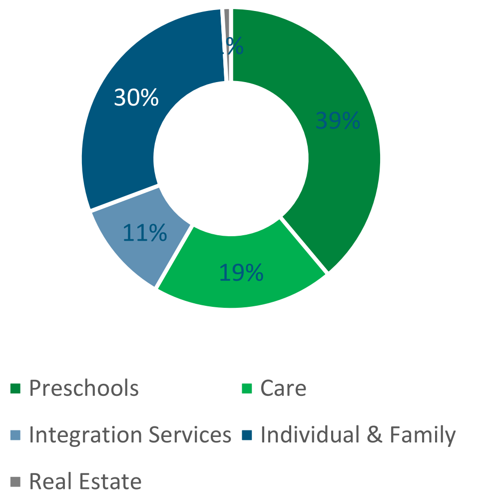
Q3 23 Highlights

- Q3 2023 revenues of NOK 2,639 million, a growth of 30 % YoY, mainly explained by the acquisition of Frösunda Group from February 2023 and growth within Preschools
- Q3 2023 EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 131 million, and adj. EBITA of NOK 108 million
- Preschools delivered an adj. EBITDA of NOK 38 million, down NOK 5 million YoY. Decline mainly explained by high growth in Sweden
- Care generated an adj. EBITDA of NOK -9 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 50 million, significantly increased YoY following the acquisition of Frösunda and organic improvement within the Norwegian operations
- Real Estate delivered an adj. EBITDA of NOK 16 million, following sale of properties in Sweden and Norway
- All operations, in line with the overall market, experience a negative impact from staff shortage and general cost inflation that are not fully accounted for in the current price level

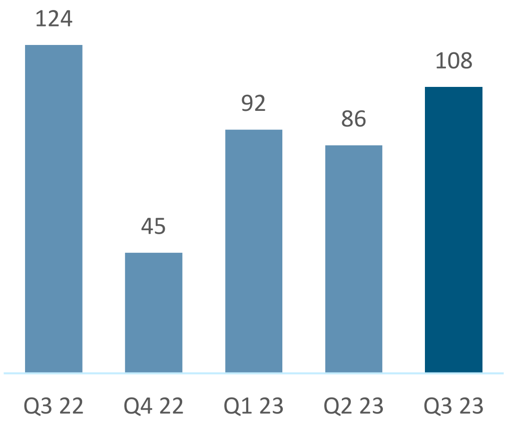
ADJ. REVENUE PER QUARTER (MNOK)



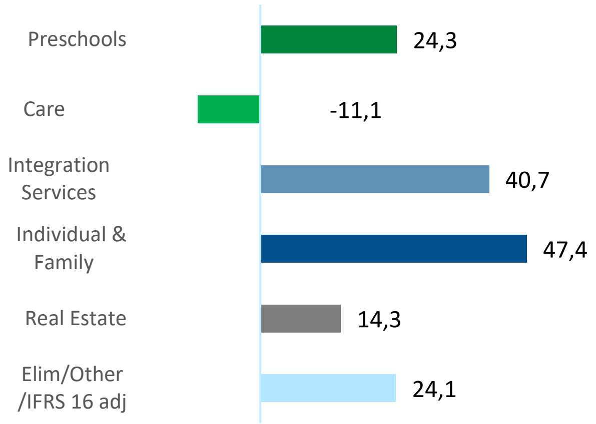
SEGMENT DISTRIBUTION Q3 23 (%)



ADJ. EBITA PER QUARTER (MNOK)

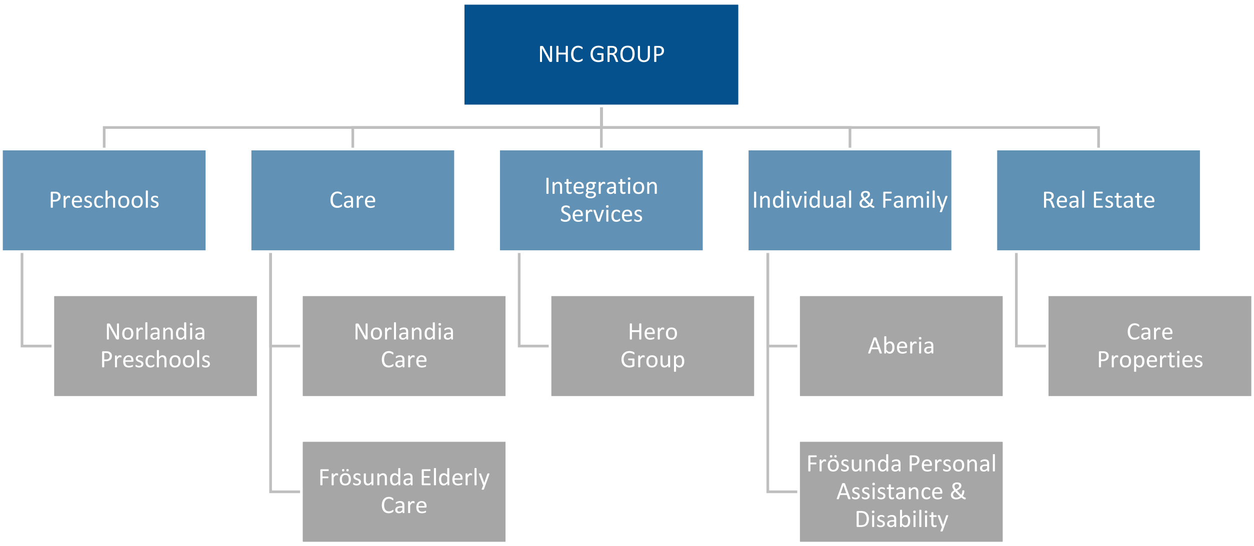


EBITA DISTRIBUTION Q3 23 (MNOK)



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 2,638.5 million in Q3 23, a 29,7 % increase YoY, mainly explained by the acquisition of Frösunda Group from February 2023 and growth within Preschools. EBITA for the quarter amounted to NOK 139.7 million, down from NOK 151.7 million in Q3 22, mainly explained by the Care segment which is heavily impacted by cost inflation not yet reflected in revenues, challenges related to staff shortage, and material growth costs related to start-up of 5 new large units prior quarters.

