Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	917 933 367
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NORLANDIA HEALTH & CARE GROUP AS
Forretningsadresse:	c/o NHC Karl Johans gate 37 0162 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Roger Larsen
Dato for fastsettelse av årsregnskapet:	26.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 14.07.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		2 227 000	1 928 000
Sum inntekter		**2 227 000**	**1 928 000**
Kostnader			
Lønnskostnad		3 006 000	1 739 000
Annen driftskostnad		8 523 000	5 141 000
Sum kostnader		**11 529 000**	**6 880 000**
Driftsresultat		**-9 302 000**	**-4 952 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		35 347 000	33 653 000
Annen finansinntekt		256 632 000	184 758 000
Sum finansinntekter		**291 979 000**	**218 411 000**
Annen rentekostnad		98 385 000	93 744 000
Annen finanskostnad		7 755 000	129 241 000
Sum finanskostnader		**106 140 000**	**222 985 000**
Netto finans		**185 839 000**	**-4 574 000**
Ordinært resultat før skattekostnad		**176 537 000**	**-9 526 000**
Skattekostnad på ordinært resultat		21 202 000	-3 522 000
Ordinært resultat etter skattekostnad		**155 335 000**	**-6 004 000**
Årsresultat		**155 335 000**	**-6 004 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		155 335 000	-6 004 000
Sum overføringer og disponeringer		**155 335 000**	**-6 004 000**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		0	21 202 000
Sum immaterielle eiendeler		**0**	**21 202 000**
Finansielle anleggsmidler			
Investering i datterselskap		1 656 454 000	1 598 054 000
Lån til foretak i samme konsern		745 552 000	689 381 000
Investeringer i tilknyttet selskap			28 616 000
Sum finansielle anleggsmidler		**2 402 006 000**	**2 316 051 000**
Sum anleggsmidler		**2 402 006 000**	**2 337 253 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer		190 783 000	185 051 000
Sum fordringer		**190 783 000**	**185 051 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		45 720 000	68 096 000
Sum bankinnskudd, kontanter og lignende		**45 720 000**	**68 096 000**
Sum omløpsmidler		**236 503 000**	**253 147 000**
SUM EIENDELER		**2 638 509 000**	**2 590 400 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		312 000 000	300 000 000
Overkurs		167 784 000	

Balanse

Beløp i: NOK	Note	2021	2020
Sum innskutt egenkapital		**479 784 000**	**300 000 000**
Opptjent egenkapital			
Annen egenkapital		223 833 000	68 498 000
Sum opptjent egenkapital		**223 833 000**	**68 498 000**
Sum egenkapital		**703 617 000**	**368 498 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		1 764 110 000	
Sum annen langsiktig gjeld		**1 764 110 000**	
Sum langsiktig gjeld		**1 764 110 000**	**0**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner			1 892 184 000
Leverandørgjeld		946 000	374 000
Annen kortsiktig gjeld		169 835 000	329 343 000
Sum kortsiktig gjeld		**170 781 000**	**2 221 901 000**
Sum gjeld		**1 934 891 000**	**2 221 901 000**
SUM EGENKAPITAL OG GJELD		**2 638 508 000**	**2 590 399 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		5 933 763 000	5 313 829 000
Annen driftsinntekt		41 787 000	75 680 000
Sum inntekter		**5 975 550 000**	**5 389 509 000**
Kostnader			
Varekostnad		175 101 000	131 440 000
Lønnskostnad		4 303 147 000	3 848 098 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		554 212 000	501 308 000
Annen driftskostnad		704 637 000	638 910 000
Sum kostnader		**5 737 097 000**	**5 119 756 000**
Driftsresultat		**238 453 000**	**269 753 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		-1 216 000	5 935 000
Annen finansinntekt		69 233 000	21 769 000
Sum finansinntekter		**68 017 000**	**27 704 000**
Annen finanskostnad		258 249 000	345 285 000
Sum finanskostnader		**258 249 000**	**345 285 000**
Netto finans		**-190 232 000**	**-317 581 000**
Ordinært resultat før skattekostnad		**48 221 000**	**-47 828 000**
Skattekostnad på ordinært resultat		4 531 000	-33 298 000
Ordinært resultat etter skattekostnad		**43 690 000**	**-14 530 000**
Årsresultat		**43 690 000**	**-14 530 000**
Andre resultatkomponenter for IFRS-foretak		-22 614 000	30 431 000
Sum resultatkomponenter for IFRS-foretak		-22 614 000	30 431 000
Totalresultat		**21 076 000**	**15 901 000**

Konsernets balanse

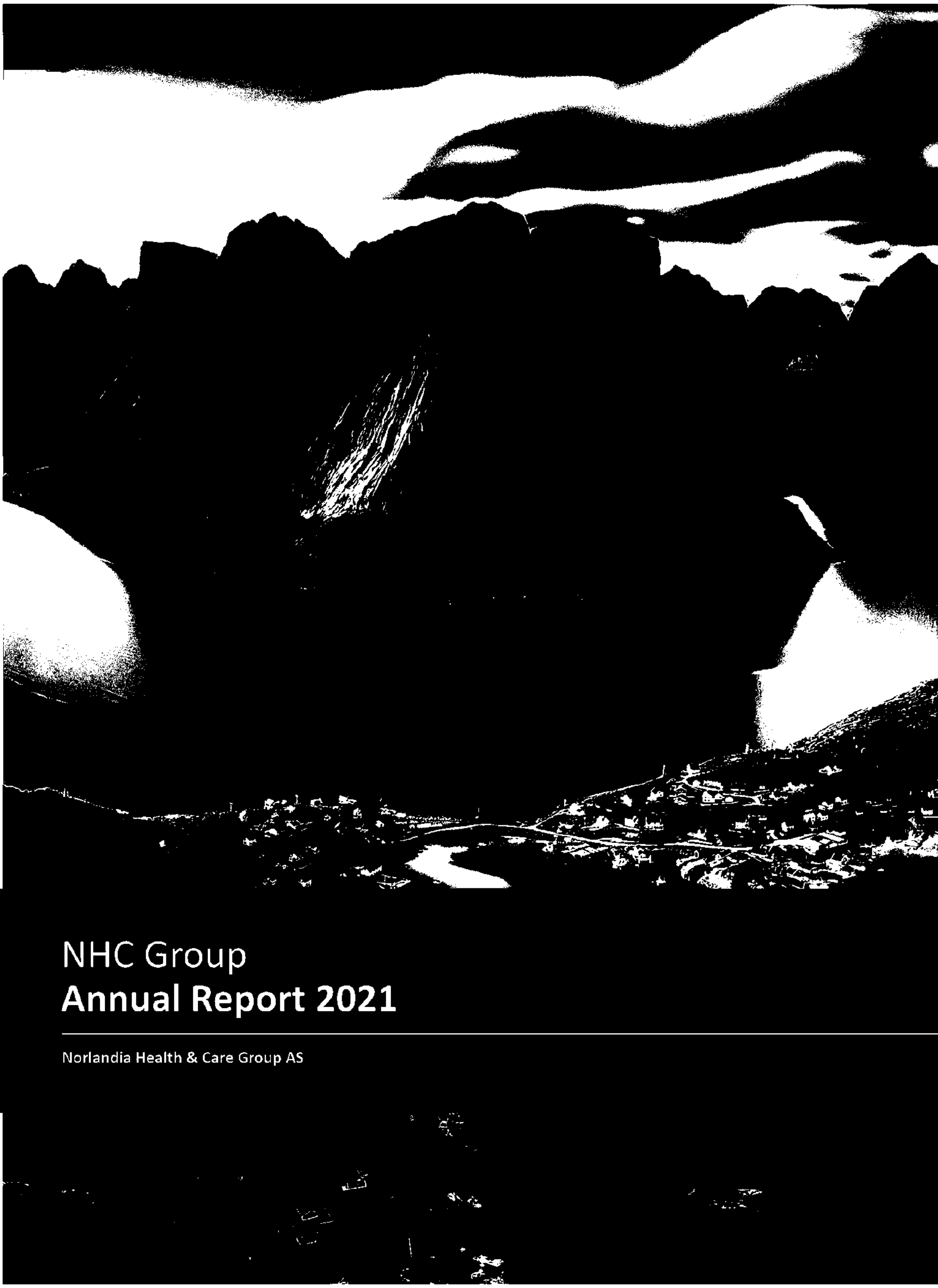
Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		563 524 000	599 179 000
Utsatt skattefordel		120 790 000	116 846 000
Goodwill		1 906 183 000	1 652 356 000
Sum immaterielle eiendeler		**2 590 497 000**	**2 368 381 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		663 394 000	463 293 000
Rigt of use assets		4 186 467 000	3 799 355 000
Sum varige driftsmidler		**4 849 861 000**	**4 262 648 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		31 076 000	54 306 000
Investeringer i aksjer og andeler		12 211 000	18 628 000
Andre fordringer		41 600 000	40 859 000
Sum finansielle anleggsmidler		**84 887 000**	**113 793 000**
Sum anleggsmidler		**7 525 245 000**	**6 744 822 000**
Omløpsmidler			
Varer			
Varer		8 150 000	5 163 000
Sum varer		**8 150 000**	**5 163 000**
Fordringer			
Kundefordringer		483 024 000	427 491 000
Sum fordringer		**483 024 000**	**427 491 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		301 186 000	285 360 000
Sum bankinnskudd, kontanter og lignende		**301 186 000**	**285 360 000**
Sum omløpsmidler		**792 360 000**	**718 014 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		**8 317 605 000**	**7 462 836 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		312 000 000	300 000 000
Sum innskutt egenkapital		**312 000 000**	**300 000 000**
Opptjent egenkapital			
Annen egenkapital		148 973 000	-26 662 000
Minoritetsinteresser		11 001 000	17 698 000
Sum opptjent egenkapital		**159 974 000**	**-8 964 000**
Sum egenkapital		**471 974 000**	**291 036 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		101 404 000	116 464 000
Utsatt skatt		148 508 000	149 925 000
Andre avsetninger for forpliktelser		2 990 000	3 203 000
Sum avsetninger for forpliktelser		**252 902 000**	**269 592 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		2 124 400 000	118 016 000
Leasingforpliktelse		4 050 022 000	3 588 402 000
Sum annen langsiktig gjeld		**6 174 422 000**	**3 706 418 000**
Sum langsiktig gjeld		**6 427 324 000**	**3 976 010 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		51 037 000	1 892 293 000
Leverandørgjeld		930 057 000	902 146 000
Betalbar skatt		20 428 000	12 623 000
Leasingforpliktelse		416 784 000	388 728 000
Sum kortsiktig gjeld		**1 418 306 000**	**3 195 790 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum gjeld		**7 845 630 000**	**7 171 800 000**
SUM EGENKAPITAL OG GJELD		**8 317 604 000**	**7 462 836 000**

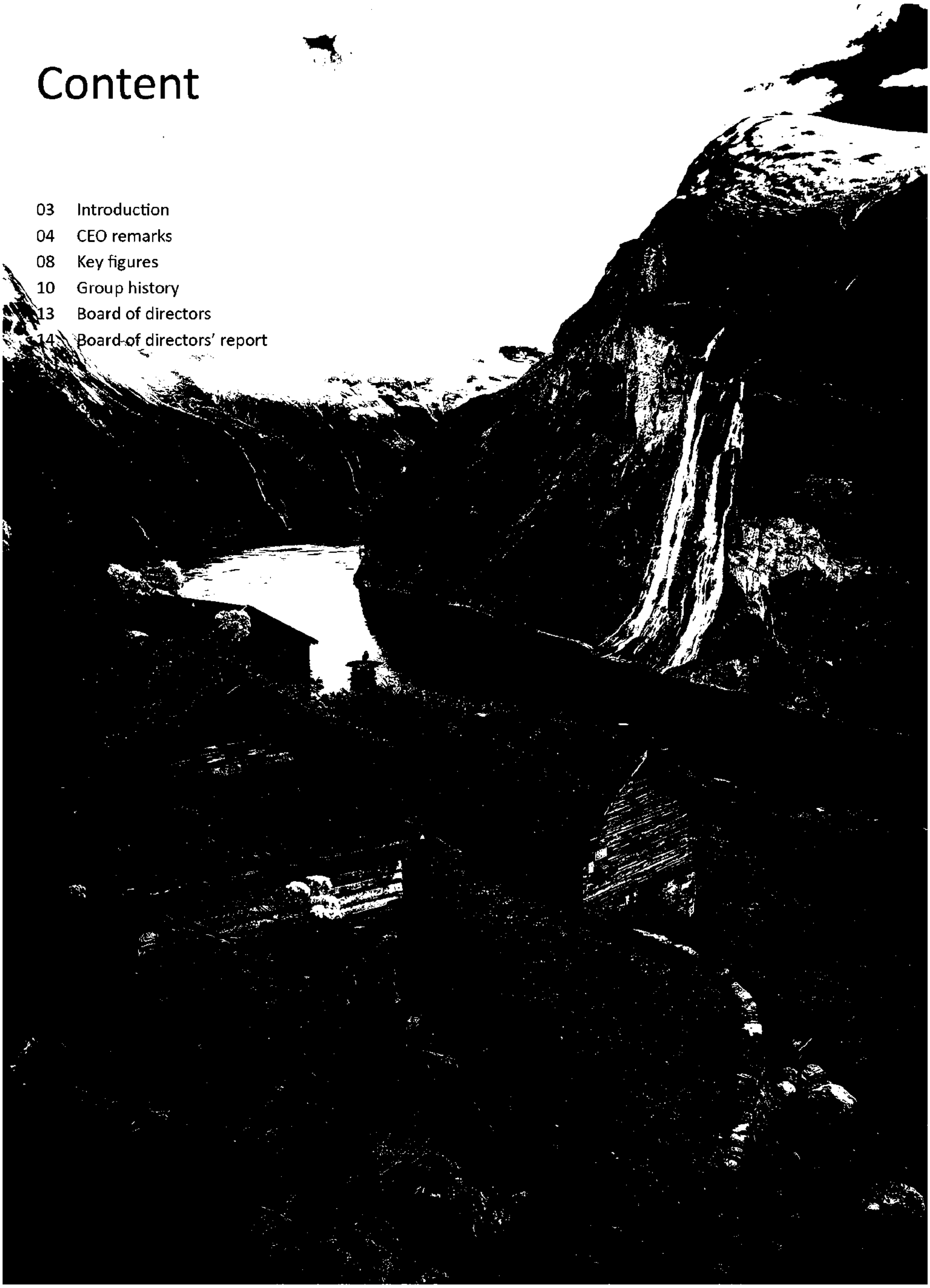


NHC Group
Annual Report 2021

Norlandia Health & Care Group AS

NHC

Content



Stronger together

The Nordic countries are sparsely populated and their people have always depended on cooperation in order to survive. From small fishing boats on stormy seas to marginal mountain farms, working together is the only way to exist. This spirit is a hallmark of all NHC Group companies and drives us to continuously improve our services for the good of our users and society.

CEO remarks

As I write these words in early April of 2022, the need for private enterprise in the welfare sector is again made obvious. Due to a mad and unnecessary war in Ukraine, Europe sees a huge number of refugees. NHC companies are involved in handling this emergency in all the countries where we operate. Most significantly, our Hero division has become the most important resource for the Norwegian government in handling the large and rapid influx of refugees. I am exceedingly proud of the immense work done in our organization. With lightning speed, through late nights and weekends, the collective effort of our organization has made available thousands upon thousands of accommodation spots for the refugees. It is hard to see how Norway could have handled this situation with dignity without the contributions of Hero's uniquely experienced employees.

The horrors in Ukraine is a powerful reminder of the importance of many of the ingredients of a just and good society: Alliances, trust, democracy, confidence in institutions, perceptions of fairness, and the rule of law. A good starting point for any corporation wanting to contribute to a fair and good society is to keep its own house in order: Endorse collective labor agreements, follow agreed norms and regulations for workplace health and safety, and strive to be an entity trusted by government.

While our minds' capacity for absorbing calamitous news is being challenged, the UN just released a new report warning us that if countries do not move away much faster from fossil fuels, the goal of limiting global warming to 1.5 degrees Celsius would likely be out of reach by the end of the decade. At this "now or never" moment, some people become numb from such messages, others spring into action. In NHC Group, we have for years had a climate-conscious approach to everything we do. In 2021, we stepped up our game and embraced deeper obligations for further initiatives. The conditions of our new bond loan are tied to specific climate-related goals – there really are teeth to the measures we have committed to. Beyond the ethical imperative to contribute to the resolution of an existential risk, we acknowledge that forceful measures on our part is a must if we want to be considered an alternative for potential customers and employees. Sustainability is not a vanity project on the side, it is an integral part of regular operations.

A central part of our identity as a company is a lasting commitment to innovation.

Our aspiration: Being the welfare innovator
A central part of our identity as a company is a lasting commitment to innovation. There should be an expectation from society that NHC companies contribute value by devising new ways of doing things: Combining technologies in unexpected ways, bringing together partners with complementary skills, exploring unconventional ways of organizing services. The result can be a better experience for customers, a lighter workday for employees, a better utilization of resources, or reduced energy consumption. We celebrate unorthodox solutions and take pride in useful novelty.

