April 30th, 2025

Sustainability-Linked Finance Framework Progress Report for calendar year 2024

Executive summary and comment by the Director of Sustainability

An Introduction to the NHC Group

Norlandia Health & Care Group AS ("NHC" or the "Group") is a family-owned, multinational company headquartered in Oslo, Norway. The owners, Kristian and Roger Adolfsen, started the operations in the early 1990s and have since inception focused on a long-term, socially responsible perspective. The Group currently consists of five divisions in fields such as health care, preschools, integration services, services for individuals and families and social infrastructure within the property division. The Group has operations in Norway, Sweden, Finland, the Netherlands, Germany, and Poland. Our business is diverse, but a common factor among our users is that they are in a phase of their lives when they require care, and our understanding of their needs stretch across divisions and countries. **We aim to be a welfare innovator and a powerhouse safeguarding and developing welfare.**

The Group includes the following companies.

The NHC Group and Sustainability

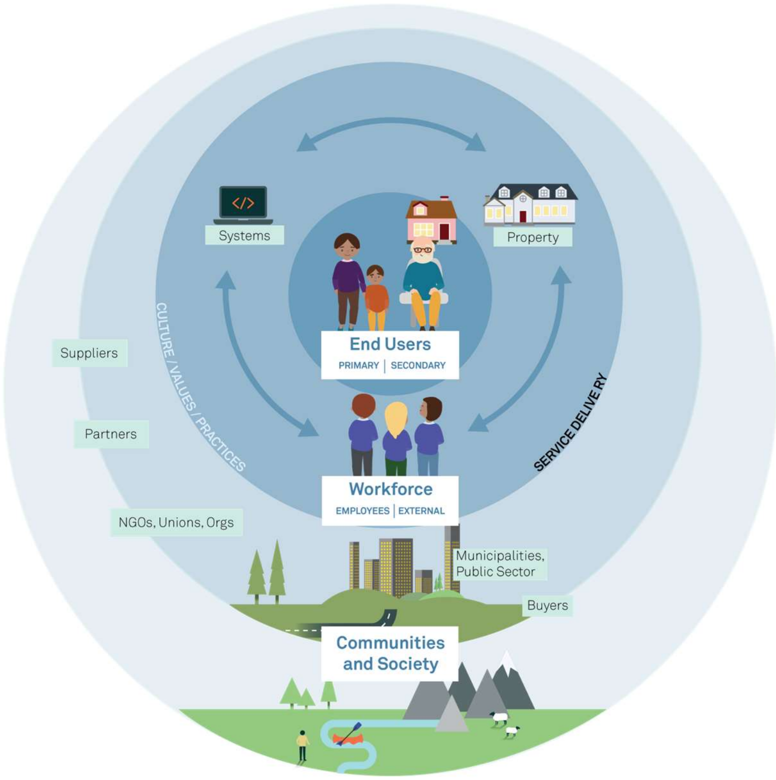
Society evolves continuously, as do the welfare needs of the individuals and communities we serve. Within the NHC Group, our objective is to enhance people's lives and drive positive change through the innovation of new ideas and methods.

At NHC, we acknowledge that our diverse business landscape presents distinct sustainability challenges and opportunities specific to each area within our Group. As part of the NHC strategy, we empower the individual companies under our umbrella to lead in identifying and addressing the sustainability themes most pertinent to their operations.

Each company within our Group is entrusted with the autonomy to establish its own sustainability priorities, thereby developing tailored strategies and setting ambitious objectives. This decentralized approach is a strategic decision that aligns with our broader NHC vision, ensuring that sustainability is ingrained within our business operations.

By embedding responsibility at the company level, we cultivate a culture of ownership and accountability. This ensures that our entire organization not only meets, but also strives to exceed expectations, while actively contributing to sustainable development on a global scale. The result is an elevated level of commitment and robust motivation throughout the Group, propelling us towards our collective goal of a sustainable future.

This strategy reflects our understanding that sustainable progress is a collaborative journey, integral to our long-term success and leadership in the industry. At NHC, we are dedicated to advancing sustainability in a manner that is both strategic and responsive to the evolving needs of our planet and society.



Our vision is to be a reference point for society, satisfying users and making employees proud.

In 2024, NHC redesigned the ESG Taskforce to a permanent ESG Committee in order to ensure continuity in NHC's sustainability and ESG initiatives and formalize and long-term framework to drive the ESG agenda forward in alignment with regulatory requirements, business strategies, and the commitments of our Sustainability Linked Bond (SLB). This team has representatives from various countries, divisions, and functions.

