NHC Group
Report Q1 22

NHC

CONTENT

Key figures

(All figures in NOK million)

	Q1 22	Q4 21	Q1 21	Q4 20	FY 21
Total revenues and income	1 687,3	1 639,9	1 413,2	1 442,7	5 975,6
EBITDA	286,4	219,4	193,1	223,0	792,7
EBITDA (%)	17,0 %	13,4 %	13,7 %	15,5 %	13,3 %
EBITA	152,7	67,8	73,8	101,6	282,7
EBITA (%)	9,1 %	4,1 %	5,2 %	7,0 %	4,7 %
EBIT	142,9	57,0	63,7	88,3	238,5
EBIT (%)	8,5 %	3,5 %	4,5 %	6,1 %	4,0 %
EBT	89,1	10,5	73,2	28,7	48,2
EBT (%)	5,3 %	0,6 %	5,2 %	2,0 %	0,8 %
EBITDA - adjusted for IFRS 16	156.7	105.1	70.2	157.9	321.9
EBITA - adjusted for IFRS 16	141.1	91.1	58.5	144.6	279.2

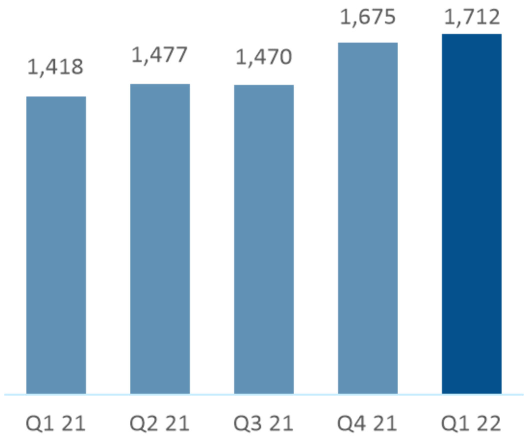
Figures for 2019 and onwards are reported including effects from IFRS 16, whereas all figures from previous periods are reported according to previous standard, IAS 17. The effects for IFRS 16 have not been allocated to the operating segments but are included under "Other" in the following tables.

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

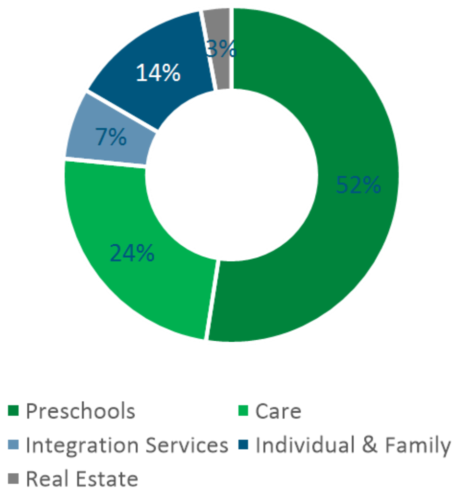
Q1 22 Highlights

- Q1’22 revenues of NOK 1,687 million, a growth of 19% YoY mainly driven by Preschools
- EBITDA adjusted for IFRS 16 effects (adj. EBITDA) of NOK 157 million, and adj. EBITA of NOK 141 million
- Preschools delivered an adj. EBITDA of NOK 112 million, positively affected by a pension effect of NOK 60 million, offset by high sick leave and electricity costs
- Care delivered an adj. EBITDA of NOK -5 million, as occupancy levels are still well below pre-covid levels
- Integration Services delivered another strong quarter with an adj. EBITDA of NOK 7 million, helped by increased activity within Accommodation Services in Norway, where we established 27 acute refugee centers in mid-March to accommodate Ukrainian refugees. An additional 13 acute refugee centers opened after the balance sheet date.
- Individual & Family are down on recent quarters with an adj. EBITDA of NOK 2 million, mainly driven by start-up costs on new unit openings, as well as high sick leave and electricity costs
- Several property realizations during the quarter, generating an adj. EBITDA of NOK 44 million
- In March, we acquired a Swedish preschool chain, Kunnskapsförskolan, consisting of 9 units in operation and 18 units under construction or the be constructed

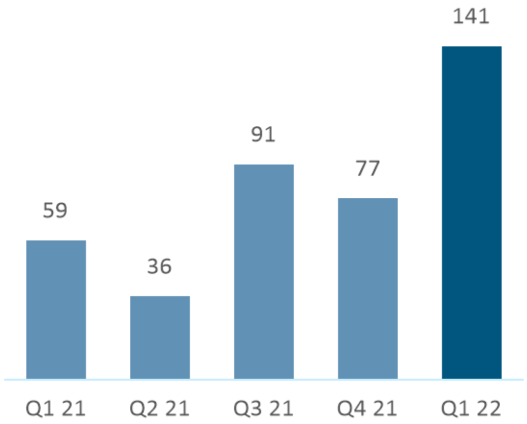
ADJ. REVENUE PER QUARTER (MNOK)



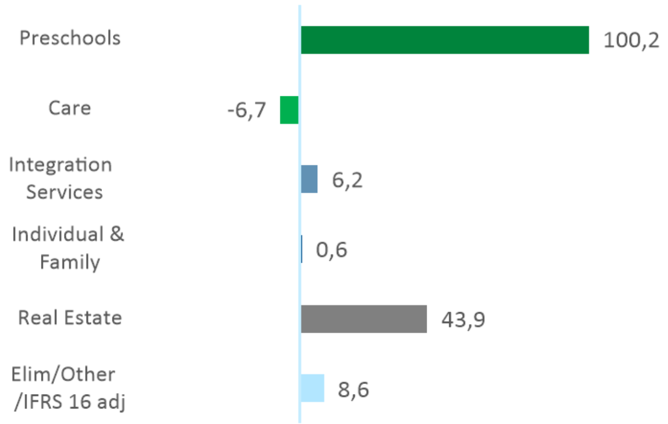
SEGMENT DISTRIBUTION Q1 22 (%)



ADJ. EBITA PER QUARTER (MNOK)