Our role: Driver of positive change
As one of the top four preschool chains in Norway, I think it is fair to say that Norlandia has had a profound and sustained impact on the sector in general. If you look objectively at children's experience today versus just 10 years ago, you will acknowledge that that there has been significant progress. This will be evident in areas such as the quality of food services, the extent of children's involvement in deciding what they do, and the basic pedagogic approach being used. In all these areas, both public and private preschools have made great progress – but the preschool chains consistently have taken the lead. Norlandia has been a driver of positive change. We can point to similar sector-altering changes in other lines of business: Hero has been a pioneer in advancing greater involvement and local responsibility of residents in reception centers. What once was a radical practice has become common industry standard.

Our value added: Progressing standards and building society
In all areas of our operations – from preschools to nursing homes to reception centers to relief homes, I observe that an enduring value of our presence is that other operators – be they public or private – start to utilize methods and approaches pioneered by the NHC companies. Thus, the legacy of our competent employees is a heightened standard of service provision delivered by many organizations in society. That may ultimately be the most compelling reason for having private operators in the welfare sector, more so than possible short-term economic savings. The populist drive we see in some markets to marginalize private providers I expect over time will subside as societies face increasingly urgent unmet needs.

In November, we were recognized by the newspaper Financial Times as a leader in diversity based on a Europe-wide survey which they had conducted. The timing of this publication was striking: It coincided with the Ethics Day we conducted throughout the company on the topic

"How can we be more inclusive?" There is a profound commitment at all levels of the organization to take active steps to seek diversity and make the NHC companies good places to be for employees, customers, and vendors no matter your skin color, sexual or religious orientation, age, or physical ability. A pioneering and landmark effort in this domain was made in Sweden in September, when our sister company Frösunda opened the country's first nursing home specifically for LGBTQ+ residents at Hanveden.

The last few months have brought a measure of normalcy contrasting with the constraints brought by the pandemic. The last two years have been difficult for many of our employees, and I commend their admirable stamina in continuing to deliver excellent services in an environment of persistent contagion. There truly have been extraordinary efforts during an extraordinary period. While most NHC employees heroically have kept the wheels of society running in our operational units, some back-office functions have been forced to work from home for extended periods. Now we savor the opportunity to be back in a normal, physical environment and we acknowledge how real-life interaction is necessary for building a healthy work environment.

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I am very pleased to see the spirit of continuous development evident in Aberia. This year, the organization took the first steps toward realizing their very own concept house near division headquarters in Moss, Norway. The house can provide for several different service offerings depending on the current needs of our clients. The house is built with carefully chosen materials, has a highly customized solution and appears very suitable for our business. The home can accommodate the needs of a challenging user group and at the same time ensure that employees have a safe and modern workplace. The concept house is therefore unique in the Norwegian context when it comes to institutional activities and will be one of the most specifically adapted and attractive offers within our market. Aberia is now building two such homes in the vicinity of Oslo, with a plan for further establishment within all districts of Norway.

2021 saw the launch of the Aberia school. Employees now receive systematized training in a completely new way through a common digital portal. Each manager receives a complete overview of their employees' CVs and competence, courses, progression, completed and incomplete training. The Aberia school exploits the potential of a digitalized world, where content on the Internet and from external suppliers is combined with Aberia's own instructors in all conceivable modes of training. Movies, interactive e-learning, classroom teaching, text studies, conversations, etc. are set up in a planned fashion which ensures that employees receive appropriate training from day one and throughout their career. Such heightened emphasis on internal competence building is part of our response to an environment where we experience a severe and sustained shortage of skilled workers. With proper training to qualify them, employees can assume a greater range of responsibilities. Our investing in developing abilities is good for the individuals and good for society.

Professional Amateurs is an Aberia project that offers work training to young people who for various reasons do not have another daytime activity. The project has a positive impact on the environment by extending the life cycle of fixtures and furniture in homes. Organized in a non-profit subsidiary, *Professional Amateurs* undertake refurbishment and renovation assignments. Not infrequently, the homes are institutions in which other youths themselves live. Professional Amateurs combines social responsibility for young people with an initiative to reduce environmental footprint. References for future employment opportunities is a key outcome.

In 2021 we made great strides in sharing pedagogical approaches and methods across the countries where we have preschools. We were very happy to receive external recognition of our accomplishments: Key members of our Swedish preschool operation brought home a prize from the well-known Swedish organization White Guide for their work related to food concept Mat med Smak. We invested significantly in ensuring a standard and high-quality offering throughout our preschools in Norway: The program CLASS (Classroom Assessment Scoring System) is being rolled out across the organization. The program is a training and assessment tool which make sure that staff adequately support and stimulate children in their well-being and development. High quality interaction between employees and children is conducive to promoting the children's sense of security, well-being, and progress. Using this tool, preschool employees receive feedback on how they facilitate cooperation and learning with the children. Research has demonstrated that the use of CLASS enhances the quality of communication and interaction in preschools. We are excited to have committed to the extensive use of this program.

In September of last year, we announced the acquisition of Norwegian preschool company Gnist. Gnist has 17 large units. Most of them are in or near Ålesund on the Northwest coast, some are in the Bergen and Trondheim areas. Since the announcement, we have had a thorough process which has included Gnist employees at all levels to make sure the integration allows for adoption of all the areas of practice in which Gnist has excelled.

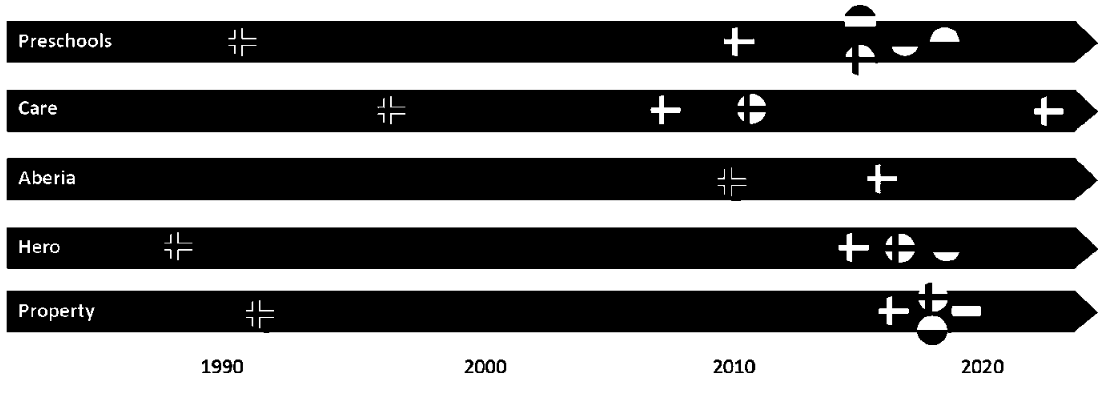
We recently announced the acquisition of Swedish preschool company Kunskapsförskolan. In total, the company has 27 units in operation or under construction. It is present in many different areas in the country. It will be a significant addition to our operation in Sweden.

The unique facility of Tuusula, just outside of Helsinki, continues to garner attention. The unit stands out because it provides both senior living facilities, preschool facilities, and daycare for dogs. Interaction and mutual benefit between these three groups is actively sought. The senior living/ elderly care facility filled up rather rapidly, and there are now three more units of this kind under construction in Finland. I find this to be an especially satisfying manifestation of our innovative approach.

In one of our Care division units in Sweden, a clever way of using the concept of gamification has been employed. At the Skräddaregardens nursing home in Linkoping, management noticed an increasing number of deviations. These could have been prevented if information conveyed during introductory training had been remembered. To improve the ability to learn and remember information given during job training, an alternative introduction program using gamification was implemented. The pilot introduction program has questions and tasks the new employee can complete and thereby collect points. With the points they can buy things like coffee, cinema tickets, and clothes. The points serve to motivate new employee to complete assignments. The program has demonstrated that employees learn and maintain new information to a greater extent.

In July, it was announced that Norlandia had won a competition to operate an elderly care facility in Hørsholm municipality, north of Copenhagen. The competition was won in cooperation with our partner Sophienbergsgruppen. This will mark the entry of NHC group into Denmark. It will be the seventh country in which we operate.

Entry into different markets



Another exciting announcement in early July was the signing of an agreement with Vectura/Next Step Group for the construction and operation of a nursing home facility as part of the GoCo Health Innovation City in Mölndal, just south of Gothenburg in Sweden.

As stated above, Hero plays a crucial role in taking care of Ukrainian refugees. Another example of the sudden shifts necessitating private capacity is from early fall of last year, when allied forces abruptly departed from Afghanistan. With great speed, Hero turned around and opened two accommodation centers for asylum seekers coming to Norway during this wave. Again and again, Hero proves itself as a reliable partner to the government authorities.

Property development continues to be an integral part of NHC operations. In the past year, we have entered new partnerships. In Norway, our property division is partnering with major player Omtanke A/S to develop senior living facilities and care homes throughout the country. The massive offering from Hero in refugee accommodation is possible partly due to the deep competencies acquired over decades of reception center operations, but also partly due to the extensive real estate competence in the organization.

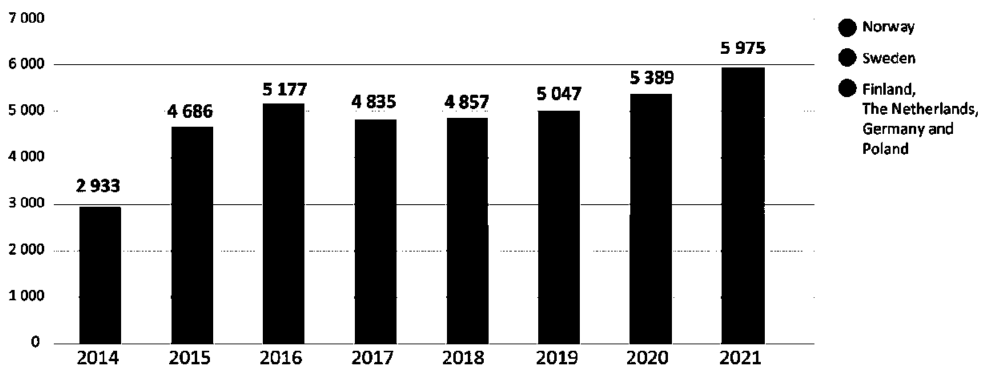
The property division has been instrumental in realizing the custom-designed buildings for Aberia now under construction which I mentioned above. Again, our combination of user need understanding and real estate competence enables us to create unique value. As societies invest in social infrastructure, no agent is better positioned to build according to what end users and employees need.

In May of last year, we refinanced our bond loan on terms which reflect the confidence of investors in the long-range prospects of this company. As indicated above, one new feature of this financing was the link to certain sustainability-based goals. Specifically, we have committed to reporting on KPIs related to our greenhouse gas emissions, the share of electric cars in our fleet, and the extent of sustainability education completed in our preschools.

As we continue to grow in 2022, I remain confident that we will be able to build on our efforts to be an enterprise of value to our customers and a workplace attractive to our employees. We are already one of the leading companies in the Nordic countries within the sphere of welfare services. We have a European footprint with a presence in six countries and we plan to continue to grow. Through our commitment to innovation and transparent sharing of evolving practices, we strive to be a reference point for society. Based on practices anchored in rock solid ethical principles, we seek to earn the enduring trust and absolute confidence of end users and public payors. In an unpredictable and rapidly changing world, we want to be a good and rewarding place to be for our employees. For many years, we have said that we would like to see ourselves as a powerhouse safeguarding and developing welfare. In its broadest sense, that entails contributing to a sustainable welfare state which constitutes the core of a society that its citizens are willing to defend. In these grave times, that seems like a worthy aspiration.

Yngvar Tov Herbjørnssønn
CEO

Revenue development in different markets

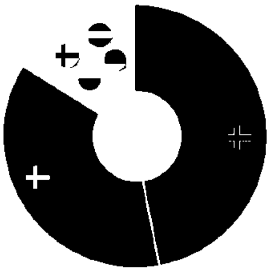


11,370
EMPLOYEES

26,200
USERS

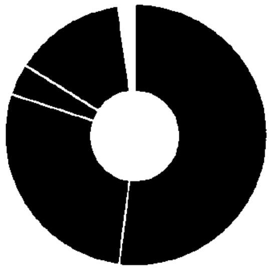
Revenue per country

- Norway 47%
- Sweden 37%
- Finland, Poland, The Netherlands, and Germany 16%



Revenue per segment

- Preschools 52%
- Care 28%
- Integration services 4%
- Individual & family 14%
- Property 2%



Revenues

5,975
MNOK

525
UNITS

Segments

Preschools
Preschools
Out of school care
Generation concept

Care
Elderly care
Patient hotels
Home care
Occupational health
Generation concept

Integration services
Reception centres/ accommodation
Education
Interpretation

Individual & family
Child care/foster homes
Assisted living
Personal assistance (BPA)
Rehabilitation