NHC's sustainability efforts and strategic priorities going forward

For many years, NHC has been dedicated to enhancing sustainability in all NHC's activities. NHC has established a robust sustainability framework that is actively implemented across all divisions. Over the past four years, NHC has consistently reported on its environmental, social, and governance (ESG) performance using a well-established ESG reporting tool at the group level.

NHC has formulated an ESG policy at both the group and division levels, prepared for reporting in line with the EU-Taxonomy and EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS), and structured efforts to concentrate business development and innovation around sustainability. As the sustainability landscape rapidly evolves, NHC is constantly refining its focus areas. Below is a description of NHC's core focus areas moving forward.

Moving from SDG reporting to CSRD compliance and ESRS reporting

Similar to many large companies, NHC is shifting from voluntary to mandatory reporting in accordance with the CSRD/ESRS standard. The introduction of ESRS standards marks a significant shift, integrating sustainability more closely with corporate strategy and finance. This change recognizes that economic performance is intrinsically connected to environmental and social impacts.

NHC is adopting a double materiality approach in line with CSRD requirements. Current priorities under the UN Sustainability Development Goals (SDGs) and the four areas of NHC's sustainability strategy will be aligned with material ESRSs. This ensures that NHC's sustainability efforts are consistent with both internal strategic goals and external reporting requirements. Furthermore, NHC will update its priorities based on the double materiality assessment results, ensuring NHC's sustainability initiatives remain impactful and relevant. CSRD aligns with SDGs, addressing increasing demands from consumers, investors, and legislators for greater transparency and accountability from businesses.

NetZero ambitions

To help Europe achieve climate neutrality by 2050 and reduce GHG emissions by 55% by 2030 compared to 1990 levels, companies must align with the EU Green Deal. NHC commits to net-zero GHG emissions by 2050 and aims to cut scope 1 and 2 emissions by 42% from 2023 levels by 2030. We will set targets for scope 3 emissions to meet the Paris Agreement goals. This reflects our dedication to sustainability.

NHC prioritizes setting clear GHG reduction targets and implementing measures aligned with the latest standards.

Anchor sustainability ambitions in organization

Reducing emissions at NHC requires effort from all levels. Employees make daily decisions that impact climate goals, from purchasing equipment to using the vehicle fleet. By educating staff on climate issues, NHC aims to nurture a mindset focused on sustainability. Employee actions can drive progress towards these goals, inspire innovations, and influence decisions with climate considerations. Engaging employees is crucial for achieving NHC's vision of becoming a net-zero company.

Reporting

In June 2024, NHC successfully placed a senior secured sustainability-linked bond with a tenor of 4 years. The bonds consist of a NOK tranche of NOK 1,250 million and a SEK tranche of SEK 1,050 million. This report provides an update on the Key Performance Indicators ("KPIs") and Sustainability Performance Targets ("SPTs") under the Framework and its alignment with the ICMA SLBPs, published in 2023. This report should be read in conjunction with the sustainability report to be published during 2025 for a complete update on the sustainability strategy and performance of NHC.

KPI 1: Reduction of GHG intensity emissions for scope 1 and 2

NHC has recently committed to achieving net zero of all our GHG emissions by 2050. To achieve this, we must ensure implementation of the right measures and initiatives to mitigate our future environmental impact. However, since we have gathered historical data for our scope 1 and 2 emissions, but we only have limited data for scope 3 emissions, we commence with targeting a significant reduction of scope 1 and 2 emissions in line with the latest scientific standard (e.g. in line with the target set out by the Science Based Targets initiative, SBTi). NHC will continue to invest in understanding our current aggregated emission footprint and initiate granular data gathering to prepare for future reporting of scope 3 emissions.

Increasing awareness of our emission footprint enables us to make informed decisions to reduce our negative impact going forward. Although scope 1 and 2 represented only about 20% of our total GHG emissions, applying this KPI for the issue of a Sustainability-Linked bond will help drive change in our operation and create greater focus on limiting all our GHG emissions. Therefore, we considered this KPI to be material for NHC in improving our operation and in the context of this Framework.

KPI calculation: For the purpose of this KPI, we use a market-based approach for calculating scope 2 emissions. Since we do not yet have sufficient data for our scope 3 emissions, these are not included in the calculation of the KPI. Since NHC has growth ambitions the group's total absolute emissions may increase over time through acquisitions. To allow for this, but still target reduction of our emissions, we will apply an GHG emission intensity calculation, where we will report our total scope 1 and 2 emissions relative to the total revenues for the NHC Group, as we believe NHC's revenues captures the size of our business operation and the associated GHG emissions in a good manner:

$$\text{GHG emission intensity} = \frac{\text{Market} - \text{based scope 1 and 2 emissions}}{\text{Total revenue}}$$

SPT 1: Perform greenhouse gas accounting

NHC has performed an accounting of the greenhouse gas emissions generated by the Group's operations*. Numbers are reported as of 31 December 2024.