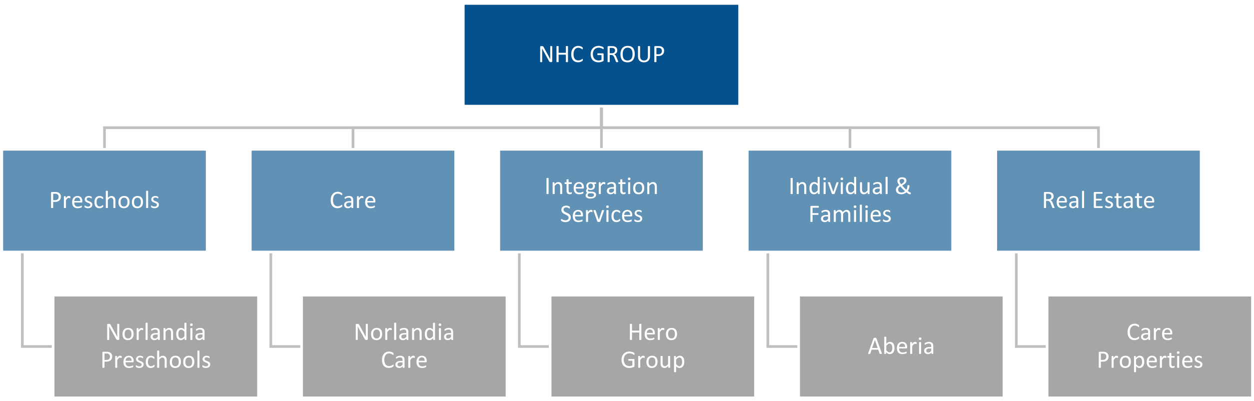


EBITA DISTRIBUTION Q1 22 (MNOK)



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 2021 Annual Report and the respective subsidiaries' web pages.



Financials

CONSOLIDATED INCOME STATEMENT AND CASH FLOWS (UNAUDITED)

The Group reported consolidated revenues of NOK 1,687.3 million in Q1'22, a 19 % increase YoY, on the back of revenue growth within the Preschool segment. EBITA for the quarter amounted to NOK 152.7 million, up from NOK 73.8 million in Q1'21, driven by the Preschool and Real Estate segments.

Net finance amounted to NOK -53.9 million for the quarter, reflecting interest expenses on borrowings of NOK 32.6 million and interest related to capitalized leasing of NOK 35.1 million. This was partially offset by unrealized currency gains of NOK 17.0 million.

Profit before tax amounted to NOK 89.1 million for the quarter, up from NOK 73.2 million one year prior. Adjusted for IFRS 16 effects, profit before tax came in at NOK 112.6 million for the quarter, up from NOK 87.0 million in Q1'21.

Thus, the net effect of IFRS 16 amounted to NOK 23.5 million for the quarter, reflecting reduced revenues from sale of properties of NOK 25.1 million, increased depreciation charges of NOK 118.1 million and finance charges of 35.1 million. This was partly offset by reduced leasing expenses of NOK 154.8 million. See note 9 for more details.

The Group generated operating cash flows of NOK 208.6 million for the quarter, positively affected by a movement in working capital of NOK 22.1 million.

Cash flows from investing activities amounted to NOK 48.5 million. Net investment in property, plant and equipment reflects capex related to property development projects, acquisition of a plot in Finland, and maintenance capex NOK 10 million. Investment in shares in business reflects the acquisition of Kunnskapsförskolan and a Finnish preschool company, while proceeds from sale of assets relates to sale of preschool properties.

Financing cash flows amounted to NOK -273.9 million, explained by lease payments of NOK 119.7 million, cash interest expenses, including lease liability related interest expenses, of NOK 67.4 million, and decreased net debt of NOK 86.9 million. The Group generated total cash flows of NOK -16.9 million for the quarter.

CONSOLIDATED BALANCE SHEET STATEMENT PER 31 MARCH 2022 (UNAUDITED)

As of 31st March 2022, the Group had total non-current assets of NOK 7,651.9 million, of which NOK 4,351.1 million relates to the implementation of IFRS 16 and is classified as "Right-of-use assets".

Cash and cash equivalents amounted to NOK 282.8 million, up from NOK 246.6 million one year prior. The Group has a revolving credit facility of NOK 350 million with DNB which is temporarily drawn upon in the various divisions as cash pooling is and will not be fully optimized towards all markets and borders at all hours. The amount drawn on the facility will generally be highest at the end of each quarter as the majority of the income for preschools in Norway is received at the beginning of each quarter. As of 31st March 2022, NOK 103.4 million was drawn.

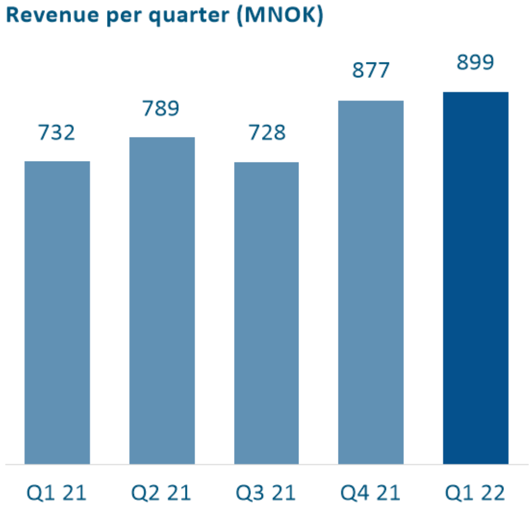
Total assets amounted to NOK 8,526.1 million at the end of the quarter.

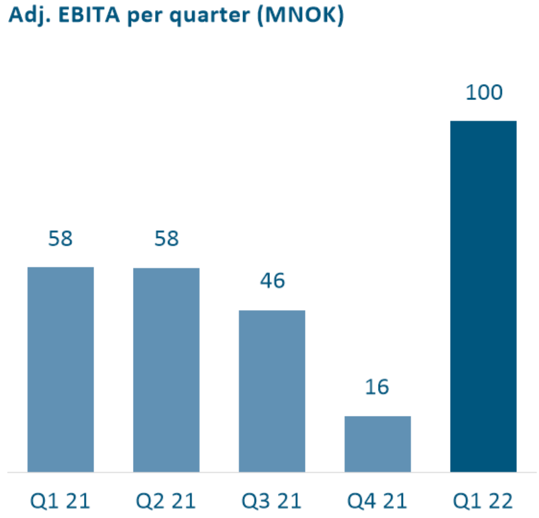
Total non-current liabilities as of 31st March 2022 amounted to NOK 6,444.5, including NOK 4,238.6 million classified as "Lease liability" under IFRS 16. Total loans and borrowings amounted to NOK 2,009.6 million, mainly consisting of the NOK- and SEK-denominated bond loan, as well as debt mainly related to Norwegian preschool properties of NOK 299.3 million. The reduced debt compared to Q4'21 reflects repayment of property debt related to sold preschool properties and an un-drawn overdraft facility.

Per 31st March 2022, the Group's total equity amounted to NOK 552.5 million.