Property
Development, acquisition and sale of real estate


Locations
Preschools
Care
Integration services
Individual & family
6
11
4
2
10
6
3
18
14
10
12
4
7
2
11
4
37
6
16
33
2
4
11
6
7
33
3
6
34
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8
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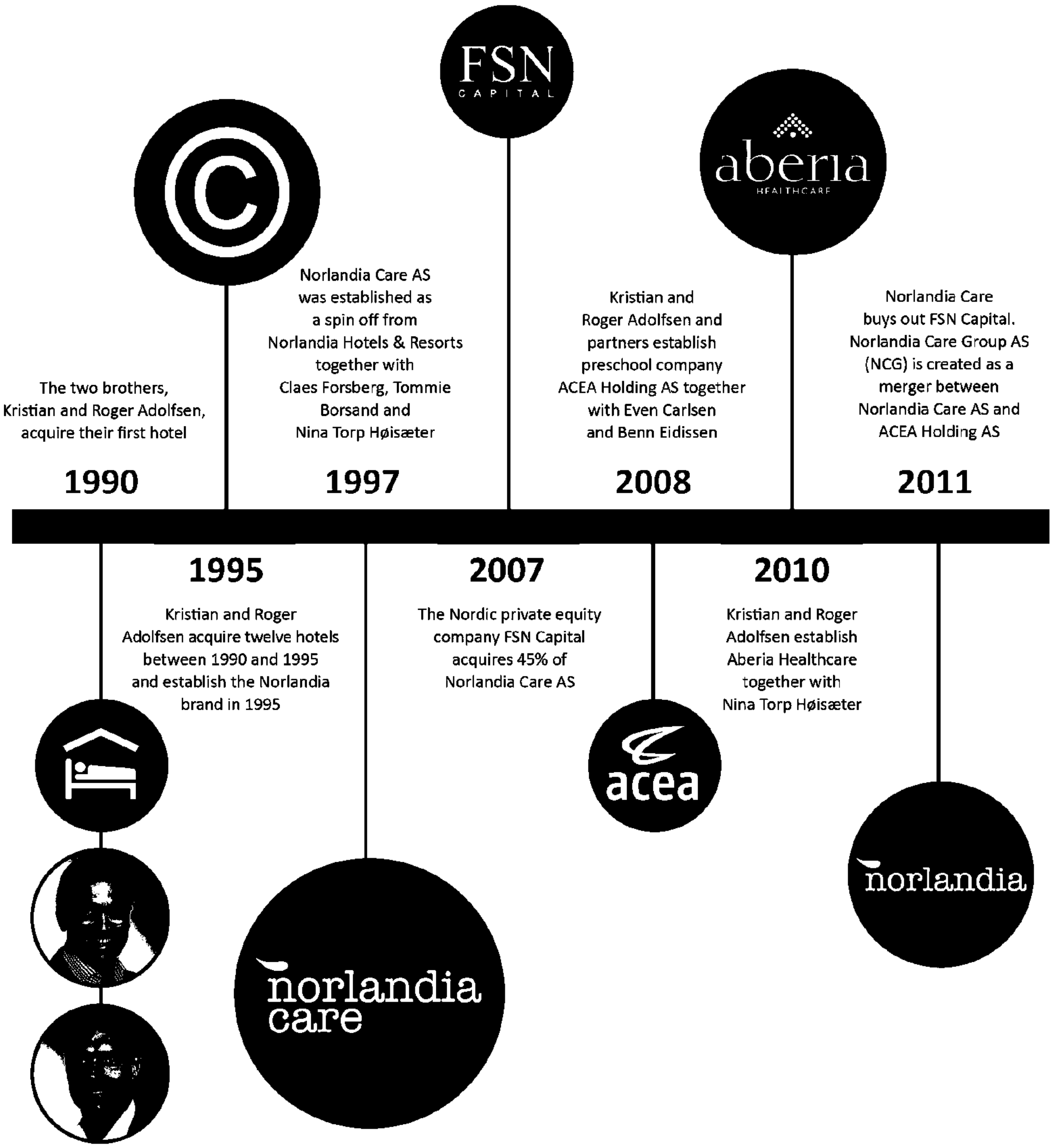
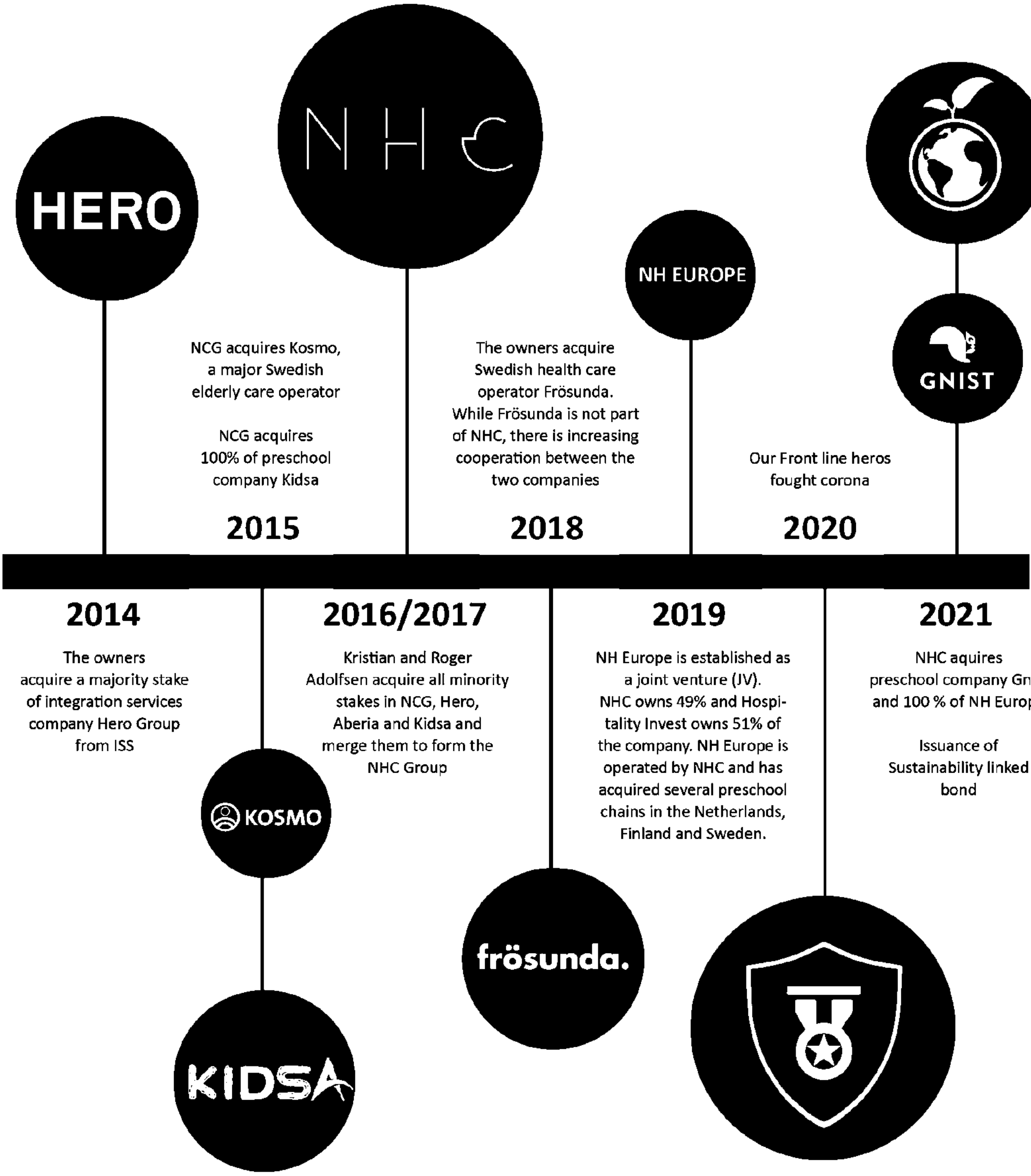
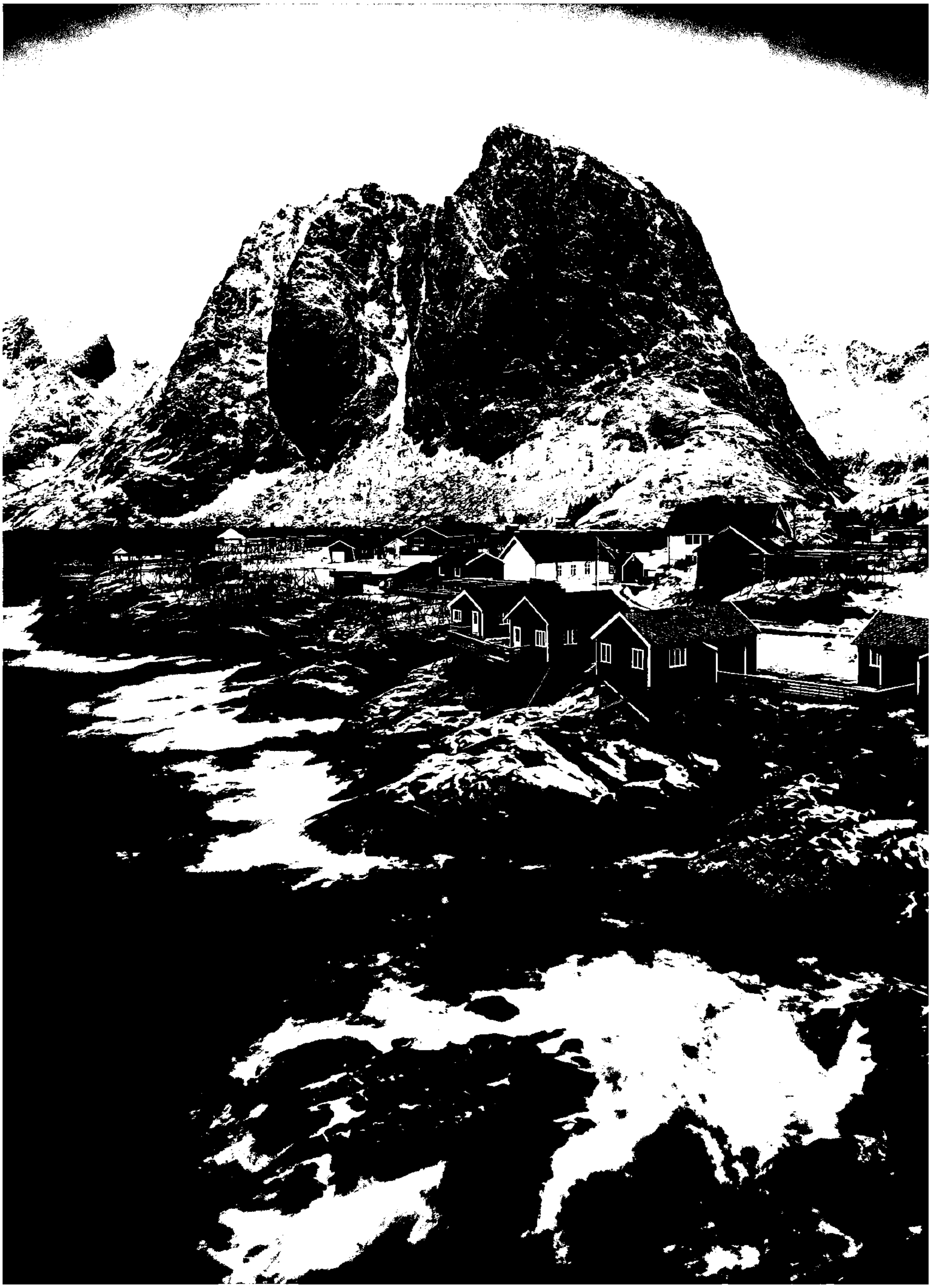
5
31
24
32

Group history




HERO
2014
The owners acquire a majority stake of integration services company Hero Group from ISS
2015
NCG acquires Kosmo, a major Swedish elderly care operator
NCG acquires 100% of preschool company Kidsa
KOSMO
KIDSA
NHC
2016/2017
Kristian and Roger Adolfsen acquire all minority stakes in NCG, Hero, Aberia and Kidsa and merge them to form the NHC Group
2018
The owners acquire Swedish health care operator Frösunda. While Frösunda is not part of NHC, there is increasing cooperation between the two companies
frösunda.
NH EUROPE
2019
NH Europe is established as a joint venture (JV). NHC owns 49% and Hospitality Invest owns 51% of the company. NH Europe is operated by NHC and has acquired several preschool chains in the Netherlands, Finland and Sweden.
2020
Our Front line heros fought corona
GNIST
2021
NHC aquires preschool company Gnist and 100 % of NH Europe
Issuance of Sustainability linked bond



Board of directors

Kristian A. Adolfsen

FOUNDER AND
CHAIRMAN OF THE BOARD OF DIRECTORS
Kristian has an MBA from the University of Wisconsin and a Master of Science in Business Administration from the Norwegian Business School, BI (sivil-økonom). He has more than 30 years of business experience. He has founded a number of companies within the Adolfsen Group and holds several directorships.

Roger Adolfsen

FOUNDER AND
MEMBER OF THE BOARD OF DIRECTORS
Roger has an MBA from the University of Wisconsin and a Master of Science in Business Administration from the Norwegian Business School, BI (sivil-økonom). He has more than 30 years of business experience. He has founded a number of companies within the Adolfsen Group and holds several directorships.

Ingvild Myhre

MEMBER OF THE BOARD OF DIRECTORS
Ingvild qualified as a Chartered Electro-Engineer at the Norwegian University of Science and Technology (NTNU). She was formerly the Managing Director of Alcatel Telecom, Telenor Mobile and Network Norway. Ingvild is currently self-employed. She has had, and continues to hold, a number of directorships in public and private enterprises.

The board of directors' report 2021

COMPANY

Norlandia Health & Care Group AS ("NHC") is a leading Nordic provider of care services operating within the five segments; Preschools, Care, Integration Services, Individual & Family and Real Estate. The parent company is headquartered in Oslo, Norway.

OPERATIONS

Preschools

The Preschools segment includes the preschool activities within Norlandia Preschools AS and Kidsa Barnehager AS. Per year-end 2021, Norlandia Preschools and Kidsa Barnehager operates 393 preschool units in Norway, Sweden, Finland, Netherlands, Poland and Germany, an increase of 28 units year-on-year. 32 of the units are owned 50% and operated by Wekita (Germany), and not consolidated in the NHC accounts.

Care

Norlandia Care provides services within institutional elderly care, patient hotels and home care services in Norway, Sweden and Finland. As of year-end 2021, 45 elderly care homes were operated by Norlandia, of which 42 were in Sweden, 2 were in Norway and 1 was in Finland. 9 of the homes were own-management projects, including a Generation Concept (preschool and elderly care). Norlandia also operates 2 patient hotels in Norway, and 1 in Finland. Additionally, we have home care services in Finland, Norway, and Sweden.

Integration Services

The integrations services are offered through Hero Group AS. The company was established in 1987 and has grown to become one of the largest private providers of care services related to forced migrants, refugees and asylum seekers in Norway. In addition, Hero operates 5 reception centers in Germany. The group has extensive competence and experience acquired through 30 years of operations. The service offering includes reception centers for asylum seekers and interpretation services.

Individual & Family

The services within the Individual & Family segment are provided by Aberia AS – a Nordic provider of health-, welfare- and care services for children and young as well as people with physical and mental disabilities. The group was established in 2010 and has grown to become a significant player in the Nordic market. The services are divided in three main areas: services related to childcare institutions and foster homes; care services for people within all age groups with physical and mental disabilities; and respite care and personal assistance. Most of the contracts in the group are with the government, municipalities or city district authorities.

Real Estate

Care Properties AS is a real estate developer for Norlandia Health & Care Group (NHC). As part of NHC's business model, Care Properties develops or acquires care related real estate, for NHC operations. Normally, the various properties will subsequently be divested based on a long-term lease contract with NHC.

COMMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's revenues increased from NOK 5,313.8 million in 2020 to NOK 5,933.7 million in 2021 primarily explained by growth within Preschools. Profit from operations came in at NOK 238.5 million in 2021, down from NOK 268.8 million in 2020. Net finance amounted to NOK -190.2 million for the year, influenced by net unrealized currency gains of NOK 45.6 million. Consequently, net profit increased from NOK -15.5 million in 2020 to NOK 43.7 million in 2021.

IFRS-16 was adopted on 1st January 2019, and had a net effect on profit before tax, of NOK -99.7 million in 2021. This is explained by increased depreciation charges of NOK 449.4 million, finance charges of NOK 121.1 million and a reduction of real estate gains of NOK 65.0 million, partially offset by reduced leasing expenses of NOK 535.8 million.

The Group generated cash flow from operating activities of NOK 607.4 million in 2021 down from NOK 818.3 million in 2020, negatively affected by a movement in working capital of NOK -137.8 million in 2021. Net cash flow from investing activities amounted to NOK 42.6 million, down from NOK 215.3 million in 2020, explained by higher investments in shares in subsidiaries and lower book value on divested properties. Financing cash flows amounted to NOK -631.1 million, up from NOK -909.5 million in 2020, the difference mainly explained by repayment of debt in 2020.

As of 31.12.2021, the Group had a cash balance of NOK 301.2 million, up from NOK 285.4 million one year prior. In addition, the Group has a revolving credit facility of NOK 350 million with DNB. As of 31st December 2021, NOK 132.1 million was drawn.

The Group had total assets of NOK 8,317.6 million per year-end 2021, compared to NOK 7,462.8 million in 2020. Total non-current liabilities amounted to 6,427.3 million, significantly up from 2020, with the large increase reflecting the new senior secured sustainability-linked bond of NOK 1,700 million placed in May 2021. The former bond loan was classified as current liabilities per year-end 2020 as the maturity of these bonds, at that time, were less than 12 months away. The remaining long-term loans of NOK 493.1 million mainly related to property debt on Norwegian preschool properties.

The increased debt compared to year-end 2020 reflected property debt assumed through the acquisition of Gnist Barnehager in October 2021. Current liabilities amounted to NOK 1,418.3 million in 2021, down from NOK 3,195.8 million in 2020, explained by the inclusion of the former bond loans in the 2020 current liabilities figures.

Per 31st December 2021, the Group's total equity amounted to NOK 472.0

million, up from NOK 291.0 million in 2020.
The Group's financial position is sound and adequate to settle short-term obligations with the Group's liquid assets.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by EU.

COMMENTS TO THE PARENT COMPANY FINANCIAL STATEMENTS
Operating profit for the parent company amounted to NOK -9.3 million in 2021, down from NOK -5.0 million in 2020. Net financials increased from NOK -4.6 million in 2020, to NOK 185.8 million in 2021, reflecting the unrealized currency gain and received group contributions. Net income amounted to NOK 155.3 million in 2021, up from NOK -6.0 million in 2020.

Total assets per 31.12.2021 were NOK 2,638.5 million, mainly consisting of shares in subsidiaries.

Total liabilities per 31.12.2021 were NOK 2,638.5 million, which consisted of the listed NOK and SEK bond issues (adjusted for issuing costs). In addition, the parent company had short-term liabilities to group companies of NOK 145 million.

Total equity amounted to NOK 703.6 million, up from NOK 368.5 million in 2020.

Use of Alternative Performance Measures
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 certain alternative performance measures in its financial reports as a supplement to the financial statements reported in accordance with IFRS.

The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods. Definitions: EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization EBIT: Earnings Before Interest and Tax, Total Net Debt: As used in the incurrence test; total interest bearing debt less cash and cash equivalents.

The Group also use adjusted EBITDA to exclude the effects from IFRS 16, as these figures are relevant for monitoring capital and reporting to stakeholders.

Going concern
In accordance with the Norwegian Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of a going concern. This assumption is based on profit forecasts for 2022 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future challenges and market outlook
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. We continue to plan and prepare for negative developments through our contingency procedures.

Additionally, the regulatory framework has a significant influence on the Group and our 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 clearly 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.

Within Preschools; To limit our exposure to unfavorable political and market shifts, we continue to diversify our operations. We have added more than 180 new units since 2016, which has contributed with well above NOK 1 billion in revenues, but also depressed margins as new unit openings generate losses during a start-up period.

As we reduced our growth pace in late 2019, we have seen the anticipated margin expansion. Preschools delivered a solid year in 2021, in line with 2020, despite being negatively affected by materially increased electricity costs and high sick leave. We believe we have an attractive portfolio of preschools and strong positions in the markets in which we operate.

Following the bond refinancing in May 2021, NH Europe is now owned 100% by NHC and thus fully consolidated in our accounts. The company was established in 2019 as an acquisition vehicle owned 49% by NHC and 51% by owner Hospitality Invest, and has grown to 36 units in the Netherlands, Finland, and Sweden. Although being materially affected by Covid-19, we expect NH Europe to contribute with more than NOK 200 million in annual revenues and above-group margins going forward.

In October 2021, we completed the acquisition of a Norwegian preschool chain, Gnist Barnehager, consisting of 17 large operational units and 5 owned new and modern properties. The preschools are mainly located in North Western Norway, Bergen and Trondheim, and represents a good geographical fit with Norlandia and Kidsa. We expect to realize material synergy effects after integrating Gnist into our NHC operations. Integration project is ongoing and stable.

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 will, according to our estimates, 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. The Netherlands, Finland and Sweden are all showing 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.

Wekita, consisting of 32 units in Germany, is owned 50% by NHC and are currently not consolidated in the NHC financial accounts.