2024 results

Scope 1 - Fuel Consumption	Unit	Quantity 2022	Quantity 2023	Quantity 2024	tCO2 equivalent 2022	tCO2 equivalent 2023	tCO2 equivalent 2024 normalized	tCO2 equivalent 2024
Petrol	Litre	206 242	295 842	208 778	448	694	490	491
Diesel	Litre	154 407	156 899	160 833	383	417	428	428
Natural Gas	m3	326 840	276 742	336 319	664	568	691	793
Wood pellets	t	97	110	28	5	6	1	2
Burning oil	Litre	17 264	80 942	3 260	44	206	8	8
Total Scope 1					1 544	1 891	1 618	1 723
Electricity location-based	kWh	50 301 777	67 446 361	66 377 560	1 167	1 409	1 365	1 322
Electricity market-based	kWh	50 301 777	67 446 361	66 377 560	17 108	24 007	23 088	27 272
District heating	kWh	16 890 072	19 937 796	24 145 353	1 518	1 411	1 920	1 729
Total Scope 2 location-based		67 191 849	87 384 157	90 522 913	2 685	2 820	3 285	3 051
Total Scope 2 market-based					18 626	25 418	25 008	29 001
TOTAL EMISSIONS LOCATION-BASED (SCOPE 1 + 2)					4 229	4 710	4 903	4 774
TOTAL EMISSIONS MARKET-BASED (SCOPE 1 + 2)					20 170	27 309	26 626	30 724

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). Source: GHG Protocol

In the table above there's presented yearly energy consumption and the equivalent tCO2 emissions. Our location-based emissions have increased by 1 % from the year 2023. The consumption of electricity decreased by 1,6 % and therefore the location-based scope 2 emissions from electricity decreased by 6,2 %. Also, scope 1 emissions decreased by 8,9 % whereas scope 2 emissions from district heating increased.

	Purchased electricity MWh 2023	Purchased electricity MWh 2024	Share of CoO 2023	Share of CoO 2024	Emission factors gCO2/kWh 2023	Emission factors gCO2/kWh 2024
Sweden	21 384	19 445	17,2%	45,4%	39	68
Norway	39 026	40 855	-	5,3%	502	599
Netherlands	755	745	-	-	439	380
Finland	5 952	4 924	-	-	521	565
Poland	329	409	-	-	858	788
Weighted average					358	439

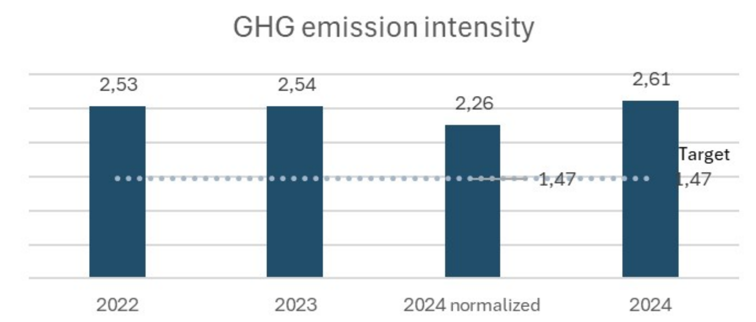
**10 units in Germany have been excluded, due to inability to record reliable data.*

In 2024 NHC's market-based scope 2 emissions increased by 12,9 % even that electricity purchased in kWh decreased slightly (-1,6 %) and the share of electricity purchased with Guarantees of origin (Gos) increased by 16,6 %. the This is due to the increased emission factors (European Residual Mix | AIB) that has increased on average 22,7%. The increase in emission factors for Norway (19 %) impacted our market-based emissions significantly since Norway consumes 62 % of the total electricity consumed. The increase of emission factor for Norway is due to lower share of renewables and higher share of fossil in the residual mix.

Looking at SPT trajectories 2025 and onwards

Over the three-year period, the GHG emission intensity has shown a consistent upward trend. From 2022 to 2023, there was a slight increase of 0,1 %, followed by a further rise of 2.96% from 2023 to 2024. This indicates that despite efforts to reduce electricity consumption, the overall emission intensity has continued to grow.