BUSINESS SEGMENTS

Preschools





The first quarter of 2022 generated revenues of NOK 899 million, up from NOK 877 million in Q4'21 and NOK 732 million in Q1'21. The 23% YoY increase reflects the acquisition of Gnist Barnehager in October 2021 and the consolidation of NH Europe as of 1st April 2021, now owned 100% by NHC.

The segment reported an adj. EBITDA of NOK 112 million and an adj. EBITA of NOK 100 million for the quarter. The figures include a positive pension effect of NOK 60 million, related to the termination of the defined benefit pension plan, a measure that will materially lower administrative costs related to pension schemes going forward. Adjusted for this effect, profitability is down YoY, where significantly increased electricity costs and costs relating to sick leave explained the majority of the decline. These extraordinary costs are also borne by the municipalities, and will thus be reflected in future private preschool grants. In addition, 2022 is a challenging year for Preschools Norway, as the grants are based on municipal costs in 2020, a year characterized by Covid support (higher sick leave pay, lower employment taxes, etc.), and preschools being closed for parts of the year. In practice, and in contrary to the municipal preschools, this entails that the Covid support Norlandia and other private preschools received in 2020 is repaid in 2022. This is clearly an unintended effect, and, in April, Kunnskapsdepartementet (the Ministry of Education and Research) concluded to correct the grants to reflect normal employment taxes. Regarding the other effects related to Covid support in 2020 affecting grants in 2022, there are ongoing discussions with the authorities.

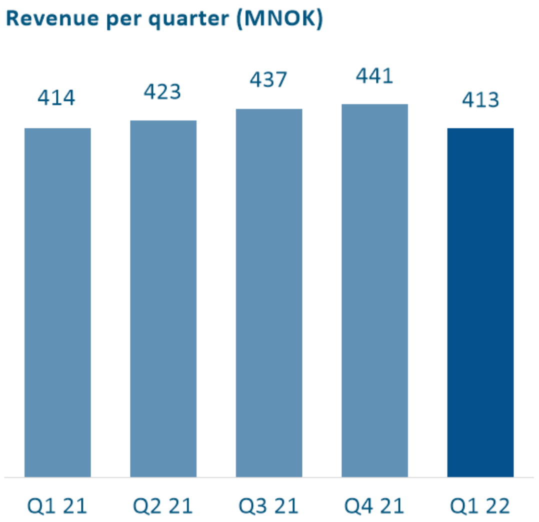
In March 2022, we completed the acquisition of Kunnskapsförskolan, a Swedish preschool company. The company consists of 9 units in operation and 18 units under construction or to be constructed, and is present in many different areas in the country. Kunnskapsförskolan will be a significant addition to our Swedish operations.

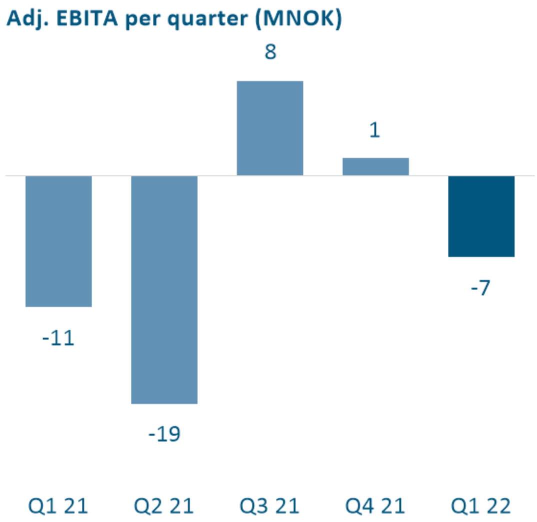
Although profit margins in Norway have been under pressure in recent years, they have due to proactive growth and cost initiatives remained at decent levels during 2020 and 2021. In November 2021, the new Norwegian government proposed further regulatory changes for private preschools, by reducing the pension cost component of the municipality grants from 13% to 10%. The proposition has been implemented and, according to our estimates, will negatively impact revenues by NOK 40 million per year. On the other hand, we expect recent acquisitions as well as other efficiency measures, to positively contribute.

Our international operations continue to perform well and show solid growth in revenues and profitability, and we continue to pursue attractive opportunities in these markets. The ramp-up phase in Poland has been prolonged by the pandemic, but occupancy is showing steady growth and the operations are nearing break-even levels. Overall, the Preschools segment is progressing well and we will continue to target effective and sticky growth in all our international markets.

As of 31st March 2022, Norlandia Preschools operates 408 units. Of these, 32 units are owned 50% and operated by Wekita (Germany).

Care





The Care segment reported revenues of NOK 413 million in Q1'22, down from NOK 414 million in Q1’21, mostly explained by currency effects.

In Q1’22, the segment reported an adj. EBITA of NOK -7 million and an adj. EBITDA of NOK -5 million, an improvement of NOK 4 million YoY. Occupancy levels in Sweden, by far our biggest market, have improved compared to Q1’21, but are still well below pre-pandemic levels. We do not anticipate a normalized level until at the earliest ultimo 2022. In addition to low occupancy, costs related to high sick leave and increased electricity costs reduced profitability in Q1’22.

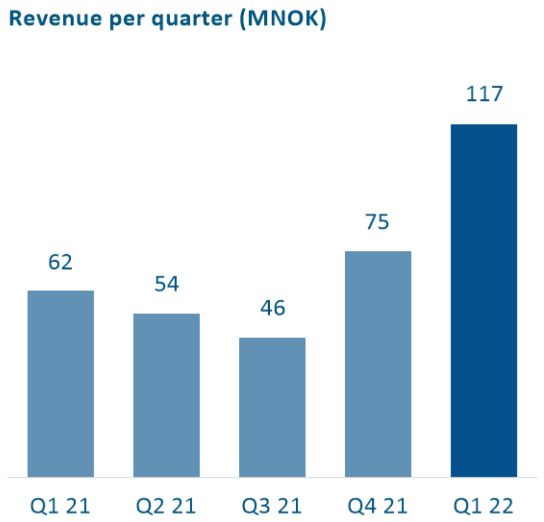
Our operations in Norway continued to see negative effects of Covid-19 in Q1’22, specially within home care. A material part of these effects are offset by Government support packages such as increased sick leave compensation and the award of compensation for Covid-related costs. Since the outbreak of Covid-19, profitability has been weak in Finland due to reduced occupancy in our patient hotel and increased costs in home care, while there has been little governmental support. YoY, however, occupancy levels in Finland have improved and the segment delivered decent profitability in Q1’22.

