

CEO comments

Despite the global macroeconomic turbulence during the second quarter the Nordic occupational healthcare market was stable, supported by the underlying trend of companies taking employee wellbeing more seriously.

During the second quarter, Avonova revenues were stable while profitability continued to improve mainly as a consequence of increased scale in Solutions portfolio, and focus on operational efficiency in the Health division resulting in increased cost efficiency. Operating margin increased with 11,9 percentage points.

In Health, focus was on the centralized national administration centers. They are now fully staffed and providing increased transparency of resource availability, increased focus on digital delivery, and cross-location staffing. Norway is leading the way, with significantly increased utilization during the quarter. While Sweden is still finetuning the new delivery model.

In Solutions, the contract portfolio continued to grow supported by new sales, conversion of customers from the Health division and add on sales with expanded services offering as part of the Assist package.

In the quarter Avonova also issued a 500 MSEK bond.

Significant events during the quarter

1. Issuance of a 500 MSEK bond

Avonova has issued a bond in June 2025 in order to refinance current term loans and a loan from the Swedish Tax Authority related to COVID-19 Tax Payment Deferral Scheme. The Bond amounts to 500 MSEK, with a total frame of 800 MSEK.

Significant events after the quarter

No significant events after the quarter



Financial overview, Quarter 2 2025

Revenues

Revenues decreased by -0,3% to SEK 445,6 million (459,0). Health revenues showed a negative growth of -5,5% while Solutions grew 25,6%.

Operating profit

The operating profit amounted to SEK -18,3 million (-56,4) corresponding to an EBIT margin of -4,1% (-12,3%).

Financial items

Financial expenses amounted to SEK -3,5 million (-9,3). External financing expenses decreased to SEK -6,0 million (-15,8). Financial income amounted to SEK 2,5 million (6,5).

Profit/loss for the quarter

Loss for the quarter was SEK -21,8 million (-65,7)

Cash flow

Cash flow from operations amounted to SEK 66,2 million (-5,8), which was positively impacted by improved operating result and the implementation of factoring. Cash flow from investing activities was SEK -16,8 million (-10,4) attributable to investment in Solutions and a Booking solution in Health. Cash flow from financing activities was SEK 104,7 million (0) explained by issuance of bond and repayment of existing loans.

Employees

The number of full-time employees was 1 109 at the end of Q2 2025, compared with approximately 1 211 at the end of Q2 2024.



Bond Covenants

Liquidity: Liquidity shall be at least MSEK 50 at each Reference Date

Q2 2025 liquidity as of June 30: MSEK 176,1

Leverage: Net Interest Bearing Debt / EBITDA < 5.00 from March 31, 2026

Reporting starting Q1 2026



Consolidated Income Statement

Amounts in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul 2024- Jun 2025	Jan-Dec 2024
Sales revenues	435,7	444,4	893,2	891,7	1 687,7	1 686,2
Other operating income	9,9	14,7	22,5	40,2	47,8	65,6
Total operating income	445,6	459,0	915,7	931,9	1 735,5	1 751,7
Cost of goods sold	-72,0	-77,8	-143,6	-151,3	-282,6	-290,3
Payroll costs	-256,3	-293,1	-531,9	-586,7	-1 036,0	-1 090,7
Other operating expenses	-102,6	-108,7	-203,2	-214,6	-409,0	-420,4
Depreciation of tangible and intangible assets	-33,0	-35,8	-68,4	-71,7	-140,4	-143,7
Total operating expenses	-463,9	-515,4	-947,1	-1 024,3	-1 868,0	-1 945,2
Operating profit/loss	-18,3	-56,4	-31,4	-92,4	-132,4	-193,4
Net financial expenses	-3,5	-9,3	-9,9	-18,2	-28,1	-36,4
Profit before tax	-21,8	-65,7	-41,3	-110,6	-160,5	-229,8
Tax on the year's profit	0,0	0,0	0,0	0,0	0,0	0,0
Profit for the period	-21,8	-65,7	-41,3	-110,6	-160,5	-229,8