	2022	2023	2024 normalized	2024
Revenue (NOK million)	7 966	10 772	11 781	11 781
Total Scope 1+2 market-based	20 170	27 309	26 626	30 724
GHG emission intensity	**2,53**	**2,54**	**2,26**	**2,61**



Several factors contribute to this trend. While the actual consumption of electricity has decreased slightly, the emission factors have increased significantly. This is particularly evident in Norway, where the emission factor rose by 19% due to a lower share of renewables and a higher share of fossil fuels in the residual mix. Since Norway consumes a substantial portion of the total electricity, this change has had a considerable impact on the overall market-based emissions.

Additionally, the increase in emission factors from the European Residual Mix, averaging 22.7%, has further exacerbated the rise in GHG emission intensity. Despite an increase in the share of electricity purchased with Guarantees of Origin (GOs), the higher emission factors have outweighed these efforts, leading to an overall increase in emissions. However, if the emission factors haven't increased significantly NHCs emission intensity would have decreased by 10,8 %.

In summary, the trajectory trend of GHG emission intensity reflects the challenges in managing emissions amidst changing external factors, highlighting the need for continued efforts to address these issues.

The table above presents the CO2 emissions for 2024, normalized using the 2023 emission factor as the baseline, as stipulated in the SLB. The data indicates that, assuming the emission factors remained constant from 2023, the emission intensity would have decreased by 10.8%. This demonstrates that the Group's efforts to reduce consumption and increase revenue have yielded positive results.

It is evident that emission factors play a significant role in achieving our targets. Moving forward, we need to focus even more on actions that reduce consumption but also consider buying more Guarantees of Origin (GOs) in the coming year to account for the variation in emission factors. By improving our purchasing decisions and further reducing our overall consumption, we can better manage our emissions footprint and progress towards our net-zero goals.

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DNV verified our KPIs as per the Framework and attested the 2024 achievement. DNV's verification report is attached to this report.

There has been no material update to NHC's sustainability strategy, vision or plan related to and impacting the KPIs and SPTs.

For NHC Group

Dag Rune Gabrielsen
Group Director Sustainability

INDEPENDENT ASSURANCE STATEMENT

Statement no:	Valid from:	Valid to:
2025-10548719-1	11th April 2025	2026 revision

Norlandia Health & Care Group AS

Sustainability-Linked KPI Verification 2024

Introduction

DNV Business Assurance Norway (DNV) has been commissioned by the management of Norlandia Health & Care Group AS (NHC) to carry out an independent review of their Sustainability-Linked KPI data for 2024.

NHC has sole responsibility for the preparation of data and external reports provided to DNV. DNV, in performing assurance work, is responsible for the management of NHC. Our assurance statement, however, represents our independent opinion and is intended to inform all stakeholders including NHC.

Scope of Assurance

DNV has performed limited assurance on the Selected Information against the Reporting Criteria described below:

Selected Information:

- KPI 1: Reduction of GHG intensity emissions for scope 1 and 2
    - SPT: Reduce GHG intensity emissions with 42% by 2030 compared to baseline 2023
    - SPT Calculation:

$$\text{GHG emission intensity} = \frac{\text{Market} - \text{based scope 1 and 2 emissions}}{\text{Total revenue}}$$

Reporting Criteria:

- The reporting terms set out in the *NHC's Sustainability-Linked Bond Framework* (the '"Framework") dated June 2024

Level of Assurance

DNV has performed a limited assurance engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)*, issued by the International Auditing and Assurance Standards

Board. This standard requires that DNV complies with ethical requirements and plans and performs the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. DNV planned and performed the work to obtain the evidence considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being an error is reduced but not reduced completely.

Our assurance relies on the premise that the data and information provided to us by NHC have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Assurance Methodology

DNV uses a risk-based approach throughout the assurance engagement. We are required to plan and perform our work to consider the risk of material misstatement of the Selected Information. Our work included, but was not restricted to:

- Conducting interviews with NHC's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by NHC for the Selected Information are prepared in line with the Reporting Criteria;
- Assessing the appropriateness of the Reporting Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it, with regard to the Reporting Criteria.