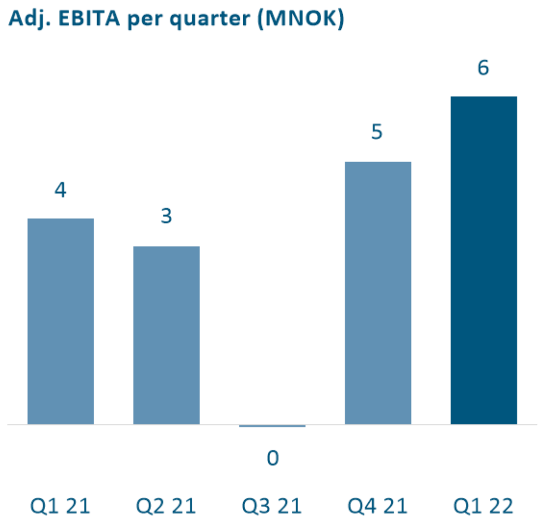
Adjusted for the temporary effects from Covid-19, the long-term fundamentals for Care remain strong, although the short-term outlook is challenging. While Finland is progressing well, Norway is politically challenging, with limited growth potential through tender awards. We strongly believe that both the capacity and quality innovations provided by the private welfare companies will be required, in order to meet the growing demand for elderly care services, also with respect to quality. We believe this represents an upside to the Norwegian operations, although in the current political climate, we do not expect any short-term improvement. In the meantime, we remain focused on providing quality services, as well as new innovations and expanding our service offerings.

In Sweden, competition is intense and profit margins are thin. Although efficient operations and normalized occupancy will enable positive profitability, a shift towards own management operations is required and ongoing in order to see a meaningful improvement of profit margins. 3 new own management units were opened during 2020, while one unit opened during 2021. Normally, these units will be loss-making during a 12 – 18 month ramp-up period, while once normalized, the profit margins for these operations should be considerably higher than within tender operations. During 2H’2022, we plan to open three new own management units in Finland and one in Sweden.

Lead times within the Care segment are long and the Covid-19 situation could pro-long these further. However, we remain positive on the long-term merits of the care segment with strong expectations for future growth and profitability through own-management contracts and new service offerings and concepts.

Integration services





Integration Services generated revenues of NOK 117 million in Q1'22, up 89% YoY, mainly driven by increased activity within Accommodation Services in Norway, where we established 27 acute refugee centers in mid-March to accommodate Ukrainian refugees. We expect that the full quarter effect of these centers, as well as from the additional 13 acute refugee centers opened after the balance sheet date, will have a significant effect on both revenues and profitability in the coming quarters.

Adj. EBITA amounted to NOK 6 million for the quarter, up NOK 2 million year on year, reflecting the increased activity within Accommodation Services in Norway, and we expect healthy profitability levels going forward.

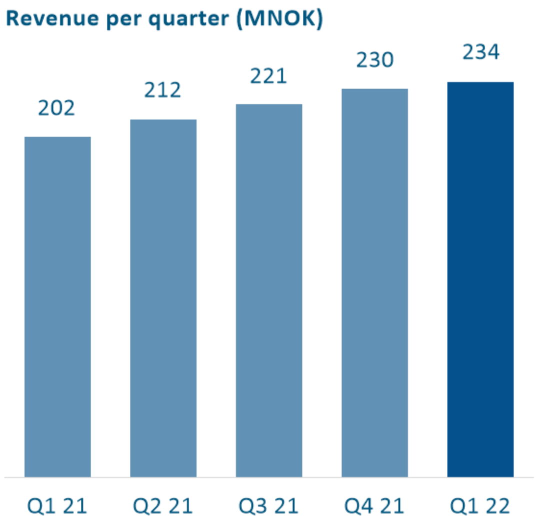
In addition to the 40 acute refugee centers, we operate 5 ordinary reception centers in Norway, that are generating satisfactory profits. We expect increased activity within ordinary reception centers in 2022 as there are several tenders ongoing and upcoming.

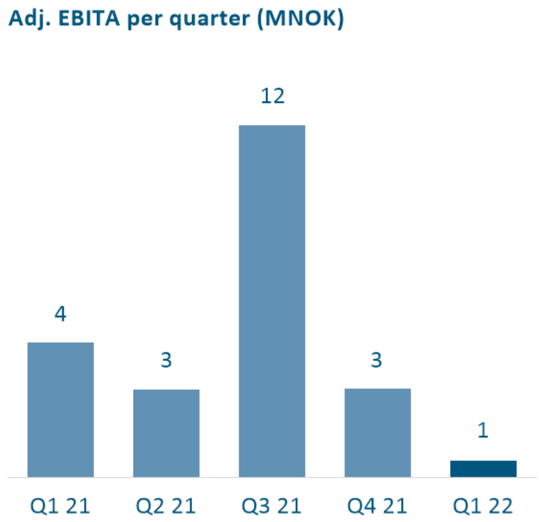
In Germany, we operate 5 reception centers. Although we now have the necessary volume to deliver break-even operations in Germany, still more scale is needed in order to generate a meaningful contribution. Occupancy levels have increased after the outbreak of the Ukrainian crisis, and we are actively pursuing various tender opportunities.

After a comprehensive re-organization of the Interpretation segment during recent years, the operations are now solid, both in terms of growth and profitability. In Q1'22, the segment delivered YoY revenue growth of 35% and healthy profitability, making this the sixth consecutive profitable quarter.

After some very demanding years, Hero is again a profitable division of NHC. This is an important milestone in the work to downsize and reorganize after the market peak in 2016. Still, our Norwegian reception centers are ready and able to rapidly respond to market shocks, like the one we are currently witnessing. We have retained system value throughout the reorganization and have more than 30% market share. In all our markets we will continue to be proactive and adapt to continuous changes.

Individual & family





Aberia generated revenues of NOK 234 million in Q1’22, up 16% year on year, driven by the Norwegian operations. Aurora Omsorg, delivering child care in Northern Norway, continues to ramp-up and delivered a revenue growth of 18% QoQ.