Condensed consolidated balance sheet

ASSETS (Amounts in MSEK)	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Balanced expenses	60,5	35,4	30,2
Goodwill	267,4	363,3	307,1
Total intangible assets	328,0	398,6	337,3
Investments	168,5	290,7	306,9
Depreciation	-131,1	-216,7	-232,6
Total tangible fixed assets	37,4	74,0	74,3
Accrued borrowing costs	16,6	0,2	0,2
Other long-term receivables	1,2	0,9	1,2
Total financial fixed assets	17,8	1,1	1,4
TOTAL NON-CURRENT ASSETS	383,1	473,7	413,1
Inventories	26,1	223,6	26,7
Trade receivables	299,7	423,0	247,5
Other current receivables	1,0	0,3	-0,1
Total receivables	300,6	423,2	247,4
Bank deposits, cash, etc.	176,1	32,0	28,1
TOTAL CURRENT ASSETS	476,8	455,5	275,6
TOTAL ASSETS	860,0	929,1	688,6



EQUITY & LIABILITIES (Amounts in MSEK)	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Equity attributable to owners of the parent	-286,4	-129,0	-286,2
Non-controlling interests	-1,5	0,0	-0,3
TOTAL EQUITY	-287,9	-129,0	-286,5
Provisions	-5,4	-5,7	-5,6
Total provisions for liabilities and charges	-5,4	-5,7	-5,6
Other long-term liabilities	500,5	0,6	0,5
Total other long-term liabilities	500,5	0,6	0,5
Debt to credit institutions			
Trade payables	61,5	81,2	62,4
Corporate tax	-14,4	-19,2	-13,9
Prepayment from customer	172,9	201,6	155,6
VAT & Social security payable	70,0	365,8	326,1
Other current liabilities	362,9	434,2	450,1
Total current liabilities	652,8	1 063,5	980,2
TOTAL LIABILITIES	1 147,9	1 058,3	975,1
TOTAL EQUITY AND LIABILITIES	860,0	929,3	688,6



Consolidated statement of cash flow

Amounts in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul 2024- Jun 2025	Jan-Dec 2024
Operating profit/loss	-18,3	-56,4	-31,4	-92,4	-132,4	-193,4
Adjustments for non-cash items	33,0	35,8	68,4	71,7	140,4	143,7
Net interest	-3,5	-9,3	-9,9	-18,2	-28,1	-36,4
Taxes paid	0,0	0,0	0,0	0,0	0,0	0,0
Change in NWC	55,0	24,1	48,1	-32,5	116,4	35,6
Net Cash Flow from Operations	66,2	-5,8	75,3	-71,4	96,3	-50,5
Investments in property, plant and equipment	-16,8	-10,4	-32,0	-21,7	-56,8	-46,5
Net Cash Flow from Investing Activities	-16,8	-10,4	-32,0	-21,7	-56,8	-46,5
Drawdown / repayment of RCF	0,0	0,0	0,0	0,0	0,0	0,0
Issuance / repayment of debt	104,7	0,0	104,7	0,0	104,7	0,0
Net Cash Flow from financing activities	104,7	0,0	104,7	0,0	104,7	0,0
Net Cash Flow	154,1	-16,2	148,0	-93,1	144,2	-97,0
Cash OB	22,0	48,2	28,1	125,1	32,0	125,1
Cash CB	176,1	32,0	176,1	32,0	176,1	28,1