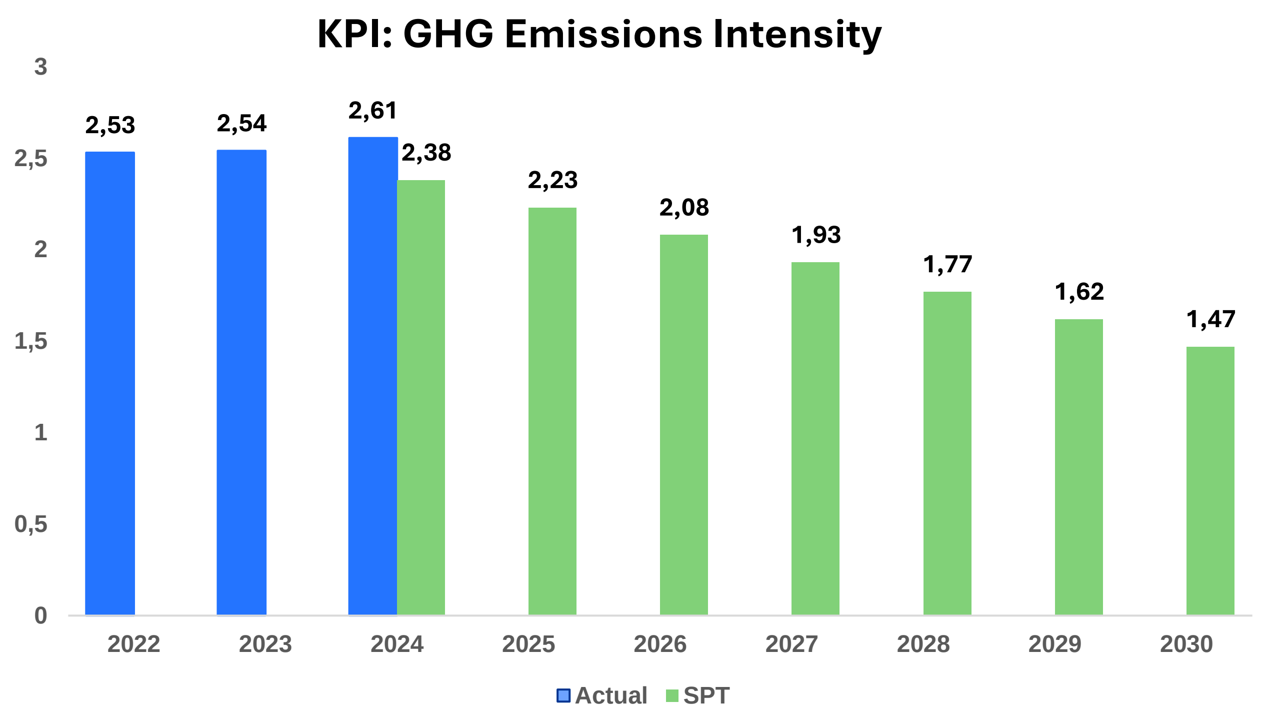
Declaration of Independence

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

DNV Findings

DNV's findings of NHC's Sustainability-Linked KPI and SPTs:

Reporting Year ('RY')	RY 2024 (01/01/2024 – 31/12/2024)
Sustainability Performance Targets	SPT: Reduce GHG intensity emissions with 42% by 2030 compared to baseline 2023 SPT 2024: 2,38
Reported Performance	2024: 2,61



Historical Performance:

Timeline	2022	2023 (baseline)	2024	2025	2026	2027	2028	2029	2030
GHG Emissions Intensity	2,53*	2,54*	2,61	-	-	-	-	-	-
Sustainability Performance Targets (SPTs)			**SPT: 2,38**	**SPT: 2,23**	**SPT: 2,08**	**SPT: 1,93**	**SPT: 1,77**	**SPT: 1,62**	**SPT: 1,47**

*Not in scope of the assurance engagement

Assurance Opinion

Basis for Qualified Opinion

During our assessment, we identified certain limitations in the reported data related to estimation of data where actual data was unable to be obtained, specifically,

- Ten units in Germany have been excluded from the KPI calculation as NHC was unable to obtain actual data or sufficiently estimate data in time.
- Methodologies to estimate electricity data in Sweden when actual data was unavailable have not been uniformly applied.

While these findings do not call into question the overall integrity of the report, they represent deviations from the expected completeness or accuracy of the data.

Qualified Opinion

Except for the matters described in the **Basis for Qualified Opinion** section, based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information presented in DNV Findings is not fairly stated and has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion relates only to the Selected Information and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained under ‘Level of Assurance’.

DNV Business Assurance Norway.

Oslo, Norway

11th April 2025

Amy Stinchcombe	**Ingebjørg Nueva Finnebråten**
Lead Verifier	Technical Reviewer

Appendix

This appendix summarises NHC's KPI performance

Table 1. GHG Emissions Intensity Data

Scopes (tCO_2-eq)	2024
Scope 1 emissions:	**1 723**
Scope 2 emissions (market-based):	**29 001**
Purchased Electricity:	27 272
District Heating:	1 729
Total Scope 1 + 2 (market-based) emissions:	**30 724**
Total Revenue (NOK millions):	**11 781**
KPI Calculation:	**2,61**