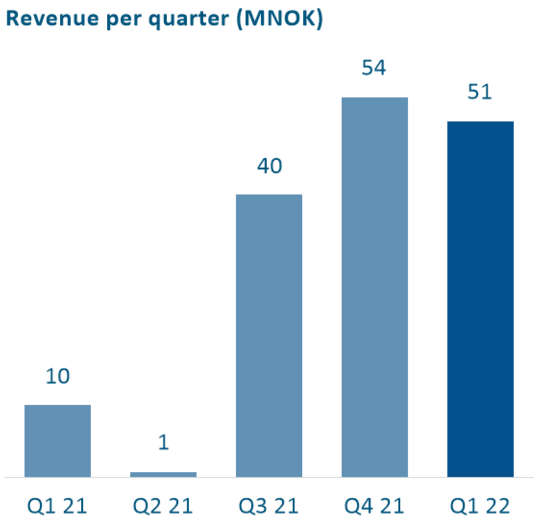
Aberia recorded an adj. EBITDA of NOK 2 million and an adj. EBITA of NOK 1 million for the quarter. Adj. EBITA is down YoY from NOK 4 million in Q1’21, mainly explained by start-up costs on new unit openings, as well as significantly increased electricity costs and high sick leave that generated costs related to hired personnel.

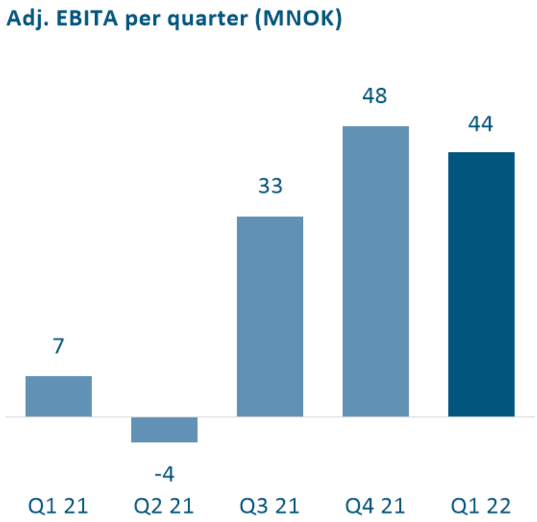
Established in 2010, Aberia has grown quickly to now reach an annual turnover of more than NOK 800 million. This has been achieved through investments across a wide range of concepts and services. Following a re-focusing of the service portfolio, operations that were labeled non-core were identified, and subsequently sold or terminated. This restructuring has now been completed.

Child Care and Respite Care services, along with Family Homes and Personal Assistance, represent the core operations in Norway. Combined, these operations are generating decent profitability. Aurora Omsorg recorded another quarter with positive profitability, the fourth consecutive profitable quarter, and we expect Aurora to continue the positive development going forward. Our other ramp-up initiative, Family Homes, is still generating losses as it continues to build volume. Our Personal Assistance operations in Sweden delivered reduced profitability compared to Q1’21, following an internal re-organization that is still on-going. We expect our Swedish operations to recover to healthy profitability levels in late 2022.

Aberia has been through a major restructuring in order to stream-line operations and focus its portfolio. Loss-making operations have been terminated or divested, the core operations are strong on quality and reputation, profitable and growing, and the segment as a whole is clearly moving in the right direction and should be generating healthy profitability going forward.

Real Estate





The Real Estate segment recorded revenues of NOK 51 million in Q1’22, with an adjusted EBITA of NOK 44 million, reflecting the sale of preschool properties.

We built and acquired several properties in 2021. Some of these were sold in Q1’22, while the remaining properties will be kept for the time being. In addition, we are engaged in several longer-lead time projects, intended to strengthen our operations and build a pipeline for future divestments.

NHC will continue to gain property positions, and several new property development initiatives have been committed during the recent quarters. We believe we are well positioned to maintain the profitability level seen in the recent years. Besides cash flow and profitability, most importantly, we expect these and future transactions to support NHC’s operating companies through access to good properties and solid long-term operations.

OUTLOOK AND MAIN RISK FACTORS

The war in Ukraine is clearly a tragic humanitarian crisis, and along with the rest of the world, we at NHC are shocked by the developments that are unfolding. Hero, as Norway's largest operator of immigration and refugee centers, is consequently very much affected and central in the Government's ambition to establish accommodation for at least 30 000 Ukrainian refugees. This work is continuing with intense focus.

While Covid-19 is receiving less public attention, it remains an uncertainty and risk going forward. The pandemic had a negative financial impact in 2021 and all our markets and operations were affected. While we hope that the worst now is behind us, the pandemic is still affecting our operations, primarily through continued low occupancy within Elderly Care, and fatigue among personnel. Through our contingency procedures we continue to plan and prepare for certain negative impacts.

Additionally, the regulatory framework has a significant influence on the Group's ability to deliver services with high quality. Political risk is therefore present as major shifts may have a significant impact in the way we deliver our services. Currently, these risks are most evident in Norway, where the new Government has stated that a public inquiry will be appointed, to investigate non-profit operating models within private welfare. This inquiry, which has been postponed several times, was initiated by the Socialist Left Party (SV), and while we are confident that the SV`s motivated and desired outcome of the inquiry will be rejected by a clear majority in Parliament, we will continue to address this and other such initiatives in the future through the various channels available to us.

To limit our exposure to unfavourable political and market shifts, we continue to diversify our operations. Our international preschool operations are growing and margins are healthy. We believe we have an attractive portfolio of preschools and solid positions in the markets in which we operate.

The Care segment has seen the largest financial effects from the pandemic and although various Government support programs in Norway and Sweden offset a large part of the losses during 2020, Sweden had a challenging 2021 due to reduced Government support and continued low occupancy. Going forward, the financial effects for Care will be highly dependent on the developments of the pandemic, Government support, and increased occupancy. However, we expect a continued challenging operating climate for Care Sweden in the short term. Longer-term, fundamentals remain strong and we believe there is clearly a need for the services we provide, as well as an extension of these services to meet a new and growing demand. This new demand will require higher quality services, provided in a more efficient manner. It is our ambition to be at the forefront in the supply of these services.

After some very demanding years, Hero is again a profitable division of NHC. This is an important milestone in the work to downsize and reorganize after the market peak in 2016. Still, our Norwegian reception centers ready and able to rapidly respond market shocks, like the one we are currently witnessing. We have retained system values throughout the reorganization and have more than 30% market share. In all our markets we will continue to be proactive and adapt to continuous changes.