Net financial items amounted to NOK -122.2 million for Q3 23, reflecting interest expenses of NOK 70.7 million on borrowings, interest related to capitalized leasing of NOK 51.7 million, interest income of NOK 1.4 million, and net unrealized currency loss of NOK 4.9 million.

Profit/(loss) before taxes amounted to NOK 9.7 million for Q3 23, down from a profit of NOK 64.1 million one year prior. Adjusted for IFRS 16 effects, profit before taxes came in at NOK 29.5 million for the quarter, down from NOK 76.5 million in Q3 22.

Thus, the net effect of IFRS 16 amounted to NOK 19.8 million for Q3 23, reflecting depreciation charges of NOK 199.4 million and finance charges of 51.7 million. This was offset by reduced leasing expenses of NOK 232.5 million. See APM section for more details.

Net cash inflow from operating activities in Q3 23 was NOK 72.9 compared to an inflow of NOK 124.6 million in the same quarter last year, mainly driven by negative movement in working capital of NOK 261.8 million, partly offset by stronger underlying performance.

Net cash flow from investing activities resulted in an outflow of NOK 11.7 million in Q3 23, compared to an outflow of NOK 50.1 million in Q3 22, mainly explained by lower net investments in property, plant and equipment where property development projects stood for NOK 10.2 million. In addition, the Group have invested NOK 7.0 million in openings of new long-term refugee centers and maintenance capital expenditures of NOK 18.5 million. These investments were partly offset by proceeds from sale of real estate in Sweden and Norway.

Net cash outflow from financing activities amounted to NOK 153.9 million in Q3 23, compared to an outflow of NOK 220.1 million in Q3 22. The outflow this quarter is mainly explained by lease payments of NOK 180.8 million, net change in interest-bearing debt of NOK 144.8 million, and cash interest expenses, including lease liability related interest expenses, of NOK 118.0 million.

The Group generated total cash flows of NOK -92.7 million for Q3 23.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER 30 SEPTEMBER 2023

As of 30 September 2023, the Group had total non-current assets of NOK 10,894.3 million, an increase of NOK 2 205.1 million from year-end 2022. The increase is mainly explained by an increase in goodwill of NOK 1 119.9 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 6,088.5 million as of 30 September 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 335.8 million on 30 September 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 million by DnB. As of 30 September 2023, NOK 273.9 million was drawn.

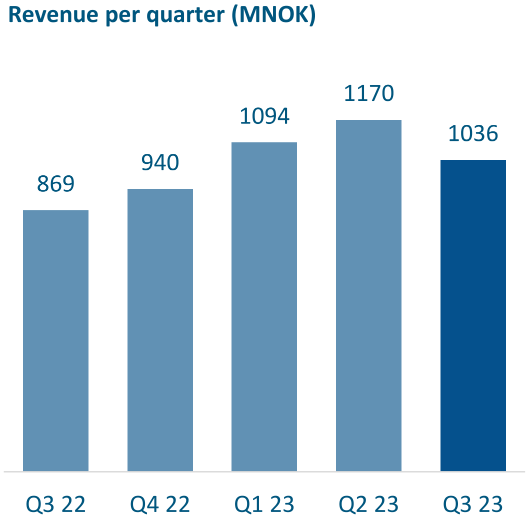
Total assets amounted to NOK 12,341.1 million at the end of Q3 23 compared to NOK 9,766.5 on 31 December 2022.

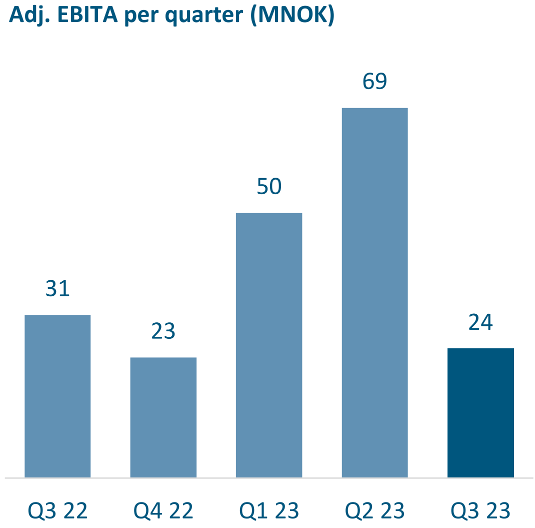
Total non-current liabilities as of 30 September 2023 amounted to NOK 8,795.7 million, including NOK 5,861.1 million classified as "Lease liabilities" under IFRS 16. Total borrowings amounted to NOK 2,563.3 million, mainly consisting of the NOK- and SEK-denominated bond loans as shown in note 8, as well as debt mainly related to Norwegian preschool properties of NOK 385.3 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 30 September 2023 the Group’s total equity amounted to NOK 1,005.3 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 third quarter of 2023 generated revenues of NOK 1,036 million, up from NOK 869 million in Q3 22, where the 19% YoY increase reflected price adjustments in Norway, new openings in Sweden, and overall increased occupancy. The revenue reduction compared to Q2 23 is explained by seasonality in Norway and Sweden, where there is no parent pay in July.