The Care segment was heavily affected by Covid-19 in 2021, and occupancy levels in Sweden, by far our biggest market, are still below pre-Covid levels. In addition, we saw increased costs related to personnel and procurement, while governmental support packages were materially reduced, resulting in a significantly weakened profitability in 2021. Although the second half of 2021 showed improved occupancy levels in Sweden, we do not anticipate a normalized level until we are well into 2022.

Our operations in Norway have seen negative effects of Covid-19, 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.

In Finland, our operations have been negatively affected by Covid-19 as there has been little Government support, but we saw clear improvements in the second half of 2021 on the back of solid operations and improved occupancy levels.

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 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 has been challenging in recent years with a dramatically reduced demand for our services, causing revenues to decline to around 15% of the 2016 level. After the recent years' losses, we are encouraged by the turn-around of Hero, and the corresponding strong performances in 2020 and 2021.

Within Accommodation Services, all our reception centers in Norway are generating decent profitability, and after the balance sheet date, we won two new 10-year contracts in Rogaland and Steinkjer. There are clear indications that Hero will play a significant role as operator of acute refugee centers, as the humanitarian crisis in Ukraine continues to unfold. We are working closely with UDI, the immigration authorities, to best address the current crisis we are all witnessing, and we expect a significant increase in activity in 2022.

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. However, we are actively pursuing various tender opportunities, and remain comfortable in our position and the potential upside in a large and attractive market.

The Interpretation segment has gone through a comprehensive re-organization the recent years. The operations are now solid, both in terms of growth and profitability, despite being negatively affected by Covid-19.

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 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.

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

Aberia Sweden consists of Personal Assistance operations, through the two entities Marcus Assistans AB and Østgøteland Assistans AB. Profitability in these companies was reduced in 2021 following an internal re-organization that is still on-going, but we expect recovery to 2020 level to be evident towards late 2022. Aberia currently has a shareholding in these companies of 75%.

Child Care and Respite Care services, along with Family Homes and Personal Assistance, represent the core operations in Norway. Combined, these operations are generating healthy profitability and material improvements compared to prior year.

In Norway, the political landscape is challenging and hampers top line growth as non-profit organizations are preferred in tenders. Our child care operation in Northern Norway, Aurora Omsorg, was established in late 2019 and delivered material improvements in 2021 compared to 2020.

We expect Aurora to continue the positive development going forward. Our other ramp-up initiative, Family Homes, generated losses in 2021, but continues to build volume and is expected to reach break-even during 2022.

2021 was another solid year for the Real Estate segment, although being down on 2020, which was very strong. 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 and expect to complete several property divestments during 1H'22.

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.
There are no other known events expected to have significant effect on the Group's performance in 2021.

FINANCIAL RISK

Overall view on objectives and strategy
The Group is exposed to financial risk in different areas, including exchange rate risk, market risk, credit risk and liquidity risk. The Group is continuously assessing these risks.

Market risk
The regulatory framework has a significant influence for the Group and our ability to deliver services with high quality. Political risk is therefore present as major shifts may have a significant impact on the way we deliver our services. To limit our exposure to unfavorable political and market shifts, we continue to diversify our operations.

In early 2020, the Covid-19 pandemic materialized, causing unprecedented shocks to all societies globally. The pandemic impacts all our operations significantly, although the financial effects differ across the various operating segments and countries.

During 2021, the Care segment, particularly in Sweden, was heavily negatively affected by the pandemic, due to lower occupancy and higher costs related to staffing and procurement. These risks are still present. Additionally, although we have seen limited effects so far, we acknowledge the risks related to preschool occupancy, should unemployment continue to rise over longer periods of time. While we operate in defensive sectors with strong counterparties, the pandemic continues to pose a substantial risk in 2022.

Exchange rate risk
The Group has operations in Norway, Sweden, Finland, the Netherlands, Germany and Poland. Currency fluctuations may have a negative effect on the Group's financial conditions and results of operations. The Group is predominantly exposed to the SEK/NOK exchange rate as the financial statements are presented in NOK and around 40% of revenues are generated in SEK. However, the Group has a corresponding share of costs in SEK and about 45% of its bond debt is denominated in SEK, both representing natural hedges to the operations.

The Group has a growing exposure to the EUR/NOK exchange rate as operations in the Netherlands, Finland and Germany are growing. The Group is monitoring the exposure and may consider hedging this exposure in the future.

The Group is further exposed to changes in interest rates as most long-term debt in the Group is subject to floating interest rates. The Group has not established any interest rate hedging mechanisms.

Credit risk
The risk of losses on receivables is considered very low in the Group as a considerable part of revenues is towards governmental entities and municipalities.

The Group has not yet experienced significant losses on receivables.

Liquidity risk
The Group's liquidity is sound, enabling each Group company to handle short-term obligations. The Group will continue to experience large movements in working capital, which will affect the cash position on any given month.

CORPORATE GOVERNANCE
NHC is a limited liability company organized under Norwegian law with a governance structure based on Norwegian corporate law. The Company's corporate governance model is structured to provide a foundation for long-term value creation through an efficient organization with solid management. A manual covering standards and routines for relevant corporate governance matters has been prepared by the administration and approved by the Board of Directors.

The Company has a one-tier board with three directors, including the two largest shareholders and one independent director. The governance structure is further based on the Norwegian Code of Practice for Corporate Governance and the Company is continuously seeking to adopt a larger part of the recommendations.
NHC publishes four interim financial statements in addition to the ordinary annual financial statements.

The financial statements shall satisfy legal and regulatory requirements and be prepared in accordance with the adopted accounting policies and be published according to the schedule adopted by the Board. The Group's Audit Committee consists of two board members.

Closing of accounts, financial reporting and key risk analysis are provided monthly to the Group Management. These monthly reports also include financials per segment, which are analyzed and addressed against set budgets.

In connection with closing of accounts for the various segments, business review meetings are held to identify risk factors and measures linked to important accounting items or other factors. The management also has separate meetings with the external auditor to review such risk factors and measures.

The Group has risk management processes in place within each subsidiary, which are adapted to fit the size, complexity and risk profile of each entity. The routines focus on managing risks as well as identifying opportunities.

THE WORKING ENVIRONMENT AND THE EMPLOYEES
The number of employees in the Group amounted to ~11,000 in 2021. The working environment is considered to be good and efforts for improvements are made on an ongoing basis. The Group aims to be a workplace with equal opportunities and seeks to prevent gender discrimination in all aspects of our operations.

Leave of absence is an important performance indicator and is measured throughout the Group's operational entities, but not on a consolidated basis. During 2021 leave of absence due to illness has varied due to the impact of Covid-19 and thus difficult to bench-mark towards a normal year. Quarantined staff have been logged as absence in line with government guidelines in relevant countries. Even with Covid-19 we have been able to manage within acceptable levels.

We will encourage and empower our staff to be proactive on sustainable development matters both at work and in the community. We will strive to achieve a high degree of diversity in our working environment in all areas of NHC operations.

In relation to gender equality, NHC operates in segments which traditionally have been dominated by female employees. With that in mind, we seek a balanced representation of genders both in first line, middle manager, and senior leadership positions. Currently our gender balance at the senior level is as follows: Line CEOs (n=6): 50% women; country managers (n=12): 58% women; extended management group (n=42): 40% women. In sum, we are doing quite well and will keep up our attention on this important matter.

ENVIRONMENTAL REPORT
The Group's operations are not harmful to the environment and are not regulated by any special licenses related to waste handling. NHC Group will meet or exceed all legal requirements and be a good steward of all resources that falls under our company's influence, and ensure that all potential adverse impacts of our operations on the environment are identified and appropriately managed.

As of 2021 our divisions – Preschools, Care and Hero Tolk (a part of Hero group) – are certified on ISO 14001:2015. Preschools, Care and Hero Group are also ISO 9001:2015 certified. See also our biennial CSR-report where we document our deep and wide range of environmental and sustainability actions and programs, together with ever evolving new initiatives. What is good for the environment, is good for NHC – we strive to do our share.

ALLOCATION OF INCOME IN THE PARENT COMPANY
Norlandia Health & Care Group AS' result for 2021 ended at NOK 155.3 million. The Board of Directors has proposed the net profit of Norlandia Health & Care Group AS to be allocated as follows: NOK 155.3 million to other equity.

INSURANCE FOR BOARD MEMBERS AND GENERAL MANAGER
The Group has insurance for members of the Board of Directors, CEO and managers for subsidiaries for liability incurred from the Group or any third party related to responsible actions or neglect in their role as board members or executive management of the Group. The coverage is limited to NOK 100 million.

Oslo, 26 April 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

Statement from the Board of Directors

Norlandia Health & Care Group AS' consolidated financial statements have been prepared and presented in accordance with IFRSs and IFRICs as adopted by the EU and additional disclosure requirements in the Norwegian Accounting Act, that should be used as of 31.12.2021.
The separate financial statements for Norlandia Health & Care Group AS have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31.12.2021. The Board of Directors report for the group and the parent company is in accordance with the requirements of the Norwegian Accounting Act and Norwegian accounting standard, as of 31.12.2021.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2021 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position, and result of operations as a whole as of 31.12.2021, for the Group and the Parent company.

The Board of Directors' report for the Group and the Parent company include a true and fair review of:

- The development and performance of the business and the position of the Group and the Parent company.
- The principal risks and uncertainties the Group and the Parent company face.

Oslo, 26 April 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

Consolidated Statement of Comprehensive Income

Norlandia Health & Care Group - for the year ended 31 December 2021

(Amounts in NOK thousand)

	Note	2021	2020
Revenue	4	5 933 763	5 313 829
Other income	4,12,21	41 788	75 680
Total revenue and income		**5 975 550**	**5 389 509**
Raw materials and consumables used		175 101	131 440
Staff costs	5	4 303 147	3 849 098
Depreciation and amortisation expense	8,9,12	554 212	501 308
Other operating expenses	5,12	704 637	638 910
Total operating expenses		**5 737 097**	**5 120 755**
Profit from operations		**238 453**	**268 754**
Finance income	6	69 233	21 769
Finance expense	6,12	-258 248	-345 285
Share of post-tax profits of associates	11,12	-1 216	5 935
Net finance		**-190 232**	**-317 582**
Profit/loss (-) before tax		**48 221**	**-48 828**
Tax expense	7	-4 531	33 298
Profit/loss (-)		**43 690**	**-15 530**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	19	5 802	-20 778
Deferred tax on remeasurement of post employment benefit obligation	16	-1 276	4 571
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		-27 139	46 637
Total other comprehensive income		**-22 614**	**30 431**
Total comprehensive income		**21 076**	**14 901**
Profit/loss owners of the company		47 016	-9 316
Profit/loss non-controlling interests		-3 326	-6 214
Profit/loss (-)		**43 690**	**-15 530**
Total comprehensive income owners of the company		25 549	15 568
Total comprehensive income non-controlling interests		-4 473	-667
Total comprehensive income		**21 076**	**14 901**

Consolidated Statement of Financial Position

Norlandia Health & Care Group - for the year ended 31 December 2021

(Amounts in NOK thousand)

ASSETS

	Note	2021	2020
Non-current assets			
Property, plant and equipment	8	663 394	463 293
Right-of-use assets	12	4 186 467	3 799 355
Deferred tax asset	16	120 790	116 846
Goodwill	9	1 906 183	1 652 356
Intangible assets	9	563 524	599 179
Investment in associated companies	11	31 076	54 306
Other investments	3	12 211	18 628
Other receivables	13, 21	41 600	40 859
Total non-current assets		**7 525 245**	**6 744 821**
Current assets			
Inventories		8 150	5 163
Trade and other receivables	13, 21	483 024	427 491
Cash and cash equivalents	22	301 186	285 360
Total current assets		**792 360**	**718 013**
Total assets		**8 317 605**	**7 462 835**

Consolidated Statement of Financial Position

Norlandia Health & Care Group - for the year ended 31 December 2021
(Amounts in NOK thousand)

EQUITY AND LIABILITIES

	Note	2021	2020
Equity attributable to owners of the parent			
Share capital	14	312 000	300 000
Other equity		148 974	-26 662
Total equity attributable to owners of the parent		**460 974**	**273 338**
Non-controlling interest		11 001	17 698
Total equity		**471 974**	**291 036**
Non-current liabilities			
Pension liabilities	19	101 404	116 464
Loans and borrowings	15, 23	2 124 400	118 016
Lease liability	12	4 050 022	3 588 402
Deferred tax liability	16	148 508	149 925
Provisions		2 990	3 203
Total non-current liabilities		**6 427 324**	**3 976 009**
Current liabilities			
Trade and other payables	16, 17	930 057	902 146
Loans and borrowings	15, 23	51 037	1 892 293
Lease liability	12	416 784	388 728
Taxes payable	16	20 428	12 623
Total current liabilities		**1 418 307**	**3 195 789**
Total liabilities		**7 845 631**	**7 171 799**
Total equity and liabilities		**8 317 605**	**7 462 835**

Oslo, 26 April 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

Consolidated Statement of Changes in Equity

Norlandia Health & Care Group - for the year ended 31 December 2021
(Amounts in NOK thousand)

	Share capital	Share premium	Retained earnings	Translation differences	Non-controlling interests	Total equity
31-Dec-19	300 000	-	-47 457	5 227	49 646	307 416
Comprehensive Income for the year						
Profit	-	-	-9 316	-	-6 214	-15 530
Other comprehensive Income	-	-	-12 240	37 125	5 547	30 431
Total comprehensive Income for the year	**-**	**-**	**-21 556**	**37 125**	**-667**	**14 901**
Contributions by and distributions to owners						
Distribution to non-controlling interests	-	-	-	-	-15 484	-15 484
Distribution to owners	-	-	-	-	-	-
Acquisition of shares from non-controlling interest (note 11)	-	-	-	-	-15 797	-15 797
Total contributions by and distributions to owners	-	-	-	-	-31 281	-31 281
31-Dec-20	300 000	-	-69 013	42 352	17 698	291 036
Comprehensive Income for the year						
Profit	-	-	47 016	-	-3 326	43 690
Other comprehensive Income	-	-	4 526	-25 992	-1 147	-22 614
Total comprehensive Income for the year	**-**	**-**	**51 541**	**-25 992**	**-4 473**	**21 076**
Contributions by and distributions to owners						
Capital increase (note 15 and 20)	12 000	167 784	-17 699	-	-	162 085
Distribution to non-controlling interests	-	-	-	-	-2 224	-2 224
Group distribution to parent company	-	-	-	-	-	-
Acquisition of shares from non-controlling interest (note 11)	-	-	-	-	-	-
Total contributions by and distributions to owners	12 000	167 784	-17 699	-	-2 224	159 861
31-Dec-21	**312 000**	**167 784**	**-35 170**	**16 360**	**11 001**	**471 974**

Consolidated Statement of Cash Flow

Norlandia Health & Care Group - for the year ended 31 December 2021
(Amounts in NOK thousand)

	Note	2021	2020
Cash flows from operating activities			
Profit for the year		43 690	-15 530
Adjustments for:		-	-
Depreciation of property, plant and equipment	8	509 930	457 719
Amortisation of intangible fixed assets	9	44 282	43 588
Share of post-tax profits of associates	11	1 216	-5 935
Gain/loss on sale of real estate and business		-33 994	-73 173
Interest income/interest expense and financial items		189 016	323 516
Income tax expense	7	4 531	-33 298
Changes in working capital			
Changes in accounts receivable and payables		-53 181	-29 869
Increase in inventories		-2 987	1 821
Increase in trade and other payables		-33 793	119 565
Increase in provisions and employee benefits		-47 812	33 959
Cash generated from operations		**620 898**	**822 364**
Income taxes paid		-13 524	-4 113
Net cash flows from operating activities		**607 374**	**818 251**
Investing activities			
Proceeds from sale of assets		308 649	408 501
Purchases of property, plant and equipment	8	-136 527	-145 122
Net investment in shares in associates and others	11, 20	-	-6 077
Net investment in shares in subsidiaries	20	-126 130	-53 531
Net changes in financial receivables	6	-5 294	10 812
Interest received		1 877	682
Net cash used in investing activities		**42 575**	**215 266**
Financing activities			
Changes of long-term loan to finance institutions	15, 23	19 448	-102 282
Changes in short-term loan to finance institutions	15	-7 763	-179 612
Interest paid	6	-225 911	-229 674
Lease lialibility - amortisation		-414 701	-366 614
Payment to non-controlling interest		-2 189	-31 281
Distribution to owners	11	-	-
Net cash (used in)/from financing activities		**-631 116**	**-909 464**
Net increase in cash and cash equivalents		18 833	124 053
Cash and cash equivalents at beginning of year	22	285 360	169 107
Exchange (losses)/gains on cash and cash equivalents		-3 006	-7 800
Cash and cash equivalents at end of year		**301 186**	**285 360**

Notes to the consolidated statements

1. ACCOUNTING POLICIES

Basis of preparation
The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements have been prepared under the historical cost convention, as modified by valuing financial derivative instruments at fair value through profit or loss.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

Norlandia Health & Care Group AS was established in December 2016. This was done by transferring the shares in Norlandia Care Group AS, Hero Group AS, Aberia Healthcare AS and Kidsa Barnehager AS, from Hospitality Invest to a newly incorporated and 100% owned subsidiary.