Finally, we regret to announce that our Group CFO, Erik Nicolay Sandøy, has chosen to resign from NHC, in order to assume a new CFO position with another company. Erik has been a highly valued member of the NHC management team, and he has been instrumental in the financial turn-around of NHC during the last four years. NHC is today a significantly stronger company, and Erik has been a major contributor. Also during the same period, the NHC finance department has been professionalized and strengthened and new talents have been developed. We are therefore pleased to announce that our internal candidate, Roger Larsen, will replace Erik as new Group CFO. Roger is a certified public accountant from BI Norwegian Business School and has a master's degree in Finance (Siviløkonom) from the NHH Norwegian School of Economics. He has also studied at the College of William & Mary in Virginia, USA. After 16 years at PwC and Atea ASA, he joined NHC in 2016 as Head of Group Accounting. Since then, Roger has also assumed various other roles in the company, such as Finance responsible for Preschools, and as an important resource on larger transactions, corporate restructurings and business development. Roger will formally assume the position as CFO on 1st June, while Erik will continue to assist the company until the middle of August.

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. Norlandia Health & Care Group reports 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 and accompanied by comparatives for the corresponding previous periods.

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 is presented according the new leasing standard. For the presentation of the business segments "EBITA-adjusted" is used, which exclude the IFRS 16 effects.

STATEMENT FROM THE BOARD OF DIRECTORS

The interim financial statements are, to the best of our knowledge and based on our best opinion, presented in accordance with International Financial Reporting Standards and the information provided in the financial statements give a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period. The financial report provides an accurate view of the development, performance and financial position of the Company and the Group, and includes a description of the key risks and uncertainties the Group is faced with.

Oslo, 24 May 2022

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:

Erik Nicolay Sandøy
CFO
erik.nicolay.sandoy@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.

Consolidated Income Statement (unaudited)

(All figures in NOK million)

	Notes	Q1 22	Q1 21	FY 21
Operating revenue and income				
Revenue		1 662,2	1 408,2	5 933,8
Other income		25,1	5,0	41,8
Total operating revenue and income	3	**1 687,3**	**1 413,2**	**5 975,6**
Operating expenses				
Cost of goods sold		49,6	39,3	175,1
Personnel expenses		1 116,6	1 030,6	4 303,1
Other operating expenses	9	234,7	150,2	704,6
EBITDA		**286,4**	**193,1**	**792,7**
Depreciation	9	133,7	119,4	509,9
EBITA	3	**152,7**	**73,8**	**282,7**
Amortisation	4	9,8	10,1	44,3
EBIT		**142,9**	**63,7**	**238,5**
Finance				
Net finance	5, 9	-53,9	10,4	-189,0
Share of post-tax profits of associates		-	-0,9	-1,2
Profit before income tax		**89,1**	**73,2**	**48,2**
Income tax	6	4,7	2,3	-4,5
Profit for the period		**93,7**	**75,5**	**43,7**

Consolidated Statement of Comprehensive

(All figures in NOK million)

	Notes	Q1 22	Q1 21	FY21
Other comprehensive income				
Profit for the period		93,7	75,4	43,7
Changes in pension liabilities		-	-	5,8
Deferred tax related to these items		-	-	-1,3
Changes in other items net of tax		-	-	-
Total items not reclassified		**93,7**	**75,4**	**48,2**
Currency translation differences		-13,2	-27,4	-27,1
Items that will be reclassified		-	-	-
Other comprehensive income, net of tax		**-13,2**	**-27,4**	**-22,6**
Total comprehensive income for the period		**80,5**	**48,0**	**21,1**
Attributable to				
Equity holders of the parent company		80,1	48,5	25,5
Non-controlling interest		0,4	-0,5	-4,5
Total comprehensive income for the period		**80,5**	**48,0**	**21,1**

Consolidated Balance Sheet Statement (unaudited)

(All figures in NOK million)

ASSETS

	Notes	31.3.2022	31.3.2021	31.12.2021
Non-current assets				
Deferred tax assets		118,1	115,7	120,8
Goodwill	7	1 936,1	1 623,2	1 906,2
Intangible assets	7	552,5	585,1	563,5
Property, plant & equipment		602,0	480,7	669,7
Right-of-use assets		4 351,1	3 674,7	4 180,1
Investment in associated companies		26,8	59,8	31,1
Other investments		12,3	14,3	12,2
Other long term receivables		52,9	42,0	41,6
Total non-current assets		**7 651,9**	**6 595,6**	**7 525,2**
Current assets				
Inventories		6,7	5,0	8,1
Accounts receivables		342,9	214,4	284,4
Other short-term receivables		241,9	260,0	198,6
Cash and cash equivalents		282,8	246,6	301,2
Total current assets		**874,2**	**725,9**	**792,4**
Total assets		**8 526,1**	**7 321,5**	**8 317,6**

Consolidated Balance Sheet Statement (unaudited)

(All figures in NOK million)

EQUITY AND LIABILITIES

	Notes	31.3.2022	31.3.2021	31.12.2021
Equity				
Share capital		312,0	300,0	312,0
Other equity		231,1	22,4	149,0
Equity attributable to owners of the parent		**543,1**	**322,4**	**461,0**
Non-controlling interest		9,4	16,7	11,0
Total equity		**552,5**	**339,0**	**472,0**
Liabilities				
Pension liabilities		45,0	114,8	101,4
Deferred tax liability		139,4	146,4	148,5
Loans and borrowings	8	2 009,6	106,5	2 124,4
Lease liability		4 238,6	3 493,4	4 050,0
Other non-current liabilities		11,9	2,5	3,0
Total non-current liabilities		**6 444,5**	**3 863,6**	**6 427,3**
Accounts payable		133,7	90,2	129,5
Loans and borrowings	8	23,8	1 819,8	51,0
Lease liability		424,2	375,6	416,8
Taxes payable		7,4	10,6	20,4
Other current liabilities		940,1	822,8	800,5
Total current liabilities		**1 529,1**	**3 118,9**	**1 418,3**
Total liabilities		**7 973,6**	**6 982,5**	**7 845,6**
Total equity and liabilities		**8 526,1**	**7 321,5**	**8 317,6**

Consolidated Statement of Cash Flows

(All figures in NOK million)