Condensed Parent Company income statement

Amounts in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul 2024- Jun 2025	Jan-Dec 2024
Sales revenues	0,0	0,0	0,0	0,0	0,0	0,0
Other operating income	0,0	0,0	0,0	0,0	0,0	0,0
Total operating income	0,0	0,0	0,0	0,0	0,0	0,0
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
Payroll costs	0,0	0,0	0,0	0,0	0,0	0,0
Other operating expenses	-0,5	-1,7	-0,8	-3,5	-5,9	-8,7
Depreciation of tangible and intangible assets	-18,5	-18,5	-37,0	-37,0	-76,5	-76,5
Total operating expenses	-19,1	-20,2	-37,8	-40,6	-82,4	-85,2
Operating profit/loss	-19,1	-20,2	-37,8	-40,6	-82,4	-85,2
Net financial expenses	-1,3	-5,1	-2,7	-9,9	-2,5	-9,6
Profit before tax	-20,4	-25,3	-40,6	-50,5	-84,9	-94,8
Tax on the year's profit	0,0	0,0	0,0	0,0	0,0	0,0
Profit for the period	-20,4	-25,3	-40,6	-50,5	-84,9	-94,8



Condensed Parent Company balance sheet

ASSETS (Amounts in MSEK)	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Balanced expenses	0,0	0,1	0,1
Goodwill	259,3	335,8	296,4
Total intangible assets	259,3	335,9	296,4
Investments	0,0	0,0	0,0
Depreciation	0,0	0,0	0,0
Total tangible fixed assets	0,0	0,0	0,0
Shares in group companies	850,5	850,5	850,5
Accrued borrowing costs	16,3	0,0	0,0
Other long-term receivables	0,0	0,0	0,0
Total financial fixed assets	866,8	850,5	850,5
TOTAL NON-CURRENT ASSETS	1 126,1	1 186,3	1 146,9
Inventories	0,0	0,0	0,0
Trade receivables	117,2	-62,5	-63,4
Other current receivables	0,0	0,0	0,0
Total receivables	117,2	-62,5	-63,4
Bank deposits, cash, etc.	108,1	1,8	0,1
TOTAL CURRENT ASSETS	225,3	-60,8	-63,3
TOTAL ASSETS	1 351,4	1 125,6	1 083,6



EQUITY & LIABILITIES (Amounts in MSEK)	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Equity attributable to owners of the parent	847,8	934,1	889,9
Non-controlling interests	0,0	0,0	0,0
TOTAL EQUITY	847,8	934,1	889,9
Provisions	0,0	0,0	0,0
Total provisions for liabilities and charges	0,0	0,0	0,0
Other long-term liabilities	500,0	0,0	0,0
Total other long-term liabilities	500,0	0,0	0,0
Debt to credit institutions	0,0	0,0	0,0
Trade payables	2,8	0,2	0,1
Corporate tax	0,0	0,0	0,0
Prepayment from customer	0,0	0,0	0,0
VAT & Social security payable	0,0	0,0	0,0
Other current liabilities	0,8	191,3	193,6
Total current liabilities	3,6	191,5	193,6
TOTAL LIABILITIES	503,6	191,5	193,6
TOTAL EQUITY AND LIABILITIES	1 351,4	1 125,6	1 083,6



Notes

Accounting principles

The quarterly accounts have been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual and Consolidated Financial Statements (K3).

The accounting principles applied for preparing consolidated financial statements are disclosed in more detail in the annual report. The accounting principles are unchanged from the latest annual report.

Note 1 – Definitions

The company uses the definitions of performance measures as per the Bond Term Agreement signed June 3rd 2025 and available at www.avonova.com. These are described below:

EBITDA	Profit for the period as per the income statement plus tax, financial net, depreciation, amortization and transaction fees adjusted for acquired / divested businesses, reorganisation costs / severance until June 30 2025, extraordinary, non-recurring items* (capped at 10% of EBITDA) and certified forward looking cost synergies / savings* (capped at 10% of EBITDA) *combined cap of 15% of EBITDA after 30 September 2025
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Net Interest Bearing Debt	Includes Senior secured bonds drawn revolving credit facility (RCF), other external interest-bearing debt minus unrestricted cash and cash equivalents incl undrawn facility under Super Senior RCF
Liquidity	In respect of any date, the aggregate of (i) the Group's freely available and unrestricted cash at bank and in hand and (ii) the aggregate amount available to be drawn under any unutilised committed credit facilities of the Group, in each case freely available to be utilised by the Group and not subject to any Security, pledge, blocking, escrow or other restriction