The transfer to the newly incorporated subsidiary is considered to be a common control transaction outside the scope of IFRS 3 Business Combinations. IFRS 3 Business Combinations does not provide specific guidance on how to account for common control transactions. Norlandia Health & Care Group has established policies to account for these transactions in order to present historical figures as if the Group had prepared separate financial statements in the past. Book values have been used to account for all restructuring transactions as if the reorganisation occurred at the beginning of the first period presented.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

New standards, interpretations and amendments

There are no changes in, or new accounting standards that have had a material effect for the Group´s financial statements for 2021.

Applied principles

Revenue recognition
The Group's revenue from contracts with customers mainly comprise of services delivered. The Group also has some sales of goods, primarily food in preschools and in cantinas, which are immaterial to the total revenues and recognised as the food is served and is not disaggregated. The group has assessed the following performance obligations to exist for the contract with customers:

<u>Preschools</u>
This is the operation of kindergartens and accounts for almost half of the revenue. The operation is based on municipal approval of the individual kindergarten where the company's revenue consists of payment from the municipalities and payment from parents. Most of the payments are from the municipalities. Both are based on regulations where rates are updated annually. The transaction price is based on an amount per child within different age groups and is based on periodically counts of the actual number of children attending the respective kindergarten. The parents apply and choose kindergarten. Parents may change kindergarten at short notice, in which way parental payments stop. Payments from municipalities can be changed in the event of major changes in activity during the year.

What is promised to the customer is a kindergarten offer in accordance with applicable laws and regulations and adopted frameworks. The customer receives and consumes the benefits of the services as the kindergarten fulfils the performance obligation. The performance obligation is the promise to transfer to the customer a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. The revenue is recognised per day the kindergarten is open. Any adjustment in the number of children is a variable consideration that is allocated to the month in question. For the Norwegian operations, the payments are mainly received in advance in the beginning of the quarter four times each year, which also implies that there are no contract balances of significance at year-end. For the other countries payments is received every month. Parental payments take place every month.

Care
This is the operation of nursing homes and patient hotels, as well as the provision of home care services and other practical assistance. The contracts related to the operation of nursing homes and patient hotel have a duration of 5-7 years. For the home care services, the contract duration is 3-5 years.

For the operation of nursing homes in Norway, fixed monthly payments are given based on the number of places for which the nursing home is dimensioned, regardless of whether the places are in use or not. In Sweden the revenue varies per month due to the occupancy and number of days in the actual month. There are different types of places; short-term and dementia. For patient hotels, consideration is received based on actual occupancy, while for home care the consideration is determined based on the actual number of hours delivered. There is no minimum purchase beyond the agreed fixed monthly operating subsidy for nursing homes.

The performance obligation to the customer is to provide the respective services within the framework and guidelines set by the municipality as the client and central health authorities. The agreement is met through the 24/7 operation of nursing homes and patient hotels, as well as through delivery of the number of hours actually requested by users within the framework agreements related to the home care services. The customer receives and consumes the benefits of the services as the company satisfies the performance obligations.

For nursing homes, the company stands ready every day to deliver according to the agreed capacity. Although the actual number of seats used may vary slightly from day to day, a place does not stand empty for long, and it is considered that the legal requirement is met for each day that passes and revenue is recognised straight-line over the year.

For patient hotels and home care, there is no minimum purchase and no firm consideration. Everything is variable and the consideration can be attributed to the actual booking and the number of hours, which is also when the performance obligations are satisfied and revenue is recognised. In practice, for patient hotels and home care, revenue is recognised at an amount equal to the transaction price we are entitled to invoice (IFRS 15.B16). Invoicing takes place in arrears for the current month, which means that there are no contract balances of significance at year-end.

Integration services
This is the operation of asylum reception, performance of interpreting services and language teaching. The duration of the contracts related to the operation of asylum reception is mainly 3 years. Interpreting services are mainly performed based on orders for individual assignments. For language teaching, access per course/course group is granted. Each course normally has a duration of one year.

For the operation of asylum reception, regular annual payment are given, and a variable part is paid based on the actual number of residents. The consideration for interpreting service is based on either fixed hourly rate or price per word when translating document. For language teaching, a fee per course is received. What is promised to the customer is to operate the asylum centres in accordance with the current guidelines of the public authorities, the provision of interpreting services, as well as the implementation of training activities. The performance obligations are satisfied through the 24-hour operation of asylum reception, through the provision of interpretive services based on actual demand and implementation of the course activities stipulated in the respective tenders.
The customer receives and consumes the benefits of the services as the company satisfies the performance obligations.
For asylum centres, the company stands ready to deliver 24 hours of services each day, against fixed consideration. We are in a serial assessment where every day is distinct and the fixed consideration is recognised each day on a straight line basis. In addition, there is variable consideration related to actual use. The variable consideration is allocated to the actual use.

For the interpreting service there are small orders delivered over a short period. The interpreting service is recognised according to the hours performed or the number of words executed. In practice, revenue is recognised by an amount equal to the transaction price we are entitled to invoice (IFRS 15.B16). Consideration for courses is recognised as the courses are held. Courses make up an insignificant part of revenue, and in practice the courses are assumed to be held evenly over the agreed period and are recognized accordingly. For the operation of the asylum centres, invoicing is mainly for the current month. For interpreting service, the billing takes place within 30 days after delivery. As a general rule, when it comes to language teaching, 80% of the consideration is received at the start of the course. However, as it accounts for a small share of the Group's total activities, this does not provide any contract balances of significance at year-end.

Individual & Family

This is mainly the operation of child care and child welfare services, including services associated with user-led personal assistance (BPA). Framework agreements for these services may run over several years. The user may choose a care place and have the option to change the selection after a period, a maximum of one year. There are framework agreements where the customer makes call-offs, and payment takes place according to actual use. There are minimum purchases in some agreements, mainly in child protection.

For the operation of care, the price is agreed per day/weekend/day for the number of places that are actually used. For child welfare services, it is agreed on a minimum purchase and a number of additional places to be available without purchase obligation. The price is agreed per place per day and varies depending on whether the space is within the minimum purchase or not and whether this space is actually used or not. For BPA, the framework agreement is entered into based on the number of hours granted by the municipality, where the consideration consists in price per hour actually delivered.

What is promised to the customer is to operate the service offering in accordance with applicable law and regulations. The performance obligation is satisfied through the 24-hour operation of care, as well as child welfare institutions. For BPA, the promise is satisfied through the delivery of actual requested hours. The customer receives and consumes the benefits as the company satisfies the performance obligation. For all services within the segment, the company stands ready to provide requested places or services every day, against variable consideration. We are in a serial assessment where every day is distinct and the variable consideration is allocated to the actual use. Where there is a minimum purchase, a consideration for the relevant 24/7 will be received at the relevant rates for the used and not used seats, and these are directly related to standing ready to deliver the relevant 24/7. In practice, the revenue is recognised by an amount equal to the amount we are entitled to invoice (IFRS 15.B16). Billing takes place both in advance and in arrears for the current month depending on the type of service, which implies that there are no contract balances of significance at year-end.

Basis of consolidation

Where the company controls another entity it is classified as a subsidiary. The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Non-controlling interests

The Group initially recognise any non-controlling interest in the acquiree at fair value.

Goodwill

Goodwill represents the excess of the cost of a business combination over, the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired and, the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

The cost of a business combination comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.

Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Impairment of non-financial assets (excluding inventories and deferred tax assets)
Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill is not reversed.

Foreign currency
Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. The functional currency of the parent company is NOK. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Financial assets
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not designated any of its financial assets as hedging instruments or held to maturity.

The Group's accounting policy for each category of financial assets is as follows:

a) Fair value through profit or loss
This category comprises only in-the-money derivatives (see "Financial liabilities" section for out-of-money derivatives). They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line.

b) Financial assets at amortised cost
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all Financial assets at amortised cost. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's Financial assets at amortised comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities
The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. None of the Group's financial liabilities are designated as hedging instruments.

Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

a) Fair value through profit or loss
This category comprises derivatives. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but may from time to time hold such position for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

b) Amortised cost
Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

IFRS 13 fair value measurement hierarchy
IFRS 13 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs)(Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Share capital
Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Borrowing costs
Interest incurred on bank loan used to fund the assets under construction with a construction period exceeding 12 months is being capitalised as part of its cost, net of interest received on cash drawn down yet to be expended. The Group does not incur any other interest costs that qualify for capitalisation.

Retirement benefits: Defined contribution schemes
Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Retirement benefits: Defined benefit schemes
Defined benefit scheme surpluses and deficits are measured at: "the fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities.

Actuarial gains and losses are recognized in other comprehensive income as they arise.

Externally acquired intangible assets
Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

Internally generated intangible assets (development costs)
Expenditure on internally developed products is capitalised if it can be demonstrated that:
- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the depreciation and amortisation expense line in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the statement of comprehensive income as incurred.

Deferred taxation
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:
- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing" of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:
- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or" to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Dividends
Dividends are recognised when they become legally payable.

Property, plant and equipment
Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. Expected useful economic is as follows:

Land and buildings	10-40 years
Furniture, fixtures and equipment	3-30 years

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate, value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

Cash flow statement

The cash flow statement is derived using the indirect method. Cash flows from investing and financing activities are presented separately. Interest income and interest expenses are presented as part of investing and financial activities. Cash and cash equivalents comprise of bank deposits.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements and estimates

(a) Impairment of goodwill
The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. More information including carrying values is included in note 10. Any significant modification of market conditions could translate into an inability to recover the carrying amounts of non-financial assets; and result in an impairment charge in the income statement

(b) Useful lives of property, plant and equipment and intangible assets
Measurement of property, plant and equipment and intangible assets with finite useful lives requires estimates for determining the asset's expected useful lives and residual values. Management judgement is required to determine the components and the depreciation.

(c) Right-of-use-assets(ROU) and lease liability
Recognition of both ROU and lease liability require judgement and estimation for the length of the lease term, discount rate and the expected useful life.

(d) Deferred tax
Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in the foreseeable future. To the extent that future taxable income and the application of existing tax laws in each jurisdiction differ significantly from the Group's estimate, the ability of the Group to realize the deferred tax assets could be impacted.

Such judgements and estimates are based on the facts and information available to the management of the Group. Changes in facts and circumstances may require the revision of previous estimates, and actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Interest rate swaps
- Cross currency interest rate swaps

A summary of the financial instruments held by category is provided below:

Financial assets	Financial assets at fair value through profit or loss		Financial assets at amortised cost	
	2021	**2020**	**2021**	**2020**
Cash and cash equivalents	-	-	301 186	285 360
Trade and other receivables	-	-	483 024	427 491
Other long term receivables/investments	-	-	53 810	59 487
Total financial assets	**-**	**-**	**838 021**	**772 338**

Financial liabilities	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	
	2021	**2020**	**2021**	**2020**
Trade and other payables	-	-	930 057	902 146
Loans and borrowings	-	-	2 175 437	2 010 309
Financial lease liabilities	-	-	4 466 806	3 977 129
Derivatives	-	-	-	-
Total financial liabilities	**-**	**-**	**7 572 300**	**6 889 584**

Financial instruments measured at fair value

Fair value measurements at 31 December using

	Level 1		Level 2	
	2021	**2020**	**2021**	**2020**
Financial assets				
Derivative financial assets - FVTPL	-	-	-	-
Total financial assets	**-**	**-**	**-**	**-**
Financial liabilities				
Derivative financial liabilities - FVTPL	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Most of the Group's revenues are from (public) authorities. Credit risk related to these customers are minimal.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables are provided in note 13.

Market risk

The regulatory framework has a significant influence for the Group and our ability to deliver services with high quality. Political risk is therefore present as major shifts may have a significant impact on the way we deliver our services.

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. The Group has currently no Group policy restricting the level of interest risk exposure. The level of interest risk is monitored centrally. Local operations are not permitted to borrow long-term from external sources. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During 2021 and 2020, the Group's borrowings at variable interest rate were denominated in NOK and SEK.

Based on the various scenarios the Group has the possibility to manage its cash-flow interest rate risk by using floating-to-fixed interest rate swaps. The Group has not pursued an active strategy in order to mitigate any interest rate risk. Normally the Group has raised long-term borrowings at floating rates and only to a minor extent swapped them into fixed.

The ratio of floating interest bearing debt and interest rate swaps was as follows:

	2021	**2020**
Floating interest bearing borrowings	2 175 437	2 010 309
Face value interest rate swaps	-	-
Ratio	0,0 %	0,0 %
Net exposure interest rate risk	**2 175 437**	**2 010 309**

Sensitivity

A change in the interest rate curve will result in a changed interest cost for the net exposure will have a significant impact on the Group financial statements. The effect on interest payments for a 0.5% change is presented below.

	Interest expense	Effect on P&L	Effect on Equity
Effect of a 0.5% increase	10 877	8 484	8 484
Effect of a 0.5% decrease	-10 877	-8 484	-8 484

Foreign exchange risk

The Group has operations in Norway, Sweden, Finland, Netherland and Poland. Currency fluctuations may have a negative effect on the Group's financial conditions and results of operations. The Group is predominantly exposed to the SEK/NOK exchange rate as around 37% of revenues are generated in SEK. However, the Group has a corresponding share of costs in SEK and about 44% of its bond is denominated in SEK, both representing natural hedges to the operations. The Group has a small but growing exposure to the EUR/NOK exchange rate as operations in the Netherlands and Finland are growing (note 4), however this represent a natural hedge to the growing investments. The Group is monitoring the exposure and will consider hedging this exposure in the future. The effect from the bond issued if the NOK/SEK currency change is presented below.

	Currency effect	Effect on P&L	Effect on Equity
Effect of SEK weakens of 1.0% toward NOK	7 500	5 850	5 850
Effect of SEK strenghten of 1.0% toward NOK	-7 500	-5 850	-5 850

Other market price risk

There are no other significant marked risk exposure on financial instruments.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations.

The liquidity risk of each Group entity is managed centrally by the Group treasury function. A major focus for the treasury function is to ensure that there is sufficient liquidity for downpayment on non current borrowings when they are due. The Group treasury assesses the terms for borrowings on a ongoing basis, when needed the necessary adjustments are put into place.

The following table sets out the contractual maturities of financial liabilities:

	Between 1 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
At 31 December 2020					
Trade and other payables	902 146	-	-	-	-
Loans and borrowings	1 895 757	29 856	3 533	4 267	76 895
Lease liabilities	498 511	451 060	410 055	779 104	2 589 309
Total	**3 296 414**	**480 916**	**413 588**	**783 371**	**2 666 204**

	Between 1 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
At 31 December 2021					
Trade and other payables	930 057	-	-	-	-
Loans and borrowings	175 972	136 573	136 573	2 079 021	147 298
Lease liabilities	543 256	468 496	468 496	936 991	2 924 561
Total	**1 649 285**	**605 069**	**605 069**	**3 016 012**	**3 071 859**

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings) and net interest bearing debt. Adjusted EBITDA and adjusted capital is excluding the effects from IFRS 16.

The Group's objectives when maintaining capital are:
"to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk."

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to capital ratio and debt to adjusted-EBITDA. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents. Adjusted EBITDA is the reported EBITDA adjusted for the effects from IFRS 16.

The Group's strategy is to preserve a strong cash base and achieve an equity to total capital ratio of approximately 10% and maintain net interest-bearing debt below 5x adjusted EBITDA. As per end of 2021 the net interest-bearing debt ratio is above target due to acquisitions during 2021 and increased property portfolio. The objective of this strategy is to secure access to financing at reasonable cost by maintaining a high credit rating. The ratios for at 31 December 2021 and at 31 December 2020 were as follows:

	2021	**2020**
Loans and borrowings	2 175 437	2 010 309
Less: cash and cash equivalents	301 186	285 360
Net interest bearing debt	**1 874 251**	**1 724 949**
Total equity	**471 974**	**291 036**
EBITDA (adjusted)	**321 866**	**360 380**
Total capital (excluding IFRS 16 leasing)	**3 850 799**	**3 485 705**
Debt to equity ratio	4,0	5,9
Equity ratio (%)	12,3 %	8,3 %
Net interest bearing debt/EBITDA	5,8	4,8

4. SEGMENT INFORMATION, REVENUE AND OTHER OPERATING INCOME

The Group has five reportable segments in accordance with the reporting requirements in IFRS 8. The segments are managed separately and reflects the internal reporting. In addition there are owner cost at group level which are not allocated. The reportable segments are:

- Preschools - operates preschools with children in Norway, Sweden, Finland, the Netherlands and Poland and represent the largest segment within the Group. Long history within the Nordic markets with Norway representing more than half of the revenue.

- Care – provides individually focused elderly care and has grown to become a leading private operator of nursing homes, home care and patient hotels in the Nordics. In addition, the Group has in the recent years entered the home care market and also run a medical clinic. One of the largest private operators with Sweden representing more than half of the revenue.

- Integration services – provides care services related to immigrants and asylum seekers in the world and being one of the leading private operators. Main services are Reception centres, Education and Interpretation services. Norway is the largest operation representing more than half of revenue.