	Notes	Q1 22	Q1 21	FY 21
Cash flow from operating activities				
EBITDA		286,4	193,1	792,7
Net taxes paid and other EBITDA cash adjustments		-100,0	-6,8	-47,5
Change in net working capital		22,1	-52,2	-137,8
Net cash flow from operating activities		**208,6**	**134,2**	**607,4**
Cash flow from investing activities				
Net investment in property, plant and equipment		-25,0	-30,6	-136,5
Investment in shares in business		-46,6	-12,9	-126,1
Proceeds from sale of assets		131,7	23,6	308,6
Net change in financial receivables		-11,6	-0,7	-3,4
Net cash flow from investing activities		**48,5**	**-20,6**	**42,6**
Cash flow from financing activities				
Net change in interest-bearing debt		-86,9	-13,6	11,7
Lease lialibility - amortisation		-119,7	-98,5	-414,7
Payment to non-controlling interest		-	-	-2,2
Net interest paid and other financial items		-67,4	-51,6	-225,9
Distributions to owners		-	-	-
Net cash flow from financing activities		**-273,9**	**-163,7**	**-631,1**
Changes in cash and cash equivalents				
Net change in cash and cash equivalents		-16,9	-50,1	18,8
Effects of changes in exchange rates on cash		-1,5	11,4	-3,0
Cash and cash equivalents at the beginning of period		301,2	285,4	285,4
Cash and cash equivalents at end of period		**282,8**	**246,6**	**301,2**

Consolidated Statement of Changes in Equity (unaudited)

(All figures in NOK million)

	Notes	Share capital	Share premium	Other equity	Translation differences	Total equity to holders of the parent	Non-controlling interests	Total equity
Balance as of 31-December-20		300,0	-	-69,0	42,4	273,3	17,7	291,0
Profit		-	-	47,0	-	47,0	-3,3	43,7
Other comprehensive Income		-	-	4,5	-26,0	-21,5	-1,1	-22,6
Total comprehensive Income		**-**	**-**	**51,5**	**-26,0**	**25,6**	**-4,5**	**21,1**
Capital increase		12,0	167,8	-17,7	-	-	-	-
Increased non-controlling interest from business combination		-	-	-	-	-	-	-
Distrubution to non-controlling interest		-	-	-	-	-	-2,2	-2,2
Distribution to owners		-	-	-	-	-	-	-
Acquisition of shares from non-controlling interest		-	-	-	-	-	-	-
Total contributions and distributions		12,0	167,8	-17,7	-	162,1	-2,2	159,9
Balance as of 31-December-21		312,0	167,8	-35,2	16,4	461,0	11,0	472,0
Profit		-	-	95,0	-	95,0	-1,3	93,7
Other comprehensive Income		-	-	-	-12,8	-12,8	-0,3	-13,2
Total comprehensive Income		**-**	**-**	**95,0**	**-12,8**	**82,1**	**-1,6**	**80,5**
Contributions by and distributions to owners								
Capital increase		-	-	-	-	-	-	-
Distribution to owners		-	-	-	-	-	-	-
Non-controlling interest acquired from business combination		-	-	-	-	-	-	-
Distrubution to non-controlling interest		-	-	-	-	-	-	-
Acquisition of shares from non-controlling interest		-	-	-	-	-	-	-
Total contributions and distributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as of 31-December-22		**312,0**	**167,8**	**59,8**	**3,5**	**543,1**	**9,4**	**552,5**

Oslo, 24 May 2022

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

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 2021 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 2021. They do not include all of 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.

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	Q1 22	Q4 21	2022 YTD	Q1 21	Q4 20	2021
Revenue & Income by segment						
Preschools	898,7	877,2	898,7	731,7	705,9	3 125,2
Care	413,2	441,5	413,2	413,6	427,3	1 714,7
Integration services	117,1	75,0	117,1	61,8	59,4	237,5
Individual & Family	234,2	230,1	234,2	201,8	200,0	864,7
Real Estate	50,6	54,0	50,6	10,3	112,6	105,3
Other/Elim./IFRS 16 adj	-26,4	-37,8	-26,4	-6,1	-62,7	-71,9
Total	**1 687,3**	**1 639,9**	**1 687,3**	**1 413,2**	**1 442,5**	**5 975,5**

NOK million	Q1 22	Q4 21	2022 YTD	Q1 21	Q4 20	2021
EBITDA by segment						
Preschools	111,9	30,8	111,9	65,6	46,7	220,4
Care	-5,4	3,1	-5,4	-9,1	7,7	-13,7
Integration services	7,3	6,2	7,3	5,6	2,4	17,8
Individual & Family	1,6	3,9	1,6	5,4	-2,9	25,7
Real Estate	44,0	48,7	44,0	6,8	99,9	85,0
Other/Elim./IFRS 16 adj	127,0	127,2	127,0	118,8	68,9	457,9
Total	**286,4**	**219,9**	**286,4**	**193,1**	**222,8**	**793,2**

NOK million	Q1 22	Q4 21	2022 YTD	Q1 21	Q4 20	2021
EBITA by segment						
Preschools	100,2	16,0	100,2	58,5	38,3	178,8
Care	-6,7	1,5	-6,7	-10,8	6,0	-20,5
Integration services	6,2	5,0	6,2	3,9	0,8	12,2
Individual & Family	0,6	2,9	0,6	4,5	-4,2	22,0
Real Estate	43,9	48,2	43,9	6,8	99,7	84,1
Other/Elim./IFRS 16 adj	8,6	-4,5	8,6	11,0	-39,3	7,4
Total	**152,7**	**69,1**	**152,7**	**73,8**	**101,3**	**284,0**

NOK million	Q1 22	Q4 21	2022 YTD	Q1 21	Q4 20	2021
EBIT by segment						
Preschools	93,9	12,2	93,9	53,8	32,7	157,8
Care	-8,3	-1,9	-8,3	-14,4	0,4	-34,2
Integration services	6,2	4,9	6,2	3,8	0,7	12,0
Individual & Family	-0,0	0,6	-0,0	3,8	-4,9	17,7
Real Estate	43,9	48,2	43,9	6,8	99,7	84,1
Other/Elim./IFRS 16 adj	7,3	-5,8	7,3	9,7	-40,6	2,3
Total	**142,9**	**58,3**	**142,9**	**63,6**	**88,0**	**239,8**

NOK million	2022 YTD	2021
Revenues by geography		
Norway	885,0	2 780,8
Sweden	528,1	2 180,6
International	248,7	978,8
Other/Elimination	0,4	-6,5
Total revenues by geography	**1 662,2**	**5 933,8**

2022 YTD	Preschools	Care	Integration services	Individual & Family	Other / Eliminations
Norway	52%	24%	97%	87%	0%
Sweden	22%	71%	3%	13%	0%
International	25%	5%	0%	0%	0%
Real Estate/Other/Elimination	0%	0%	0%	0%	100%
Total revenues by geography	**100%**	**100%**	**100%**	**100%**	**100%**

2021	Preschools	Care	Integration services	Individual & Family	Other / Eliminations
Norway	48%	21%	79%	85%	0%
Sweden	25%	74%	6%	15%	0%
International	28%	4%	15%	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 FINANCE

The finance income and loss is presented as a net amount as Net Finance in the profit and loss 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 on the P&L. As the Group has net investments in SEK, this P&L effect is partially offset by a corresponding opposite effect through Currency translation differences in the Statement of Comprehensive income.