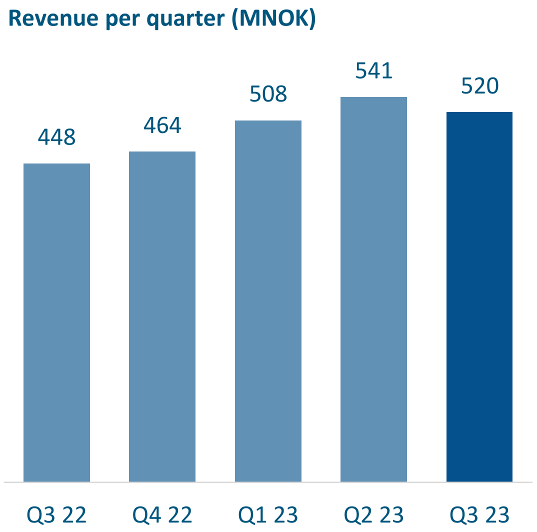
The segment reported an adj. EBITA of NOK 24 million in Q3 23, down NOK 9 million YoY, mainly explained by reduced profitability in Sweden, as occupancy levels on new openings since August 22 are still below reach profitable levels. Although new units normally mature within 12-18 months, we experience a slight lag in the ramp-up currently but expect improvements going forward backed by demography and initiated measures to increase occupancy. Once matured, the high growth in Sweden should materialize in a meaningful financial contribution.

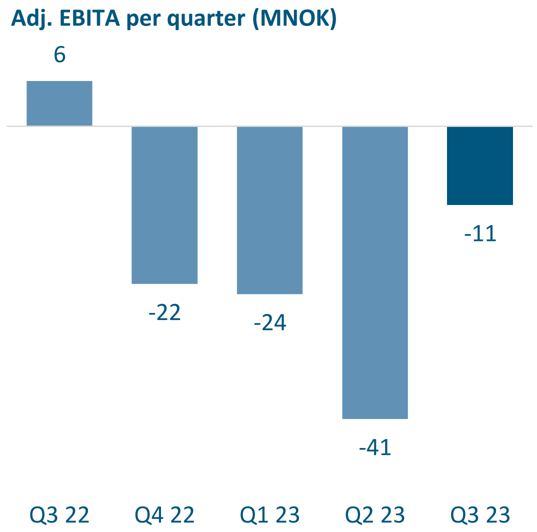
In Norway, the grant levels were extraordinarily low in 2022 as these were based on municipal costs in 2020 significantly reduced by Covid-19. In line with expectations, the grants increased materially in 2023, and are now at significantly improved levels. Still, though, not fully accounting for a high wage settlement, recent cost inflation, and electricity prices, as well as full equal treatment, which our already reported litigation towards Norwegian authorities is addressing. 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. 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.

Our international preschools are performing well and delivered profitability improvements YoY, despite still experiencing challenges related to cost inflation and staff shortage in some markets. Finland, in particular, is heavily affected by negative net inflation effects currently and there are ongoing measures and expectations of increased grants. We expect to see further improvements going forward and continue to target effective and sticky growth in all our international markets.

As of 30 September 2023, Norlandia Preschools operates 427 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 520 million in Q3 23, up from NOK 448 million in Q3 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 in Q4 22 and Q1 23.

In Q3 23, the segment reported an adj. EBITA of NOK –11 million, heavily impacted by significant cost inflation not reflected in the income level, weak performance by certain loss-making units with exit option, challenges related to staff shortage, and material growth costs related to start-up of several new own management units the prior quarters.

2023 has been highly challenging for the Care segment, and there is extensive work ongoing to significantly reduce losses and gradually approach sustainable levels. We have initiated multiple internal initiatives to improve the situation, as well as external factors that will factually improve going forward. Although it takes some time to see the financial effects on many of the implemented initiatives, we now have visibility on a materially improved 2024 and onwards through:

i. Occupancy within our own management units have increased recent quarters and is expected to improve further in the remainder of 2023 and throughout 2024 backed by a growing demand and marketing initiatives. The financial effects of increased occupancy on own management units are substantial and given that these units now account for approximately half of our nursing home revenue base, from 10 % three years back, the improvement should be meaningful overall. A rebalancing of the portfolio shifted towards more own management is in line with our communicated strategy.

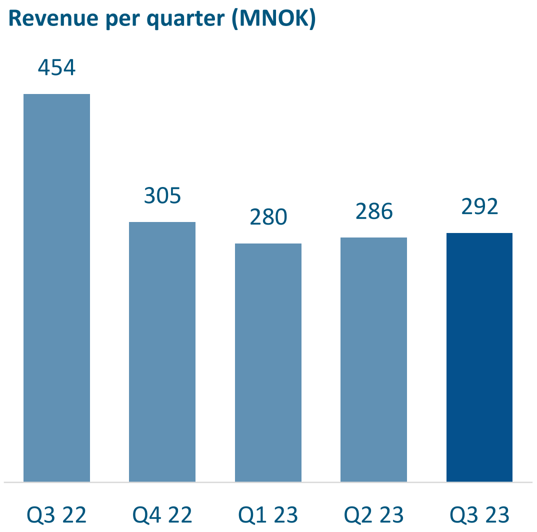
ii. The historically high-cost inflation is not fully accounted for yet as annual index adjustments are implemented later than the cost increases occur, with varying time-lags across different contract models. In certain areas, index clauses are even based on the 2022 index, which is significantly lower than the 2023 index. Consequently, we expect profitability levels to improve through stabilized cost inflation and salary development.

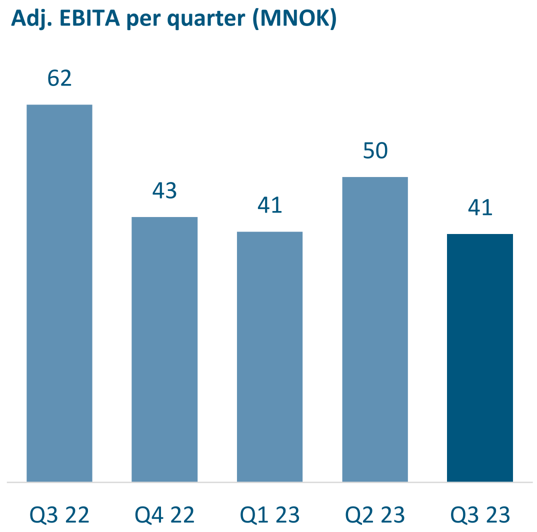
iii. A considerable part of the losses year-to-date relate to a few units or sub-segments with material losses, where we have the option to end losses by withdrawal. We have decided to discontinue some of these operations and expect financial effect from 2024 when the processes are completed. For the remainder of the loss-making areas, we have decided to 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.