- Individual & family - provides health-, welfare- and care services for children and people with physical and mental disabilities in the Nordics. Services included are Child care institutions and foster homes, assisted living and user controlled personal assistance (BPA). Has become a significant player in the Nordics with Norway being the largest market.

- Real Estate - strategic part of the care business and the development of property is considered a separate segment as it invests, develops and divests properties to support the operations and growth of the Group.

The Group evaluates segmental performance on the basis of profit or loss from operations in accordance with IFRS adjusted for IFRS 16. Note 12 specify the IFRS 16 adjustment per category and included in the table below. Inter segment sales are reported as other operating expense per segment and eliminated against staff cost. All items above are presented in the table below as Other/eliminations. For 2021 and 2022 there is no reporting on balance per segments and as a consequence only profit or loss being included in the figures below.

2021	Preschools	Care	Integration services	Individual & Family	Real Estate	Other / Eliminations	Total
Revenues	3 127 787	1 714 067	233 772	864 628	2 486	-8 977	5 933 763
Other income	-2 611	664	3 696	29	102 874	-62 865	41 788
Total revenue and income	**3 125 176**	**1 714 731**	**237 469**	**864 657**	**105 360**	**-71 842**	**5 975 550**
Raw materials and consumables used	86 037	20 303	33 751	34 134	640	236	175 101
Staff costs	2 057 661	1 355 994	114 651	681 237	5 347	88 256	4 303 147
Depreciation and amortisation expense	62 610	20 495	5 827	7 995	897	456 389	554 212
Other operating expense	761 044	352 108	71 278	123 568	14 373	-617 734	704 637
Total operating expenses	**2 967 353**	**1 748 900**	**225 507**	**846 934**	**21 257**	**-72 853**	**5 737 097**
Profit from operations	**157 823**	**-34 169**	**11 962**	**17 722**	**84 103**	**1 011**	**238 453**
				-			
Finance income	-19 334	17 551	63	11 472	1 454	-36 478	21 769
Finance expense	-48 830	-10 619	-4 386	-10 918	-5 986	-83 005	-210 785
Share of post-tax profits from associates	-	-	-	-	-	-1 216	-1 216
Net finance	**-68 164**	**6 932**	**-4 323**	**555**	**-4 532**	**-120 699**	**-190 232**
Profit before tax	**89 659**	**-27 237**	**7 638**	**18 277**	**79 572**	**-119 688**	**48 221**

2020	Preschools	Care	Integration services	Individual & Family	Real Estate	Other / Eliminations	Total
Revenues	2 721 329	1 566 695	230 189	794 956	5 368	-4 708	5 313 829
Other income	251	818	72	21 366	113 129	-59 956	75 680
Total revenue and income	**2 721 580**	**1 567 513**	**230 261**	**816 322**	**118 496**	**-64 664**	**5 389 509**
Raw materials and consumables used	66 959	17 115	15 712	30 289	429	936	131 440
Staff costs	1 775 006	1 211 165	132 251	647 141	5 124	78 411	3 849 098
Depreciation and amortisation expense	53 091	24 043	5 468	6 779	1 027	410 899	501 308
Other operating expense	655 849	321 547	74 009	120 459	15 524	-548 478	638 910
Total operating expenses	**2 550 906**	**1 573 870**	**227 439**	**804 668**	**22 103**	**-58 231**	**5 120 755**
Profit from operations	**170 674**	**-6 357**	**2 822**	**11 654**	**96 393**	**-6 433**	**268 754**
Finance income	-18 422	-3 356	18 288	26 178	7 009	45 094	48 089
Finance expense	-38 235	1 374	-7 863	-7 216	-5 793	-340 575	-371 605
Share of post-tax profits from associates	-	-	-	-	-	5 935	5 935
Net finance	**-56 657**	**-1 982**	**10 425**	**18 963**	**1 216**	**-289 547**	**-317 582**
Profit before tax	**114 017**	**-8 338**	**13 247**	**30 617**	**97 609**	**-295 980**	**-48 828**

Revenues by major customers

Most of the revenues stems from public authorities.

Revenues by geography	**2021**	**2020**
Norway	2 780 844	2 758 912
Sweden	2 180 609	1 760 829
International	978 800	785 384
Real Estate/Other/Elimination	-6 491	8 704
Total revenues by geography	**5 933 763**	**5 313 829**

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%

2020	Preschools	Care	Integration services	Individual & Family	Other / Eliminations
Norway	49%	23%	80%	78%	0%
Sweden	25%	73%	7%	22%	0%
International	26%	4%	13%	0%	0%
Real Estate/Other/Elimination	0%	0%	0%	0%	100%
Total revenues by geography	100%	100%	100%	100%	100%

Other income	**2021**	**2020**
Gain on sale of assets	102 874	113 129
Deferred gain from sale leaseback and booked as reduced ROU	-64 982	-59 956
Gain on sale of business	3 641	20 145
Other	254	2 362
Total other income	**41 788**	**75 680**

Sale leaseback transactions

Gain on sale of assets in 2021 and 2020 relates to sale and leaseback transactions of property acquired or developed. The assets subject to the transactions were buildings used in the Preschool and Individual & Family operation. In connection with the transactions a lease contract was entered into. The lease term is 15 years, with an option for extension of 10 more years.

5. STAFF COSTS

	2021	2020
Staff costs (including directors) comprise:		
Wages and salaries	3 302 868	3 005 820
Defined contribution pension cost	252 501	179 440
Defined benefit pension cost (note 19)	37 707	36 251
Other benefits	50 235	36 073
Social security contributions and similar taxes	659 235	590 913
Remuneration to Board of Directors	600	600
Total payroll and related costs	**4 303 147**	**3 849 098**
Number of employees (FTE)	7 275	6 522

Name	**2021**	**2020**
Yngvar Tov Herbjørnssønn (CEO)	4 491	3 360
Total compensation	**4 491**	**3 360**

The group was established in December 2016 and no key management group has been identified for years 2021 and 2020. There are no agreements for any severance pay to the CEO or members of the Board.

Audit fees

The following amounts have been recognised as audit fees and related services during the period

	2021	2020
Audit	8 141	7 850
Tax services	304	101
Attestation services	1 318	77
Other services	1 879	461
Total	**11 642**	**8 489**

6. FINANCE INCOME AND EXPENSE

Recognised in profit or loss	**2021**	**2020**
Finance income		
Interest received on bank deposits and receivables	1 877	682
Other finance income	30	34
Gain on derivatives classified as held for trading	-	-
Foreign exchange gain	67 325	21 052
Total finance income	**69 233**	**21 769**
Finance expense		
Loss on derivatives	-	-
Interest expense on financial liabilities measured at amortised cost	106 708	104 477
Interest expense on lease liability	121 080	102 997
Other financial expenses	8 773	8 524
Foreign exchange loss	21 687	129 288
Total finance expense	**258 248**	**345 285**
Share of post tax profits of associates	**-1 216**	**5 935**
Net finance income recognised in profit or loss	**-190 232**	**-317 582**

7. TAX EXPENSE

	2021	2020
Current tax expense		
Current tax on profits for the year	21 893	14 697
Adjustment for under provision in prior periods	-	-
Total current tax expense	**21 893**	**14 697**
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	-17 362	-47 995
Changes not recognised in profit and loss	-	-
Unrecognised deferred tax assets	-	-
Total deferred tax expense	**-17 362**	**-47 995**
Income tax expense	**4 531**	**-33 298**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in Norway applied to profits for the year are as follows:

	2021	2020
Profit for the year	43 690	-15 530
Income tax expense	4 531	-33 298
Profit before income taxes	**48 221**	**-48 828**
Expected tax charge based on the standard rate of Norwegian corporation tax at the domestic rate of 22 %	10 609	-10 742
Gains not taxable/ Equity accounted associated companies	-9 193	-16 650
Change in tax rate for deferred tax	-	-
Expenses not deductible for tax purposes	244	-1 163
Effect of unrecognised deferred tax assets	2 872	-4 743
Total tax expense	**4 531**	**-33 298**

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Work in progress	Furniture, fixtures and equipment	Total
At 1 January 2020				
Cost	510 684	108 271	359 915	978 870
Accumulated depreciation	-161 636	-	-268 077	-429 713
Net book amount	**349 048**	**108 271**	**91 838**	**549 157**
Year ended 31 December 2020				
Opening book amount	349 048	108 271	91 838	549 157
Additions	82 979	21 740	40 663	145 382
Acquisition of subsidiary	115 485	-	7 960	123 445
Disposals	-295 372	-	-5 406	-300 778
Depreciation	-10 740	-	-42 455	-53 195
Impairment loss	-	-	-	-
Reclassification	-69 434	-17 222	86 657	-
Exchange differences	336	-671	-383	-718
Closing net book amount	172 302	112 118	178 874	463 293
At 31 December 2020				
Cost	344 678	112 117	489 406	946 201
Accumulated depreciation	-172 376	-	-310 532	-482 908
Net book amount	**172 302**	**112 117**	**178 874**	**463 293**
Year ended 31 December 2021				
Opening book amount	172 302	112 117	178 874	463 293
Additions	85 139	-	51 388	136 527
Acquisition of subsidiary	319 984	-	9 542	329 526
Disposals	-205 029	-	-	-205 029
Depreciation	-15 578	-	-44 162	-59 740
Impairment loss	-	-	-	-
Reclassification	56 099	-75 774	19 675	-
Exchange differences	-2 464	-1 169	2 451	-1 182
Closing net book amount	410 453	35 174	217 767	663 394
At 31 December 2021				
Cost	576 494	35 174	583 080	1 194 748
Accumulated depreciation	-166 041	-	-365 313	-531 354
Net book amount	**410 453**	**35 174**	**217 767**	**663 394**

Property, plant and equipment pledged as security for liabilities.

	2021	2020
Land and buildings, including work in progress	445 627	284 419

9. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
At 1 January 2020			
Cost or fair value	1 582 842	821 927	2 404 769
Accumulated amortisation	-	-194 497	-194 497
Net book amount	**1 582 842**	**627 430**	**2 210 272**
Year ended 31 December 2020			
Opening book amount	1 582 842	627 430	2 210 272
Additions	-	4 474	4 474
Acquisition of subsidiary	40 920	485	41 405
Disposals	-13 070	0	-13 070
Amortisation	-	-41 588	-41 588
Impairment loss	-2 000	-	-2 000
Exchange differences	43 664	8 377	52 041
Closing net book amount	1 652 356	599 178	2 251 534
At 31 December 2020			
Cost or fair value	1 652 356	835 264	2 487 620
Accumulated amortisation	-	-236 086	-236 086
Net book amount	**1 652 356**	**599 178**	**2 251 534**
Year ended 31 December 2021			
Opening book amount	1 652 356	599 178	2 251 534
Additions	2 969	1 258	4 227
Acquisition of subsidiary	269 606	28 324	297 930
Disposals	-	-	-
Amortisation	-	-42 625	-42 625
Impairment loss	-	-1 657	-1 657
Exchange differences	-18 748	-20 954	-39 703
Closing net book amount	1 906 183	563 524	2 469 707
At 31 December 2021			
Cost or fair value	1 906 183	842 235	2 748 417
Accumulated amortisation	-	-278 710	-278 710
Net book amount	**1 906 183**	**563 524**	**2 469 707**

The Group has no contractual commitments for development costs.

Current estimates of useful economic life of intangible assets are as follows:

Goodwill	Indefinite
Other intangible assets (mainly trade mark and customer contracts)	0 -20 years

10. GOODWILL AND IMPAIRMENT

Goodwill and other intangible assets result from business combinations and mainly relates to strategic investments in order to strengthen the platform for the provided services within the Group. Such investments provide synergies both between segments and countries as it enables developing new services and to seek business opportunities between countries. The managing directors within a segment operate across countries and businesses within a segment which is considered to be integrated. Goodwill and other intangible assets are allocated to the identified cash-generating units (CGU).

Impairment testing for cash-generating units (CGU) containing goodwill
The material amount of goodwill and other intangibles is allocated as follows between four CGU's:

	2021	2020
Preschools	1 031 793	760 886
Care	581 408	593 197
Integration services	127 883	129 927
Individual & family	165 099	168 346
Total goodwill	**1 906 183**	**1 652 356**

IMPAIRMENT TEST FOR THE PRESCHOOL CGU

Cash flow projections and assumptions
For the Preschool CGU the model was based on a five-year forecast of discounted cash flow plus a terminal value (calculated by Gordon's model). The net discounted cash flows were calculated after tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test include a five-year projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate assumptions
The required rate of return was calculated by use of the WACC methodology. The input data of the WACC was chosen by individual assessment of each parameter. Information from representative sources, peer groups etc. was used to determine the best estimate. The WACC was calculated to 6.0 % after tax.

Sensitivity analysis
The following sensitivity analysis were carried out to test whether changes in key assumptions would result in impairment:

1. Changes in cash flows:

The analysis showed that a decline in free cash flow in excess of 55% % was necessary to change the conclusion. The result indicated that there had to be a significant decline in the market situation to trigger impairment.

2. Changes in discount rates:

The analysis showed that an increase in discount rate of 4.9 % was needed to change the conclusion. The result indicated that the test was robust in terms of the level of discount rate.

Impairment - test result and conclusion
Value in use for the CGU's exceeds carrying amount. The impairment test indicated no requirement to write down.

IMPAIRMENT TEST FOR THE CARE CGU

Cash flow projections and assumptions
For the Care CGU the model was based on a five-year forecast of discounted cash flow plus a terminal value (calculated by Gordon's model). The net discounted cash flows were calculated after tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test include a five-year projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate assumptions
The required rate of return was calculated by use of the WACC methodology. The input data of the WACC was chosen by individual assessment of each parameter. Information from representative sources, peer groups etc. was used to determine the best estimate. The WACC was calculated to 6.0 % after tax.

Sensitivity analysis
The following sensitivity analysis were carried out to test whether changes in key assumptions would result in impairment:

1. Changes in cash flows:

The analysis showed that a decline in free cash flow in excess of 38 % was necessary to change the conclusion. The result indicated that there had to be a moderate decline in the market situation to trigger impairment.

2. Changes in discount rates:
The analysis showed that an increase in discount rate of 0.8 % was needed to change the conclusion. The result indicated that a significant change in the level of discount rate would trigger impairment.

Impairment - test result and conclusion
Value in use for the CGU's exceeds carrying amount. The impairment test indicated no requirement to write down. As the conclusion is somewhat sensitive for changes in the parameters the company will monitor closely the development each quarter the following year. At the same the Board is comfortable with the level of recognized goodwill and the expected development for the Care business going forward.

IMPAIRMENT TEST FOR THE INTEGRATION SERVICES CGU

Cash flow projections and assumptions
For the Integration Services CGU the model was based on a five-year forecast of discounted cash flow plus a terminal value (calculated by Gordon's model). The net discounted cash flows were calculated after tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test include a five-year projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate assumptions
The required rate of return was calculated by use of the WACC methodology. The input data of the WACC was chosen by individual assessment of each parameter. Information from representative sources, peer groups etc. was used to determine the best estimate. The WACC was calculated to 6.0 % after tax.

Sensitivity analysis
The following sensitivity analysis were carried out to test whether changes in key assumptions would result in impairment:

1. Changes in cash flows:
The analysis showed that a decline in free cash flow in excess of 50% was necessary to change the conclusion. The result indicated that there had to be a significant decline in the market situation to trigger impairment.

2. Changes in discount rates:
The analysis showed that an increase in discount rate of 3.8% was needed to change the conclusion. The result indicated that the test was robust in terms of the level of discount rate.

Impairment - test result and conclusion
Value in use for the CGU's exceeds carrying amount. The impairment test indicated no requirement to write down.

IMPAIRMENT TEST FOR THE INDIVIDUAL & FAMILY CGU

Cash flow projections and assumptions
For the Individual & Family CGU the model was based on a five-year forecast of discounted cash flow plus a terminal value (calculated by Gordon's model). The net discounted cash flows were calculated after tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test include a five-year projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate assumptions

The required rate of return was calculated by use of the WACC methodology. The input data of the WACC was chosen by individual assessment of each parameter. Information from representative sources, peer groups etc. was used to determine the best estimate. The WACC was calculated to 6.0 % after tax.

Sensitivity analysis

The following sensitivity analysis were carried out to test whether changes in key assumptions would result in impairment:

1. Changes in cash flows:

The analysis showed that a decline in free cash flow in excess of 72% was necessary to change the conclusion. The result indicated that there had to be a significantly decline in the market situation to trigger impairment.

2. Changes in discount rates:

The analysis showed that an increase in discount rate of 9.9% was needed to change the conclusion. The result indicated that the test was robust in terms of the level of discount rate.

Impairment - test result and conclusion

Value in use for the CGU's exceeds carrying amount. The impairment test indicated no requirement to write down.

11. SUBSIDIARIES AND ASSOCIATES

List of subsidiaries

Norlandia Health & Care Group AS was established in December 2016. This was done by transferring the shares in Norlandia Care Group AS, Hero Group AS, Aberia Healthcare AS and Kidsa AS, from Hospitality Invest to a newly incorporated 100% owned subsidiary (Norlandia Health & Care Group AS).