NOK million	Q1 22	Q4 21	2022	Q1 21	Q4 20	2021
Net Finance						
Interest income	0,4	1,1	0,4	0,3	0,2	1,9
Interest expenses borrowings	-32,6	-30,6	-32,6	-23,1	-21,8	-106,7
Interest expenses lease liability	-35,1	-36,6	-35,1	-28,8	-27,9	-121,1
Non-realized currency effects	17,0	13,9	17,0	65,0	-5,0	45,6
Other finance income	0,2	-0,1	0,2	-	-0,6	-0,4
Other finance expenses	-3,7	0,1	-3,7	-3,1	-4,2	-8,4
Total	**-53,9**	**-52,2**	**-53,9**	**10,4**	**-59,4**	**-189,0**

6. TAX CALCULATIONS

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

7. INTANGIBLE ASSETS AND GOODWILL

This primarily relates to goodwill, excess value on customer contracts and trademark, generated through the various acquisitions within the Group.

8. LONG TERM LOANS IN THE GROUP

The long term debt financing for the Group is made up of bond loans and property debt. In May, 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. The new bond loan has a minimum liquidity covenant, of NOK 100 million.

Bond Loans	Maturity	Currency	Amount (million)
Norlandia Health & Care Group AS	5/2025	NOK	950
Norlandia Health & Care Group AS	5/2025	SEK	750

Other long term debt	Amount (million)
RCF	103.5
Other debt within ringfence structure	9.3
Property debt outside ringfence structure	290.0

9. IFRS 16 - LEASING

The table below illustrate the effects for profit and loss when implementing the new IFRS 16 standard as of January 2019.

(All figures in NOK million)	**Q1 22**	**IFRS 16**	**Q1 22 - Adjusted**	**YTD 22**	**IFRS 16**	**YTD 22 - Adjusted**
Operating income						
Revenue	1 662,2		1 662,2	1 662,2		1 662,2
Other operating income	25,1	25,1	50,2	25,1	25,1	50,2
Total operating revenue and income	**1 687,3**	**25,1**	**1 712,4**	**1 687,3**	**25,1**	**1 712,4**
	-			-		
Operating expenses	-			-		
Cost of goods sold	49,6		49,6	49,6		49,6
Personnel expenses	1 116,6		1 116,6	1 116,6		1 116,6
Other operating expenses	234,7	154,8	389,5	234,7	154,8	389,5
EBITDA	**286,4**	**-129,7**	**156,7**	**286,4**	**-129,7**	**156,7**
	-			-		
Depreciation	133,7	-118,1	15,6	133,7	-118,1	15,6
EBITA	**152,7**	**-11,6**	**141,1**	**152,7**	**-11,6**	**141,1**
	-			-		
Amortisation	9,8		9,8	9,8		9,8
EBIT	**142,9**	**-11,6**	**131,3**	**142,9**	**-11,6**	**131,3**
	-			-		
Finance	-			-		
Net finance	-53,9	35,1	-18,7	-53,9	35,1	-18,7
Share of post-tax profits of associates	-	-	-	-	-	-
Profit before income tax	**89,1**	**23,5**	**112,6**	**89,1**	**23,5**	**112,6**

10. EVENTS AFTER BALANCE SHEET DATE

No known material events have occurred after balance sheet date which would have had any effect on the reports figures as per 31.3.2022.

Financial statement for the parent company

INCOME STATEMENT (Unaudited)

(Amounts in NOK thousand)

	Note	Q1 22	Q1 21	FY 21
Operating income				
Revenue		1 366	557	2 227
Total operating revenue		**1 366**	**557**	**2 227**
Operating expenses				
Costs of goods sold		-	-	-
Personnel expenses		-551	-291	-3 006
Other operating expenses		-1 376	-2 056	-8 523
EBITDA		**-560**	**-1 790**	**-9 302**
Depreciation		-	-	-
Amortization		-	-	-
Operating profit (EBIT)		**-560**	**-1 790**	**-9 302**
Finance				
Net Finance	1	10 456	71 636	185 840
Profit before income tax		**9 896**	**69 845**	**176 537**
Income tax		-	-	-21 202
Profit for the period		**9 896**	**69 845**	**155 335**

BALANCE SHEET STATEMENT (Unaudited)

(Amounts in NOK thousand)

ASSETS

	Note	31.3.2022	31.3.2021	31.12.2021
Non-current assets				
Deferred tax assets		-	21 202	-
Shares in subsidiaries/associates		1 656 454	1 626 670	1 656 454
Loans to group companies		753 911	697 782	745 552
Total non-current assets		**2 410 365**	**2 345 655**	**2 402 006**
Current assets				
Other short-term receivables		46 094	10 213	190 783
Cash and cash equivalents		-	128 529	45 720
Total current assets		**46 094**	**138 742**	**236 503**
Total assets		**2 456 459**	**2 484 397**	**2 638 508**

BALANCE SHEET STATEMENT (Unaudited)

(Amounts in NOK thousand)

EQUITY AND LIABILITIES

	Note	31.3.2022	31.3.2021	31.12.2021
Equity				
Share capital		312 000	300 000	312 000
Other paid-in capital		167 784	-	167 784
Retained earnings		88 729	13 343	223 833
Total equity		**568 513**	**313 343**	**703 617**
Liabilities				
Non-current liabilities				
Group liabilities		-	-	-
Long term interest bearing debt	1	103 484	-	104 904
Bond loans	1	1 634 665	0	1 659 207
Total non-current liabilities		**1 738 149**	**-**	**1 764 110**
Current liabilities				
Accounts payable		-	374	946
Other current liabilities		149 797	350 999	169 835
Total current liabilities		**149 797**	**2 171 054**	**170 781**
Total liabilities		**1 887 946**	**2 171 054**	**1 934 891**
Total equity and liabilities		**2 456 459**	**2 484 397**	**2 638 508**

Notes

1. FINANCE COSTS

Finance Costs in Q1’22 includes NOK 28.9 million in interest expense related to the bond loan. Net currency movement for the period was NOK 29.8 million for the quarter.

Group web pages

NORLANDIA CARE GROUP AS
www.norlandia.no

HERO GROUP AS
www.hero.no

KIDSA DRIFT AS
www.kidsabarnehager.no

ABERIA HEALTHCARE AS
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