Through intensified work internally combined with an expectation of improved external market conditions, we aim to mitigate the substantial negative effects at present. 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.

Integration services





Integration Services generated revenues of NOK 292 million in Q3 23, down YoY, explained by reduced activity within acute reception centers in Norway, fully in line with our expectations. Adj. EBITA amounted to NOK 41 million and the continued strong financial performance related to solid operations within Accommodation Services, both in Norway and Germany.

Following the outbreak of the war in Ukraine, Accommodation Services in Norway opened more than 40 acute refugee centers with capacity to house over 10,000 refugees. A considerable share of these centers opened less than a week after UDI (The Norwegian Directorate of Immigration) first signaled the need for emergency preparedness. Through a collective effort from the whole NHC organization, Hero demonstrated an impressive ability to rapidly provide much needed support in a highly emergent situation, and we saw the full effect from this major upscaling from Q2 22 and onwards.

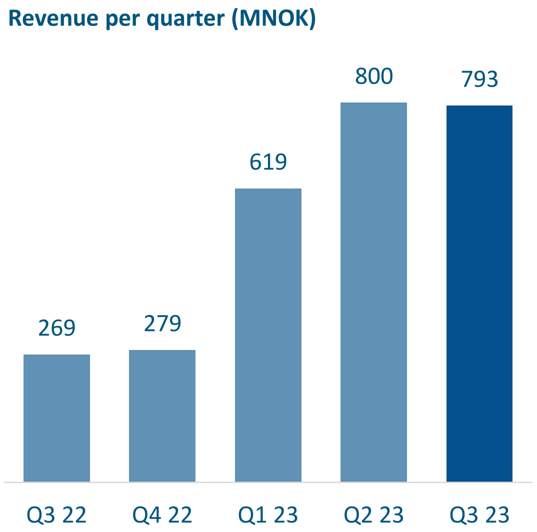
Having won multiple tenders in 2023, Hero currently operates 15 long-term ordinary reception centers in Norway and will open two more in January 2024, that over time will replace the acute and temporary capacity opened in 2022. Although expecting somewhat reduced activity from around 40,000 arrivals in the peak years 2022 and 2023, UDI's most recent estimates indicate continued high arrivals from Ukraine in 2024 with a range between 20,000 – 50,000 in the "mid-scenario". Backed by these figures and a portfolio shifted more towards long-term contracts, we anticipate revenues in the medium and longer term to normalize at a significant higher level than prior to the war in Ukraine. 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.

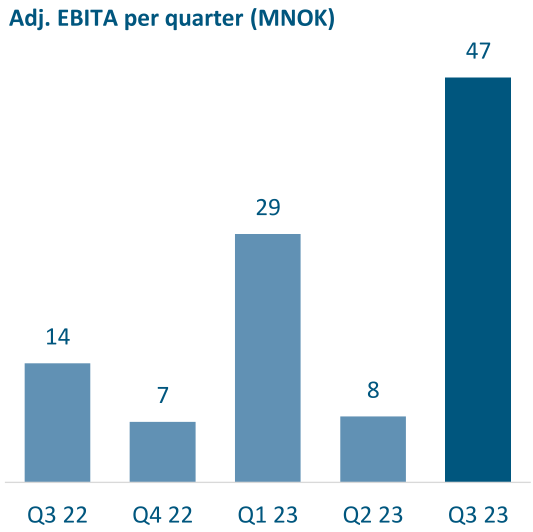
Hero now operates 7 reception centers in Germany, and we are experiencing high occupancy due to the acute situation and special agreements with the immigration authorities. Germany will continue to be the country in Europe with the highest number of refugee arrivals also in 2023, and we are actively pursuing various tender opportunities.

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 Q3 23, the segment delivered YoY revenue growth of 17 % 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 793 million in Q3 23, significantly increased YoY following the acquisition of Frösunda and organic growth within the Norwegian operations.

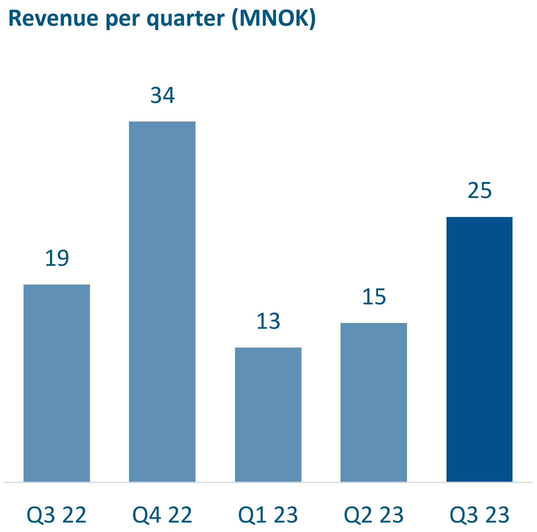
The acquisition of Frösunda significantly strengthens the Individual & Family segment, increasing the annual turnover to over NOK 3 billion and providing more stability in terms of profitability. We regard the consolidation as a perfect fit combining highly complementary competencies across the organizations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

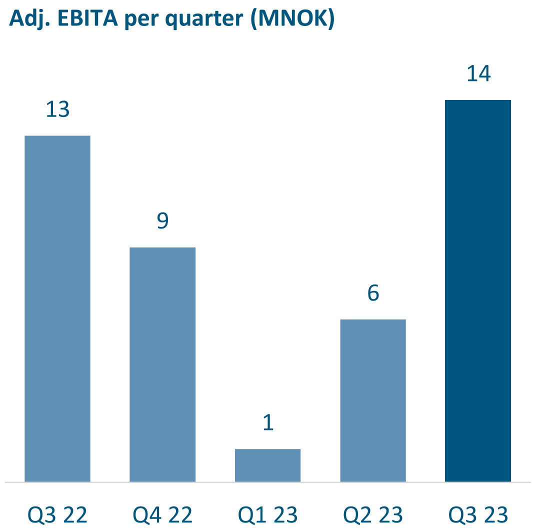
In Q3 23, a seasonally strong quarter, the segment recorded an adj. EBITA of NOK 47 million. Frösunda Personal Assistance delivered weak underlying profitability as the 2023 price increase does not fully account for increased costs. Over time, the Personal Assistance sector in Sweden has been systematically underfinanced significantly reducing margins to unsustainable levels. This year's wage settlement significantly surpasses the 2023 price increase of 1.5 % and will put a downward pressure on margins before the next price adjustment from January 24, although only 2.5 %. There are ongoing and intensified discussions to increase the 2024 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 1,000 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 25 million in Q3 23, with an adj. EBITA of NOK 14 million, reflecting the sale of properties in Sweden and Norway.

With a steady increase in demand 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 in need of new accommodation is increasing and capacity is too low to provide the needed services for the future. Existing infrastructure especially within Care and Preschools in the mature markets is aging and needs to be replaced by new modern buildings suitable for the services needed. 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 new type/innovative property projects. Within Individual & Family we delivered the first new concept building in Norway in June, of which both strengthening our operation as well as providing new green field opportunities.

Although increasing yields and interest costs impact the segment, a lot of the negative effects are mitigated as we are acquiring and selling in the same market. The LOI signed in Q2 22 on multiple transactions with a total sales volume of more than NOK 200 million, some of which closed in 2022 and the remaining to be carried out in 2023 and 2024, indicates solid profitability going forward and that NHC is regarded as a strong counterparty.

The acquisition of Frösunda in Q1 23 materially increases NHC Group’s operational footprint going forward. We expect that this will lead to more opportunities and enable further growth within the real estate segment. Both Frösunda and NHC have extensive experience within real estate and combining knowledge and experiences will lead to further synergies, especially within property development and real estate concepts. The combined group will continue to build on NHC’s strategy of utilizing real estate as a driver of competitive advantage and catalyst for operational growth.

Although we acknowledge the challenges the overall real estate market is currently experiencing, we believe we are well positioned to maintain a healthy profitability level going forward. Besides cash flow and profitability, most importantly, we expect the segment to support NHC’s operating companies through access to good properties and solid long-term operations.

OUTLOOK AND MAIN RISK FACTORS

The present geopolitical landscape is undeniably fraught with increased tension and challenges in several areas around the world. At the time of this writing, we are all witnessing the devastating scenes that are unfolding in the Middle East, in addition to the war in Ukraine that now has lasted for almost 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 a recently published article, Kommunal in Sweden acknowledges the crisis within Swedish welfare, and addresses 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 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 2022 and continues to do so in 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.

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.

USE OF ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

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

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

(NOK million)	Q3 23	Q3 23 - IFRS 16	Q3 23 - Adjusted	Q3 22	Q3 22 - IFRS 16	Q3 22 - Adjusted
Operating revenues	2,621.3	-	2,621.3	2,033.6	-	2,033.6
Other income	17.2	1.2	18.4	(0.0)	-	(0.0)
Total	**2,638.5**	**1.2**	**2,639.7**	**2,033.6**	**-**	**2,033.6**
Direct cost of goods and services	(60.7)	-	(60.7)	(96.5)	-	(96.5)
Personnel expenses	(1,904.1)	-	(1,904.1)	(1,225.9)	-	(1,225.9)
Other operating expenses	(311.0)	(232.5)	(543.4)	(409.2)	(162.0)	(571.2)
EBITDA	**362.7**	**(231.3)**	**131.4**	**301.9**	**(162.0)**	**139.9**
Depreciation	(223.0)	199.4	(23.6)	(150.2)	134.0	(16.3)
EBITA	**139.7**	**(31.9)**	**107.8**	**151.7**	**(28.1)**	**123.6**
Amortisation	(7.9)	-	(7.9)	(8.4)	-	(8.4)
Operating profit/(loss) - EBIT	**131.8**	**(31.9)**	**99.9**	**143.3**	**(28.1)**	**115.2**
Net financial items	(122.2)	51.7	(70.6)	(79.1)	40.5	(38.7)
Share of net income from associated companies	0.2	-	0.2	-	(0.0)	(0.0)
Profit/(loss) before taxes - EBT	**9.7**	**19.8**	**29.5**	**64.1**	**12.4**	**76.5**

(NOK million)	YTD 23	YTD 23 - IFRS 16	YTD 23 - Adjusted	YTD 22	YTD 22 - IFRS 16	YTD 22 - Adjusted
Operating revenues	7,868.0	-	7,868.0	5,936.4	-	5,936.4
Other income	34.5	1.0	35.5	26.5	25.1	51.7
Total	**7,902.5**	**1.0**	**7,903.5**	**5,962.9**	**25.1**	**5,988.0**
Direct cost of goods and services	(257.1)	-	(257.1)	(255.8)	-	(255.8)
Personnel expenses	(5,572.7)	-	(5,572.7)	(3,641.3)	-	(3,641.3)
Other operating expenses	(1,047.6)	(673.5)	(1,721.1)	(1,195.9)	(461.4)	(1,657.3)
EBITDA	**1,025.1**	**(672.5)**	**352.6**	**869.9**	**(436.2)**	**433.7**
Depreciation	(641.0)	573.7	(67.3)	(419.6)	371.3	(48.3)
EBITA	**384.1**	**(98.8)**	**285.3**	**450.3**	**(64.9)**	**385.4**
Amortisation	(24.1)	-	(24.1)	(27.2)	-	(27.2)
Operating profit/(loss) - EBIT	**359.9**	**(98.8)**	**261.1**	**423.1**	**(64.9)**	**358.2**
Net financial items	(334.8)	151.8	(183.0)	(202.8)	110.6	(92.3)
Share of net income from associated companies	0.5	-	0.5	-	-	-
Profit/(loss) before taxes - EBT	**25.7**	**53.0**	**78.7**	**220.3**	**45.6**	**265.9**

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 November 2023

Board of Directors of Norlandia Health & Care Group AS

Kristian A. Adolfsen
Chairman of the Board

Roger Adolfsen
Member of the Board

Ingvild Myhre
Member of the Board

Yngvar Tov Herbjørnssønn
CEO

For more information:

Roger Larsen
CFO
roger.larsen@norlandia.com

Anders Belsvik
Finance Manager & Investor Relations
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Ticker codes:

Norlandia Health & Care Group AS has issued two bond loans listed on Oslo Stock Exchange (www.euronext.com) with the following names and ticker codes:
Norlandia Health & Care Group AS 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	Q3 23	Q3 22	YTD 23	YTD 22	FY 22
Operating revenues		2,621.3	2,033.6	7,868.0	5,936.4	7,934.1
Other income		17.2	(0.0)	34.5	26.5	32.3
Total	3	**2,638.5**	**2,033.6**	**7,902.5**	**5,962.9**	**7,966.4**
Direct cost of goods and services		(60.7)	(96.5)	(257.1)	(255.8)	(353.2)
Personnel expenses		(1,904.1)	(1,225.9)	(5,572.7)	(3,641.3)	(4,985.9)
Other operating expenses		(311.0)	(409.2)	(1,047.6)	(1,195.9)	(1,515.9)
EBITDA		**362.7**	**301.9**	**1,025.1**	**869.9**	**1,111.4**
Depreciation		(223.0)	(150.2)	(641.0)	(419.6)	(595.7)
EBITA	3	**139.7**	**151.7**	**384.1**	**450.3**	**515.6**
Amortisation	4	(7.9)	(8.4)	(24.1)	(27.2)	(39.0)
Operating profit/(loss) - EBIT		**131.8**	**143.3**	**359.9**	**423.1**	**476.6**
Net financial items	5,	(122.2)	(79.1)	(334.8)	(202.8)	(273.1)
Share of net income from associated companies		0.2	-	0.5	-	1.3
Profit/(loss) before taxes		**9.7**	**64.1**	**25.7**	**220.3**	**204.8**
Income taxes	6	1.3	1.0	4.4	(13.8)	(35.3)
Net income		**11.1**	**65.1**	**30.1**	**206.5**	**169.5**
Net income attributable to:						
Equity holders of the parent company		13.7	61.6	34.8	206.3	169.4
Non-controlling interests		(2.6)	3.5	(4.7)	0.2	0.1

Consolidated Statement of Comprehensive Income

NHC Group

Unaudited, in NOK million	Q3 23	Q3 22	YTD 23	YTD 22	FY22
Net income	**11.1**	**65.1**	**30.1**	**206.5**	**169.5**
Currency translation differences	(12.0)	7.6	25.0	7.6	(5.2)
Items that may be subsequently reclassified to P&L	**(12.0)**	**7.6**	**25.0**	**7.6**	**(5.2)**
Remeasurement of defined benefit pension plans	-	-	-	-	(10.0)
Income taxes related to these items	-	-	-	-	2.2
Items that will not be subsequently reclassified to P&L	**-**	**-**	**-**	**-**	**(7.8)**
Other comprehensive income/(loss), net of taxes	**(12.0)**	**7.6**	**25.0**	**7.6**	**(13.0)**
Total comprehensive income	**(0.9)**	**72.7**	**55.1**	**214.0**	**156.5**
Total comprehensive income attributable to					
Equity holders of the parent company	(2.2)	71.3	63.1	214.3	158.0
Non-controlling interests	1.3	1.3	(7.9)	(0.3)	(1.4)

Consolidated Statement of Financial Position

NHC Group

Unaudited, in NOK million	Notes	30.09.2023	30.09.2022	31.12.2022
ASSETS				
Non-current assets				
Property, plant & equipment		879.6	738.8	792.0
Right-of-use assets		6,088.5	4,842.6	5,171.8
Goodwill	7	3,114.5	1,976.3	1,994.6
Intangible assets	7	518.0	537.4	529.7
Deferred tax assets		215.5	99.2	109.5
Investment in associated companies		34.1	47.0	25.6
Other investments		10.9	15.2	25.4
Other non-current receivables		33.3	40.5	40.5
Total non-current assets		**10,894.3**	**8,297.1**	**8,689.2**
Current assets				
Inventories		10.8	5.8	5.6
Trade receivables		691.4	447.0	417.4
Other current receivables		408.7	263.4	382.7
Cash and cash equivalents		335.8	332.3	271.7
Total current assets		**1,446.7**	**1,048.5**	**1,077.3**
Total assets		**12,341.1**	**9,345.5**	**9,766.5**
EQUITY AND LIABILITIES				
Equity				
Share capital		496.1	312.0	312.0
Other equity		517.1	346.4	288.9
Equity attributable to owners of the parent		**1,013.2**	**658.4**	**600.9**
Non-controlling interests		(7.8)	0.3	0.2
Total equity		**1,005.3**	**658.7**	**601.2**
Liabilities				
Pension liabilities		8.1	40.6	6.3
Borrowings	8	2,563.3	2,122.0	2,115.6
Lease liabilities		5,861.1	4,721.7	4,996.2
Deferred tax liabilities		236.7	139.9	146.4
Other non-current liabilities		126.4	37.3	30.0
Total non-current liabilities		**8,795.7**	**7,061.5**	**7,294.5**
Trade payables		210.1	209.6	191.0
Borrowings	8	354.2	27.5	71.4
Lease liabilities		688.9	456.7	531.2
Taxes payable		1.9	6.8	14.0
Other current liabilities		1,285.0	924.8	1,063.2
Total current liabilities		**2,540.1**	**1,625.4**	**1,870.8**
Total liabilities		**11,335.7**	**8,686.9**	**9,165.3**
Total equity and liabilities		**12,341.1**	**9,345.5**	**9,766.5**

Consolidated Statement of Cash Flows

NHC Group

Unaudited, in NOK million	Q3 23	Q3 22	YTD 23	YTD 22	FY 22
Cash flow from operating activities					
EBITDA	362.7	301.9	1,025.1	869.9	1,111.4
Net taxes paid and other EBITDA cash adjustments	(28.0)	(3.3)	(70.1)	(106.5)	(59.6)
Change in net working capital	(261.8)	(174.0)	(64.8)	8.8	(95.5)
Net cash flow from operating activities	**72.9**	**124.6**	**890.2**	**772.2**	**956.2**
Cash flow from investing activities					
Net investment in property, plant and equipment	(35.7)	(63.1)	(170.8)	(117.7)	(196.5)
Investment in shares in business	(11.8)	5.0	90.0	(69.7)	(86.4)
Proceeds from sale of assets	27.4	-	45.2	131.7	181.7
Net change in financial receivables	8.4	8.0	8.0	0.0	2.5
Net cash flow from investing activities	**(11.7)**	**(50.1)**	**(27.6)**	**(55.7)**	**(98.8)**
Cash flow from financing activities					
Net change in interest-bearing debt	144.8	(2.1)	175.3	(90.3)	(78.9)
Proceeds from non-current bonds	0.0	-	501.4	-	-
Repayment of current bond	(0.0)	-	(657.0)	-	-
Lease liability - amortisation	(180.8)	(121.6)	(521.8)	(350.8)	(491.3)
Payment to non-controlling interest	-	-	-	(7.4)	(7.3)
Net interest paid and other financial items	(118.0)	(76.5)	(315.9)	(211.3)	(285.3)
Distributions to/from owners	-	(20.0)	-	(20.0)	(20.0)
Net cash flow from financing activities	**(153.9)**	**(220.1)**	**(818.0)**	**(679.8)**	**(882.9)**
Changes in cash and cash equivalents					
Net change in cash and cash equivalents	(92.7)	(145.7)	44.6	36.7	(25.4)
Effects of changes in exchange rates on cash	11.6	(0.7)	19.5	(5.6)	(4.1)
Cash and cash equivalents at the beginning of period	416.9	478.7	271.7	301.2	301.2
Cash and cash equivalents at end of period	**335.8**	**332.3**	**335.8**	**332.3**	**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	-	-	34.8	-	**34.8**	(4.7)	**30.1**
Other comprehensive income for the period	-	-	-	28.3	**28.3**	(3.2)	**25.0**
Total comprehensive income for the period	**-**	**-**	**34.8**	**28.3**	**63.1**	**(7.9)**	**55.1**
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	-	-	(39.3)	-	**(39.3)**	-	**(39.3)**
Distribution to non-controlling interests	-	-	-	-	**-**	(0.1)	**(0.1)**
Transactions with non-controlling interests	-	-	-	-	**-**	0.0	**0.0**
Total contributions and distributions	184.1	204.4	(39.3)	-	**349.2**	(0.1)	**349.0**
Equity as of 30 September 2023	**496.1**	**372.2**	**103.9**	**41.1**	**1,013.2**	**(7.8)**	**1,005.3**

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 as at and 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 standards. 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.

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

Considering relevant facts and circumstances for common control transactions management has chosen to apply a method broadly described as predecessor 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.

3. REVENUE, EBITDA, EBITA AND EBIT BY SEGMENT

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

(NOK million)	Q3 23	Q3 22	YTD 2023	YTD 2022	2022
Revenues and income by segment					
Preschools	1,036.4	869.0	3,300.7	2,724.5	3,664.5
Care	519.5	447.6	1,568.5	1,299.9	1,764.0
Integration services	291.8	454.4	857.6	1,167.2	1,471.7
Individual & Family	793.3	269.4	2,211.9	752.8	1,031.6
Real Estate	24.8	18.5	52.4	86.8	121.3
Other/Elim/IFRS 16 adj	(27.4)	(25.3)	(88.7)	(68.3)	(86.6)
Total	**2,638.5**	**2,033.6**	**7,902.4**	**5,962.9**	**7,966.4**

(NOK million)	Q3 23	Q3 22	YTD 2023	YTD 2022	2022
EBITDA by segment					
Preschools	38.1	42.5	184.4	220.2	256.0
Care	(8.6)	7.7	(68.9)	(8.2)	(28.7)
Integration services	43.7	63.0	138.5	141.1	185.8
Individual & Family	49.7	15.4	91.1	21.3	30.0
Real Estate	15.9	13.1	26.3	60.4	71.9
Other/Elim/IFRS 16 adj	223.8	160.3	653.7	435.1	595.6
Total	**362.7**	**301.9**	**1,025.1**	**869.9**	**1,110.7**

(NOK million)	Q3 23	Q3 22	YTD 2023	YTD 2022	2022
EBITA by segment					
Preschools	24.3	30.6	143.4	184.1	206.7
Care	(11.1)	6.3	(75.7)	(12.3)	(34.4)
Integration services	40.7	61.9	131.8	137.7	181.1
Individual & Family	47.4	13.9	84.1	17.8	24.9
Real Estate	14.3	13.0	21.7	60.2	68.9
Other/Elim/IFRS 16 adj	24.1	26.0	79.0	62.9	67.8
Total	**139.7**	**151.7**	**384.2**	**450.3**	**515.0**

(NOK million)	Q3 23	Q3 22	YTD 2023	YTD 2022	2022
EBIT by segment					
Preschools	19.3	28.1	128.1	169.1	181.4
Care	(11.9)	6.3	(78.4)	(14.7)	(40.1)
Integration services	40.7	61.9	131.8	137.7	181.1
Individual & Family	45.4	13.3	77.9	15.9	16.9
Real Estate	14.3	13.0	21.7	60.2	69.5
Other/Elim/IFRS 16 adj	24.1	20.7	79.0	55.0	67.9
Total	**131.8**	**143.3**	**360.0**	**423.1**	**476.6**

(NOK million)	Q3 23	Q3 22	YTD 2023	YTD 2022	2022
Operating revenues by geography					
Norway	1,143.6	1,220.3	3,472.7	3,483.3	4,577.7
Sweden	1,132.0	538.8	3,334.2	1,651.6	2,244.5
International	365.4	283.6	1,130.9	809.2	1,109.3
Other/Elimination	(19.7)	(9.2)	(69.8)	(7.7)	2.7
Total revenues by geography	**2,621.3**	**2,033.5**	**7,868.0**	**5,936.4**	**7,934.1**

YTD 2023	Preschools	Care	Integration services	Individual & Family	Other / Elim
Norway	48%	16%	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)	Q3 23	Q3 22	YTD 23	YTD 22	FY 22
Interest income	1.4	0.5	4.3	1.3	2.5
Interest expenses borrowings	(70.7)	(36.5)	(187.0)	(102.1)	(142.9)
Interest expenses lease liability	(51.7)	(40.5)	(151.8)	(110.6)	(152.5)
Net foreign exchange gains/(losses)	(4.9)	(2.6)	2.2	11.8	24.8
Other finance income	0.0	(0.0)	0.1	0.2	0.8
Other finance expenses	3.6	(0.0)	(2.5)	(3.5)	(5.8)
Net financial items	**(122.2)**	**(79.1)**	**(334.8)**	**(202.8)**	**(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)	30.09.2023	30.09.2022	31/12/2022
Bond loans	2,226.8	1,688.2	1,674.2
Non-current revolving credit facility	-	106.9	106.2
Current overdraft facilities	273.9	0.0	0.0
Property debt outside ringfence structure	385.3	345.1	395.3
Other debt/property debt	31.5	9.2	11.2
Total current and non-current borrowings	**2,917.5**	**2,149.5**	**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 COMBINATION 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. Considering relevant facts and circumstances for common control transactions management has chosen to apply a method 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 as described further in the basis of preparation section.

The table below shows the allocation of the purchase price:

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 *(partly settled as distribution in kind, as shown in the statement of equity)*	508.1
Effect of business combination under common control, equity	**(39.3)**

10. EVENTS AFTER BALANCE SHEET DATE

No known material events have occurred after the balance sheet date which would have had any effect on the reported figures as of 30 September 2023.

Financial statements for the parent company

Income statement

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	Q3 23	Q3 22	YTD 23	YTD 22	FY 22
Revenues		1,178	1,890	3,534	5,146	7,035
Total		**1,178**	**1,890**	**3,534**	**5,146**	**7,035**
Personnel expenses		(469)	(359)	(1,510)	(1,382)	(2,340)
Other operating expenses		(7,022)	(1,575)	(14,718)	(4,191)	(12,447)
Operating profit/(loss)		**(6,313)**	**(44)**	**(12,694)**	**(427)**	**(7,752)**
Net financial items	1	(15,786)	(28,363)	(110,907)	(59,727)	161,202
Profit/(loss) before taxes		**(22,099)**	**(28,408)**	**(123,601)**	**(60,154)**	**153,450**
Income taxes		-	-	132	-	(31,405)
Net income		**(22,099)**	**(28,408)**	**(123,469)**	**(60,154)**	**122,045**

Statement of financial position

Norlandia Health & Care Group AS

Unaudited, in NOK thousands	Note	30.09.2023	30.09.2022	31.12.2022
ASSETS				
Non-current assets				
Deferred tax asset		132	-	-
Shares in subsidiaries and associates		2,150,701	1,656,454	1,665,128
Loans to group companies		1,089,328	495,719	503,501
Total non-current assets		**3,240,161**	**2,152,173**	**2,168,628**
Current assets				
Current group receivables		425,218	148,336	522,008
Other current receivables		437	340	5,263
Cash and cash equivalents		35,349	143,094	36,419
Total current assets		**461,004**	**291,771**	**563,691**
Total assets		**3,701,165**	**2,443,944**	**2,732,319**
EQUITY AND LIABILITIES				
Equity				
Share capital		496,053	312,000	312,000
Share premium reserve		372,190	167,784	167,784
Total restricted equity		**868,243**	**479,784**	**479,784**
Retained earnings		202,408	143,680	325,878
Total equity		**1,070,651**	**623,464**	**805,662**
Liabilities				
Non-current liabilities				
Bond loans	1	2,177,370	1,661,319	1,643,486
Non-current interest-bearing debt	1	-	106,858	106,245
Non-current non-interest-bearing debt		98,760	-	-
Total non-current liabilities		**2,276,130**	**1,768,177**	**1,749,731**
Current liabilities				
Trade payables		21	-	-
Current liabilities to group companies		29,785	24,681	142,751
Current overdraft facilities		273,901	-	0
Other current liabilities		50,677	27,622	34,175
Total current liabilities		**354,384**	**52,303**	**176,926**
Total liabilities		**2,630,514**	**1,820,480**	**1,926,657**
Total equity and liabilities		**3,701,165**	**2,443,944**	**2,732,319**

Notes

1. FINANCE COSTS

Finance Costs in Q3 23 includes NOK 57.1 million in interest expense related to the bond loan. Net currency movement for the period was NOK 10.1 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

KIDSA DRIFT AS
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