The material subsidiaries of Norlandia Health & Care Group AS, all of which have been included in these consolidated financial statements are as follows:

Name	Country of incorporation	Place of office	Ownership interest 2021	2020
Norlandia Care Group AS	Norway	Bodø	100%	100%
Kidsa Drift AS	Norway	Bergen	100%	100%
Hero Group AS	Norway	Stavanger	100%	100%
Aberia AS	Norway	Oslo	100%	100%
NHC Eiendom AS	Norway	Oslo	100%	100%
Care Properties AS	Norway	Oslo	100%	100%
NHC Services AS	Norway	Moss	100%	100%
NH Europe Holding AS	Norway	Oslo	100%	49%
Material operating companies				
Norlandia Barnehagene AS	Norway	Oslo	100%	100%
Norlandia Barnehagene II AS	Norway	Oslo	100%	100%
Kidsa Barnehager AS	Norway	Bergen	100%	100%
Norlandia Förskolor AB	Sweden	Stockholm	100%	100%
Kids2Home AB	Sweden	Stockholm	100%	100%
Norlandia Päiväkodit Oy	Finland	Helsinki	100%	100%
Norlandia Kinderopvang BV	Netherlands	Utrecht	100%	100%
Norlandia Kinderopvang Rotterdam B.V.	Netherlands	Utrecht	100%	100%
Norlandia Care Norge AS	Norway	Oslo	100%	100%
Norlandia Hjemmeomsorg AS	Norway	Oslo	100%	100%
Norlandia Care OY	Finland	Tampere	100%	100%
Norlandia Care AB	Sweden	Stockholm	100%	100%
Kosmo AB	Sweden	Stockholm	100%	100%
Hero Norge AS	Norway	Stavanger	100%	100%
Aberia Ung AS	Norway	Moss	100%	100%
Aberia Omsorg AS	Norway	Moss	100%	100%
Marcus Assistans AB	Sweden	Örebro	76%	76%

Investment in associated companies

	2021	2020
Investment in associates as of 01.01	**54 306**	**41 596**
Share of post-tax profits of associates	-1 216	5 935
Gain on transfers to subsidiaries	-	-
New investment in associates	7 486	6 776
Transfer to subsidiaries	-29 500	-
Other changes	-	-
Disposal of investment associates	-	-
Investment in associates as of 31.12	**31 076**	**54 306**

12. LEASES

Lease contracts
The Group leases the majority of its offices, hotels, preschools, nursing homes and houses. Lease agreements typically run for 10+ years within preschools and less for the other segments. Preschools represent more than 60% of the total ROU, while Care represent more than 25%. Contracts normally include an option to prolong the lease The Group has not included any such prolonging due to the uncertainty related to the long remaining lease. Interest rate is estimated per country and vary between 2.5-3.6%. Contracts with less than 12 month obligation or payments related to revenue is not capitalized. Lease payments are subject to annual KPI adjustment.

	2021	2020
Right of use asset		
Balance at 1 January	3 799 355	3 326 194
Additions	564 182	749 518
Acquisition of subsidiary	396 619	-
Disposals	-	-
Depreciation	-449 440	-404 525
Exchange differences	-124 248	128 167
Year ended 31 December	**4 186 467**	**3 799 355**
Maturity analysis - undiscounted cash		
Less than one year	543 252	498 511
One to five years	1 873 986	1 640 218
More than five years	2 924 561	2 589 309
Total undiscounted lease liabilities 31	**5 341 799**	**4 728 039**
Lease liabilities incl. in the statement of financial position 31 December	**4 466 806**	**3 977 129**
Current	**416 784**	**388 728**
Non-current	**4 050 022**	**3 588 402**

The table below illustrate the effects for profit and loss as if right of use assets and lease liabilities had not been capitalized in accordance with IFRS 16 and no gain on sale and lease-back had been eliminated, and instead all lease payments had been expensed.

	2021	IFRS 16 effects	2021 Adjusted	2020	IFRS 16 effects	2020 Adjusted
Revenue	5 933 763		5 933 763	5 313 829		5 313 829
Other income	41 788	64 982	106 770	75 680	59 956	135 636
Total revenue and income	**5 975 550**	**64 982**	**6 040 532**	**5 389 509**	**59 956**	**5 449 465**
Raw materials and consumables used	175 101		175 101	131 440		131 440
Staff costs	4 303 147		4 303 147	3 849 098		3 849 098
Depreciation and amortisation expense	554 212	-449 440	104 772	501 308	-404 525	96 783
Other operating expenses	704 637	535 781	1 240 417	638 910	469 637	1 108 547
Total operating expenses	**5 737 097**	**86 341**	**5 823 438**	**5 120 755**	**65 112**	**5 185 867**
Profit from operations	**238 453**	**-21 359**	**217 094**	**268 754**	**-5 156**	**263 598**
Finance income	69 233		69 233	21 769		21 769
Finance expense	-258 248	121 080	-137 168	-345 285	102 995	-242 290
Share of post-tax profits of associates	-1 216		-1 216	5 935		5 935
Net finance	**-190 232**	**121 080**	**-69 152**	**-317 582**	**102 995**	**-214 587**
Profit before tax	**48 221**	**99 721**	**147 942**	**-48 828**	**97 839**	**49 011**

13. TRADE AND OTHER RECEIVABLES

	Note	2021	2020
Trade receivables		297 446	210 842
Less: provision for impairment of trade receivables		-13 025	-11 185
Trade receivables - net		284 421	199 658
Other receivables		240 203	268 692
Total financial receivables classified as loans and receivables		**524 624**	**468 350**
Less: non-current portion - Loan to related parties	21	3 525	587
Less: non-current portion - other receivables		38 075	40 272
Current portion		**483 024**	**427 491**

The fair values of trade and other receivables classified as loans and receivables are not materially different to their carrying values.

The Group does not hold any collateral as security.

Movements on the Group provision for impairment of trade receivables are as follows:

	2021	2020
At 1 January	11 185	8 455
Provided during the year	1 840	2 730
Receivable written off during the year as uncollectible	-	-
At 31 December	**13 025**	**11 185**

The movement on the provision for impaired receivables has been included in the other operating expenses line in the consolidated statement of comprehensive income.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

Aging analysis on trade receivables	Total	Not due (less than 30 days)	30-60 days	60-90 days	More than 90 days
2021	297 446	281 281	2 063	398	13 704
2020	210 842	188 625	7 919	498	13 801

14. SHARE CAPITAL, SHAREHOLDERS, DIVIDENDS AND RESERVES

Share capital

(Amounts in NOK)	**2021**	**2021**	**2020**	**2020**
	Number	NOK	Number	NOK
Ordinary shares of NOK 10.4 each	30 000 000	312 000 000	30 000 000	300 000 000
Total	**30 000 000**	**312 000 000**	**30 000 000**	**300 000 000**

Shareholders

Each share gives the shareholder one voting right.

Hospitality Invest AS	29 100 000	97,00%
Stork Industries AS	450 000	1,50%
Cowry EV AS	450 000	1,50%
Total	**30 000 000**	**100,00%**

Kristian A. Adolfsen holds, directly and indirectly, 45.94 % of the shares in Hospitality Invest AS
Roger Adolfsen holds, directly and indirectly, 45.94% of the shares in Hospitality Invest AS
Yngvar Tov Herbjørnssønn holds, directly and indirectly, 100% of the shares in Cowry EV AS

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

15. LOANS AND BORROWINGS

The book value and fair value of loans and borrowings are as follows:	Book value 2021	Fair value 2021	Book value 2020	Fair value 2020
Non-Current				
Interest bearings loans	2 124 400	2 124 400	118 016	118 016
Total non current	**2 124 400**	**2 124 400**	**118 016**	**118 016**
Current				
Interest bearings loans	51 037	51 037	1 892 293	1 892 293
Total non current	**51 037**	**51 037**	**1 892 293**	**1 892 293**

The currency profile of the Group's loans and borrowings is as follows:
(Currency in NOK)

	2021	**2020**
NOK	1 434 521	862 459
SEK	740 916	1 147 850
Total	**2 175 437**	**2 010 309**

Borrowings as of 31.12.2021	Interest	Amount	Due date
Debt to Husbanken	0.897%-2.438%	214 098	2050
Bond issued 2021	NIBOR +5.75%	1 682 299	2025
Other debt/property debt		279 039	
Total		**2 175 437**	

Borrowings as of 31.12.2020	Interest	Amount	Due date
Debt to Husbanken	1.510%-2.869%	22 342	2050
Bond issued 2016	NIBOR +4.5%	1 892 184	2021
Other debt/property debt		95 783	
Total		**2 010 309**	

In May 2021 the Group successfully refinanced its bond and secured long term financing until 2025. The settlement and new bond was in a single transaction and several investors rolled over their investment into the new bond. From a cashflow perspective the Group did only incur directly related transaction costs included as part of the financing activities. As part of the refinancing the Hospitality Invest AS converted an equal of NOK 150 million in obligations debt to equity, lowering the external financing. The new bond is a senior secured sustainability-linked bond due in May 2025. The bond consists of a 950 million NOK tranche and a 750 million SEK tranche. As per December 2021 MNOK 21.7 of unamortised borrowing costs. Subsidiaries are pledged as collateral together with a majority of material operating companies. See note 3, 18 and 23 for further information regarding the bond.

On top of the bond financing the Group is allowed to have a total of NOK 350 million in credit facilities, of which NOK 218 was undrawn as per December 2021.

16. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 22 %.
The movement on the deferred tax account is as shown below:

	2021	2020
At 1 January	-33 079	-85 645
Recognised in profit and loss	-	-
Tax expense	17 362	47 995
Recognition of previously unrecognised deferred tax assets	-	-
Recognised in other comprehensive income	-1 276	4 571
	-16 993	**-33 079**
Arising on business combination	-10 725	-
At 31 December	**-27 718**	**-33 079**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	Asset 2021	Liability 2021	Net 2021	(Charged)/ credited to profit or loss 2021	(Charged)/ credited to equity or from BC 2021
Fixed assets	70 279	-139 627	-69 348	36 275	-10 725
Accounts receivable	2 056	-	2 056	146	-
Pensions	23 742	-4 647	19 096	-4 479	-1 276
Profit and loss account	-	-2 317	-2 317	335	-
Provisions	50 395	-1 918	48 477	-6 262	-
Tax loss carried forward	13 336	-	13 336	4 424	-
Tax asset/(liabilities)	**159 809**	**-148 508**	**11 301**	**30 440**	**-12 001**
Set off of tax	-	-	-	-	-
Unrecognised deferred tax asset	-39 019	-	-39 019	-13 078	-
Net tax assets/(liabilities)	**120 790**	**-148 508**	**-27 718**	**17 362**	**-12 001**

	2020	2020	2020	2020	2020
Fixed assets	42 391	-137 289	-94 898	36 041	-
Accounts receivable	1 910	-	1 910	854	-
Pensions	27 782	-2 931	24 851	1 272	4 571
Profit and loss account	-	-2 652	-2 652	1 034	-
Provisions	61 792	-7 053	54 739	40 531	-
Tax loss carried forward	8 912	-	8 912	-5 797	-
Tax asset/(liabilities)	**142 787**	**-149 925**	**-7 138**	**73 935**	**4 571**
Set off of tax	-	-	-	-	-
Unrecognised deferred tax asset	-25 941	-	-25 941	-25 941	-
Net tax assets/(liabilities)	**116 846**	**-149 925**	**-33 079**	**47 994**	**4 571**

The unused tax losses and deductible temporary differences can be carried forward indefinitely. Deferred tax assets are recognized as an asset as the Group expect to utilize these with expected profit in the coming years. For 2020 and onward the Group has decided not to recognize a tax asset related to the deferred interest charges as these may only be carried forward for 10 years and it is uncertain that these may be utilized.

	2021	2020
Taxes payable in consolidated Statement of Comprehensive	20 428	12 623
Prepaid tax	18 927	17 292
Taxes payable in Statement of Financial Position	**1 501**	**-4 669**

17. TRADE AND OTHER PAYABLES

	2021	2020
Trade payables	129 528	125 111
Tax and social security payments	255 344	292 528
Other short term debt	545 186	484 507
Total financial liabilities, excluding loans and borrowings,		
Classified as financial liabilities measured at amortised cost	**930 057**	**902 146**

Book values approximate to fair value at 31 December 2021 and 2020.

18. SUPPORTING STATEMENT OF CASH FLOWS

	Non-current loans and borrowings	Current loans and borrowings	Lease liabilities	Total
At 1 January 2020	1 904 405	204 842	3 405 907	2 109 247
Cash flows	-102 282	-179 612	-366 642	-281 894
Net amounts from purchase and sale of companies	98 847	-	-	98 847
Effects of foreign exchange	109 230	-	128 167	109 230
Interests accrued in period	-	-25 121	-	-25 121
Addition	-	-	809 474	809 474
Change in fair value	-	-	-	-
Reclassified	-1 892 184	1 892 184	-	-
At 31 December 2020	**118 016**	**1 892 293**	**3 976 906**	**5 987 215**
Cash flows	19 448	-7 763	-414 701	-403 016
Net amounts from purchase and sale of companies	177 729	14 478	412 519	604 726
Effects of foreign exchange	-19 125	-	-137 082	-156 207
Interests accrued in period	-	2 029	-	2 029
Addition	-	-	629 164	629 164
Capital increase (converted debt to equity)	150 000	-	-	150 000
Re-financed bond	1 678 332	-1 850 000	-	-171 668
At 31 December 2021	**2 124 400**	**51 037**	**4 466 806**	**6 642 243**

19. RETIREMENT BENEFITS

At 31.12.2021, a total of 11,370 employees in the Group are included in a defined contribution plan. The plan is in accordance with the laws and regulations concerning obligatory pension plans. The costs in connection with the plan are recognized in accordance with premiums paid. The Group's defined benefit plan through 2021 includes 563 employees. The plan involves lifelong pension from 67 years. The pension plans are accounted for in accordance with IAS 19 Employee benefits. Defined benefit plans give rise to defined future payments. These are mainly dependent on number of years of service, salary level at retirement and the level of payments received from Social Security. The obligations are covered through an insurance company.

	2021	2020
Pension costs for defined contribution schemes	252 501	179 440

Details of the Group's defined benefit schemes are as follows:

	2021	2020
Fair value of plan assets	379 160	345 579
Present value of funded obligations	469 125	458 480
Change in net obligation as a result of business combination	10 220	-35
Net pension obligations	**100 185**	**112 866**

Reconciliation of plan assets	**2021**	**2020**
At 1 January	345 459	313 179
Expected return	5 043	5 977
Contributions by Group	47 148	29 844
Benefits paid	-1 691	-1 650
Actuarial gain/(loss)	-16 474	104
Settlements	-	-
Administration fees	-326	-299
Change as a result of business combination	43 450	-1 695
At 31 December	**422 610**	**345 459**

Reconciliation of plan liabilities	**2021**	**2020**
At 1 January	458 325	413 138
Interest cost	7 874	9 524
Current service cost	32 521	31 488
Benefits paid	-1 691	-1 650
Actuarial (gain)/loss	-22 276	20 446
Social security tax	-5 629	-13 119
Settlements	-	-
Change as a result of business combination	53 670	-1 502
At 31 December	**522 795**	**458 325**

	2021	2020
Actuarial gains and losses recognised in OCI	**5 802**	**-20 778**

Pension cost (defined benefit plan)	**2021**	**2020**
Current service cost	29 827	27 843
Net interest cost	2 237	2 800
Administration costs	1 135	1 382
Accrued social security tax	4 508	4 226
Net pension cost	**37 707**	**36 251**

Principal actuarial assumptions	**31.12.2021**	**31.12.2020**
Discount rate on plan liabilities	1,9 %	1,7 %
Expected increase in pensionable salary	2,8 %	2,3 %
Future G-increase	2,5 %	2,0 %
Future pension increase	0,0 %	0,0 %
Turnover	8,7 %	8,7 %
Social security tax	14,1 %	14,1 %

20. ACQUISITIONS DURING THE PERIOD AND COMPLETED PRIOR PERIODS

Acquisitions during 2021

Acquisitions during 2021 have been made primarily in the preschool segment and total consideration was MNOK 126, which has been paid during 2021. Gnist Barnehager AS has been consolidated from 1.10.2021. In addition, the Group's owner (Hospitality Invest AS) transferred 51% of the shares in NH Europe Holding AS to the Group, which now owns 100% of the outstanding shares. The transfer of the shares in NH Europe Holding AS has been booked as a capital injection, using book values in the consolidated statements of Hospitality Invest AS and considered as outside the scope of IFRS 3. The total book value of the 51% shares were MNOK 29.8 and no cash were transferred. The net effect of this common control transaction at book values was a reduction in equity of MNOK -17.7. A significant part of the reduction was IFRS 16 liabilities being higher than ROU, due to prior sale leaseback transactions. The transaction was finalized in connection with the refinancing of the bond loan in May 2021, and NH Europe Holding AS has been consolidated from this point in time. Comparative figures have not been restated due to immateriality.

All business combinations during 2021, including NH Europe Holding AS resulting in an addition to goodwill of MNOK 270 million, intangible assets of MNOK 28, Right-of-use assets of MNOK 397, Lease liability of MNOK 424, fixed assets of MNOK 330, Deferred tax liabilities of MNOK 11 and interest bearing debt of MNOK 278. Cash in acquired companies has primarily been prepayments from municipalities, where corresponding unsatisfied performance obligations were recognised as liabilities. No amount of goodwill is expected to be deductible for tax purposes. No transactions costs have been booked as part of these transactions.

Acquisitions during 2020

Acquisitions during 2020 have been made primarily in the preschool segment within Norway, Sweden and Finland, with Sprelloppbarnehagene being the largest. All business combinations during 2020 resulting in an addition to intangible assets of total MNOK 41.4.

21. TRANSACTIONS WITH RELATED PARTIES

In addition to the transactions described in note 11, the financial statements include the following transactions with related parties.

Related party	**Relation to the Group**
Kristian Adolfsen	Shareholder in Hospitality Invest AS, board member in the Group
Roger Adolfsen	Shareholder in Hospitality Invest AS, board member in the Group
Hospitality Invest AS	Major shareholder 97%
Pioneer Property Group ASA	Significant ownership interest from the same shareholders
Pioneer Preschools AS	Significant ownership interest from the same shareholders
Älvbäck Fastighets AB	Significant ownership interest from the same shareholders

Transaction with related parties (Amounts in NOK)	**2021**	**2020**
Receivables from related parties		
Pioneer Property Group ASA		
Älvbäck Fastighets AB	3 452	
Total receivable related parties	**3 452**	**-**
Liabilities to related parties		
Hospitality Invest AS	24 680	24 314
Total liability related parties	**24 680**	**24 314**
Interest received		
Pioneer Property Group AS	-	-
Interest received from related parties	**-**	**-**

Sale of assets to related parties	**2021**	**2020**
Sale of property to Pioneer Preschools AS	14 610	-
Total sale off assets to related parties	**14 610**	**-**

Rent of properties from related parties		
Rent of properties from Pioneer Property Group ASA	1 350	12 008

22. CASH AND CASH EQUIVALENTS

	2021	2020
Cash related to payroll tax witholdings	10 774	2 738
Unrestricted cash	290 412	282 622
Total cash and cash equivalents	**301 186**	**285 360**

23. DESCRIPTION OF INCURRENCE COVENANT AND FINANCIAL COVENANT

The senior secured bond issued in December 2021 includes an incurrence covenant and a financial covenant. Certain actions and transactions, inter alia issuance of new debt and payment of dividends, is subject to the satisfaction of an incurrence test. The incurrence test considered satisfied provided that:

Total Net Debt / EBITDA = not greater than 3.75 (3.25 for payment of dividends)

The financial covenant requires the Group to at all time satisfy a minimum liquidity of NOK 100.000.000, including not utilized overdraft credit facilities.

24. EVENTS AFTER THE REPORTING DATE

No material events has been identified after the reporting date which might have had a significant effect on the consolidated financial Statements.

Income statement

Norlandia Health & Care Group AS - for the year ended 31 December 2021
(Amounts in NOK thousand)

	Note	2021	2020
Revenue		2 227	1 928
Operating Revenue		**2 227**	**1 928**
Staff costs		3 006	1 739
Other operating expenses		8 523	5 141
Operating expenses		**11 529**	**6 880**
Operating profit		**-9 302**	**-4 952**
Financial income and expenses			
Other interest income		35 347	33 653
Other financial income	1	256 632	184 758
Other interest expenses		-98 384	-93 744
Other financial expenses	1	-7 755	-129 241
Net financial income and expenses		**185 839**	**-4 574**
Operating result before tax		176 537	-9 527
Tax on ordinary result	2	-21 202	3 523
Operating result after tax		**155 335**	**-6 004**
Annual net profit		**155 335**	**-6 004**
Brought forward			
To other equity		155 335	-6 004
Net brought forward		**155 335**	**-6 004**

Balance sheet

Norlandia Health & Care Group - for the year ended 31 December 2021

(Amounts in NOK thousand)

ASSETS

	Note	2021	2020
Fixed assets			
Deferred tax asset	2	-	21 202
Total intangible assets		**-**	**21 202**
Financial fixed assets			
Investments in subsidiaries	5	1 656 454	1 598 054
Investment in associated companies	5	-	28 616
Loans to group companies	6	745 552	689 381
Bonds and other receivables	7	-	-
Total financial fixed assets		**2 402 006**	**2 316 051**
Total fixed assets		**2 402 006**	**2 337 253**
Current assets			
Debtors			
Other receivables	6	190 783	185 051
Total debtors		**190 783**	**185 051**
Cash and bank deposits	9	45 720	68 096
Total current assets		**236 503**	**253 146**
Total assets		**2 638 508**	**2 590 400**

Balance sheet

Norlandia Health & Care Group AS - for the year ended 31 December 2021
(Amounts in NOK thousand)

EQUITY AND LIABILITIES

	Note	2021	2020
Equity			
Restricted equity			
Share capital	4	312 000	300 000
Share premium reserve		167 784	-
Total restricted equity		**479 784**	**300 000**
Other equity		223 833	68 498
Total equity	**3**	**703 617**	**368 498**
Liabilities			
Other long-term liabilities			
Group liabilities	6	-	-
Interest-bearing non-current liabilities		104 904	-
Bonds	7	1 659 207	-
Total of other long-term liabilities		**1 764 110**	**-**
Current liabilities			
Trade creditors		946	374
Bonds	7	-	1 892 184
Other short term liabilities	6	169 835	329 343
Total short term liabilities		**170 781**	**2 221 902**
Total liabilities		**1 934 891**	**2 221 902**
Total equity and liabilities		**2 638 508**	**2 590 400**

Oslo, 26 April 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

Cash flow statement

Norlandia Health & Care Group AS - for the year ended 31 December 2021

(Amounts in NOK thousand)

	Note	2021	2020
Cash flow from operations			
Profit before income taxes		176 537	-9 527
Taxes paid in the period		-	-
Gain/loss from sale of fixed assets		-	-
Depreciation		-	-
Impairment of fixed assets		-	-
Net financial items		-185 839	4 574
Change in trade debtors		-	-
Change in trade creditors		572	372
Differences in expensed pensions and payments in/out of the pension scheme		-	-
Effect of exchange fluctuations		-	-
Items classified as investments or financing		-	-
Change in other provisions		21 213	1 155
Net cash flow from operations		**12 483**	**-3 425**
Cash flow from investments			
Capital increase in subsidiaries		-	-
Purchase of fixed assets		-	-
Proceeds from sale of shares and investments in other companies		-	-
Purchase of shares and investments in other companies		-	-3 920
Net loans to subsidiaries		-56 171	-23 653
Proceeds from sale of other investments		-	-
Net cash flow from investments		**-56 171**	**-27 573**
Cash flow from financing			
Proceeds from long term loans		104 904	-
Refinancing of bond		-21 668	-
Net change in bank overdraft		27 190	-179 612
Net Interest paid		-63 037	-84 816
Payment of group contribution		-	-
Net group receivables		-26 077	360 371
Net cash flow from financing		**21 312**	**95 943**
Exchange gains / (losses) on cash and cash equivalents			
Net change in cash and cash equivalents		-22 376	64 945
Cash and cash equivalents at the beginning of the period		68 096	3 151
Cash and cash equivalents at the end of the period		**45 720**	**68 096**

Notes to the financial statements 2021

1. ACCOUNTING POLICIES

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Operating income
Revenues from sale of services are recognised in the income statement once the delivery has taken place.

Taxes
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated as 22 % of temporary differences which exist between accounting and tax values of assets and liabilities, and any carryforward losses for tax purposes at the year-end. Taxable and deductible temporary differences that reverse or may reverse in the same period are offset and reported net. Deferred tax on the excess value associated with acquisitions of subsidiaries is not settled.

Classification of balance sheet items
Assets intended for long term ownership or use have been classified as fixed assets. Fixed assets are valued at cost. They are recorded in the balance sheet, and depreciated over the estimated economic lifetime of the asset. Fixed assets are written down to recoverable amount when decreases in value are expected to be permanent. The recoverable amount is the highest amount of net realizable value and value in use. Value in use is the present value of future cash flows associated with the asset. Impairment losses are reversed when the basis for impairment no longer exists. Other assets are classified as current assets.
Current assets and short term debt are normally considered to be due within one year from the balance sheet date, as well as those connected to the trading cycle.
Current assets are valued at the lower of cost and fair value.

Debtors
Trade debtors and other debtors are recognised in the balance sheet at nominal value after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor.

Investments in subsidiaries
Subsidiaries are companies in which the parent company has control, and thus the power to govern the financial and operating policies, generally by owning more than half of the voting capital.

The cost method is applied as a principle for the investment in subsidiaries and associated companies in the company accounts. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost.
Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Foreign Currencies
Conversion of foreign companies is done by translating the balance sheet to the closing rate, and the income statement to the average exchange rate. Any significant transactions are translated at the transaction date.

Financial risk
For assessing the company's financial risks, see the discussion in the annual report.

Cash Flow statement
The cash flow statement has been prepared using the indirect method.

2. TAX

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deferred tax advantage	21 202	-3 523
Tax expense on ordinary profit/loss	**21 202**	**-3 523**
Taxable income:		
Ordinary profit/loss before tax	176 538	-9 526
Permanent differences	-145 347	-125 000
Changes temporary differences	-98 205	74 435
Cut interest deduction	63 037	60 091
Taxable income before losses carried forward	**-3 977**	**0**
Utilised losses carried forward		
Taxable income:	**-3 977**	**-0**
Payable tax in the balance:		
Payable tax on this year's result	-	-0
Total payable tax in the balance	**-**	**-0**
Calculation of effective tax rate		
Profit before tax	176 538	-9 526
Calculated tax on profit before tax	38 838	-2 096
Tax effect of permanent differences	-76	0
Total	**38 762**	**-2 096**
Effective tax rate	22%	22%

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax and deferred tax advantages, specified on type of temporary differences:

	2021	2020
Long-term receivables and liabilities in foreign currency	-	-88 740
Other differences	20 868	5 666
Total	**20 868**	**-83 074**
Accumulated loss to be brought forward	-17 278	-13 301
Interest cost carries forward	-180 950	-117 913
Unrecognized in deferred tax	177 359	117 914
Basis for calculation of deferred tax	**-0**	**-96 374**
Deferred tax	**-0**	**-21 202**

3. EQUITY

This year's tax expense	Share capital	Share premium	Retained earnings	Total equity
Pr 01.01.2021	300 000	0	68 498	368 498
Capital increase	12 000	167 784	0	179 784
Income for the year	0	0	155 335	155 335
Pr 31.12.2021	**312 000**	**167 784**	**223 833**	**703 617**

4. SHARE CAPITAL AND SHAREHOLDERS

Share capital	Number	Nominal Value	In balance
Ordinary shares	30 000 000	10,4	312 000 000

Shareholders	Number	Ownership	Nominal Value	In balance
Hospitality Invest AS	29 100 000	97,00%	10,4	302 640 000
Stork Industries AS	450 000	1,50%	10,4	4 680 000
Cowry EV AS	450 000	1,50%	10,4	4 680 000
Total	**30 000 000**	**100,00%**	**10,4**	**312 000 000**

The company has one class of shares and all shares have equal voting rights.

The shares held by the board of directors / CEO, ref. The Norwegian accounting law § 7-26:

	Number	Ownership
Kristian A. Adolfsen	13 782 000	45,94%
Roger Adolfsen	13 782 000	45,94%
Yngvar Tov Herbjørnssønn	450 000	1,50%

5. SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity (100%)	Result (100%)	Balance sheet value
Norlandia Care Group AS	Bodø	100%	344 705	98 980	969 160
Kidsa Drift AS	Bergen	100%	282 247	155 583	217 000
Hero Group AS	Stavanger	100%	195 971	1 826	155 051
Aberia AS	Oslo	100%	107 925	32 804	193 952
Care Properties AS	Oslo	100%	16 081	-7 379	50 000
NHC Eiendom AS	Oslo	100%	8 627	-509	10 362
NHC Services AS	Moss	100%	143	-459	2 530
NH Europe Holding AS	Oslo	100%	58 299	-31	58 400
Balance sheet value 31.12.					**1 656 454**

6. TRANSACTIONS WITH RELATED PARTIES

Transaction with related parties (Amounts in NOK)	**2021**	**2020**
Receivables from related parties		
Short term receivables	190 683	184 758
Long term loans to group companies	745 552	689 381
Total receivable related parties	**936 235**	**874 139**
Payables to related parties		
Group contribution	-	-
Liabilities	144 970	321 766
Total payables related parties	**144 970**	**321 766**
Income from subsidiaries		
Group Contribution	190 683	184 758

Interest income	34 451	33 653
Interest received from related parties	**225 134**	**218 411**

7. DEBTORS AND LIABILITIES

	2021	**2020**
Long term liabilities		
Bonds	1 680 875	-
Accrued expense bond	-21 668	-
Total	**1 659 207**	**-**
Short term liabilities		
Bonds	-	1 897 850
Accrued expense bond	-	-5 666
Total	**-**	**1 892 184**

The bond is subject to Interest NIBOR/STIBOR +5.75%.
The maturity date of the bond loan is May 2025.

Balance sheet value of assets placed as security:		
Subsidiaries	1 656 454	1 598 250
Total	**1 656 454**	**1 598 250**

In addition to its own subsidiaries, several of subsidiaries of the subsidiaries are placed as security for bond obligation.

8. STAFF COSTS

	2021	2020
Staff costs (including directors) comprise:		
Wages and salaries	2 109	976
Defined contribution pension cost	-	-
Other benefits	-	25
Social security contributions and similar taxes	297	139
Remuneration to Board of Directors	600	600
Total payroll and related costs	**3 006**	**1 739**
Number of employees (FTE)	-	-

The company had no employees during 2020 and 2021. Wages and salary paid is for Group CEO (part of total compensation as presented in note 5 of consolidated accounts).

Audit fees

The following amounts have been recognised as audit fees and related services during the period

	2021	2020
Audit	488	429
Tax services	-	-
Attestation services	41	-
Other services	399	-
Total	**928**	**429**

9. CASH AND CASH EQUIVALENTS

	2021	2020
Restricted cash	3 819	-
Unrestricted cash	41 901	68 096
Total cash and cash equivalents	**45 720**	**68 096**

Independent auditor's report

KPMG

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To the General Meeting of Norlandia Health & Care Group AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norlandia Health & Care Group AS, which comprise:

- The financial statements of the parent company Norlandia Health & Care Group AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Norlandia Health & Care Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 26 June 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Refer to note 9 Goodwill and Intangible Assets and note 10 Goodwill and Impairment

The key audit matter	*How the matter was addressed in our audit*
The Group has over several years acquired businesses resulting in significant goodwill and intangible assets such as customer contracts, licenses and trademarks. As of 31 December 2021, the Group has goodwill of NOK 1 906 million and other intangible assets of NOK 564 million. Management performed an impairment assessment of goodwill and intangible assets by determining the value in use of the Group's cash generating units ("CGUs"). Determining the value in use requires significant management judgement by making assumptions about future cash flows. Due to the materiality of these assets to the financial statement as a whole and the inherent uncertainty and subjectivity involved in forecasting and discounting future cash flows, this is considered to be a key audit matter.	Our audit procedures in this area included: • Assessing management's process and results for identification, consistent treatment and classification of cash generating units; • Evaluating management's assessment of impairment indicators; • Where impairment indicators were identified or where impairment testing was required, assessing if the models used to calculate value in use are appropriate and mathematically accurate; • Assessing the discount rate utilized in cash flow forecasts with reference to available market data for selected assets tested; • Evaluating the historical accuracy of management's budgets and forecasts in order to challenge management on the current year cash flow forecasts; • Evaluating and challenging management on the growth assumptions in the cash flow forecasts; • Evaluating the adequacy and appropriateness of the disclosures in the financial statements related to the carrying value of goodwill and intangible assets.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility as included in the Board of Director's report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name nhc-2021-12-31 have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities
Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 April 2022
KPMG AS

Ole Christian Fongaard
State Authorised Public Accountant
(This document is signed electronically)

NHC Group
Munkedamsveien 35
0250 Oslo
Norway

NHC

APRIL 2022

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	18.04.2017	25.04.2017
Telefon	Deres referanse	Vår referanse
22078139	Kristoffer Lorck	2017/419923

NORLANDIA HEALTH & CARE GROUP AS
c/o Hospitality Invest AS
Rådhusgata 23
0158 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Norlandia Health & Care Group AS, org. nr. 917 933 367

Vi viser til deres brev av 18. april 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Norlandia Health & Care Group AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Norlandia Health & Care Group AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Norlandia Care Group AS er eid av Hospitality Invest AS som har tillatelse til å benytte engelsk språk. Norlandia Health & Care Group sin virksomhet er investering i selskaper som driver privat helse og omsorg og eiendom. Selskapet utstedte i 2016 et obligasjonslån. Selskapet er pålagt i henhold til betingelsene for obligasjonslånet å rapportere på engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal*

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gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eid av et aksjeselskap som har tillatelse til å benytte engelsk språk. Eierkretsen er begrenset. Videre er det vektlagt at selskapet har utstedt et obligasjonslån og er i den forbindelse pålagt i henhold til betingelsene for obligasjonslånet å rapportere på engelsk

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer