



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	985 012 059
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	NAVAMEDIC ASA
Forretningsadresse:	Henrik Ibsens gate 100 0255 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Mørselskap 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:	Jostein Davidsen
Dato for fastsettelse av årsregnskapet:	04.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 17.07.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Andre driftsinntekter		52 802 574	47 632 035
Sum inntekter		52 802 574	47 632 035
Kostnader			
Lønnskostnad		40 170 539	36 829 901
Avskrivning på varige driftsmidler		3 826 186	4 351 222
Andre driftskostnader		26 559 971	40 111 819
Sum kostnader		70 556 696	81 292 942
Driftsresultat		-17 754 122	-33 660 907
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		35 486 846	41 566 536
Renteinntekt fra foretak i samme konsern			220 231
Annen renteinntekt		2 556 556	3 599 784
Andre finansinntekter		14 260 438	3 298 259
Verdiendring markedsbaserte omløpsmidler		-1 553 909	-8 698 818
Sum finansinntekter		50 749 931	39 985 992
Nedskrivning av finansielle anleggsmidler		25 587 443	
Rentekostnad til foretak i samme konsern		12 933 378	8 566 636
Annen rentekostnad		9 662 173	6 788 265
Andre finanskostnader		1 478 653	11 076 088
Sum finanskostnader		49 661 647	26 430 989
Netto finans		1 088 284	13 555 003
Resultat før skattekostnad		-16 665 838	-20 105 904
Skattekostnad på resultat		-4 309	-94 382
Årsresultat		-16 661 529	-20 011 522
Årsresultat etter minoritetsinteresser		-16 661 529	-20 011 522



Resultatregnskap

Beløp i: NOK	Note	2024	2023
Overføringer og disponeringer			
Udekket tap		-16 661 529	-3 795 884
Overført fra annen egenkapital			-16 215 638
Sum overføringer og disponeringer		-16 661 529	-20 011 522



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.		19 580 909	21 514 568
Utsatt skattefordel		934 098	929 789
Sum immaterielle eiendeler		20 515 007	22 444 357
Varige driftsmidler			
Maskiner, inventar o. l.		95 757	382 948
Sum varige driftsmidler		95 757	382 948
Finansielle anleggsmidler			
Investering i datterselskap		415 666 447	415 666 447
Lån til foretak i samme konsern		6 195 652	49 148 935
Investeringer i andre aksjer og andeler		1	1
Sum finansielle anleggsmidler		421 862 100	464 815 383
Sum anleggsmidler		442 472 864	487 642 688
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		1 287 812	749 528
Fordringer på selskap i samme konsern		43 336 070	52 786 768
Andre kortsiktige fordringer		2 206 585	2 269 383
Sum fordringer		46 830 467	55 805 679
Investeringer			
Markedsbaserte aksjer		16 194 406	1 393 500
Sum investeringer		16 194 406	1 393 500
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l		6 830 214	7 810 665
Sum bankinnskudd, kontanter og lignende		6 830 214	7 810 665



Balanse

Beløp i: NOK	Note	2024	2023
Sum omløpsmidler		69 855 087	65 009 844
SUM EIENDELER		512 327 951	552 652 532
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		13 070 455	12 841 055
Overkurs		198 237 787	192 577 187
Sum innskutt egenkapital		211 308 242	205 418 242
Opptjent egenkapital			
Udekket tap		34 095 490	3 795 884
Sum opptjent egenkapital		-34 095 490	-3 795 884
Sum egenkapital		177 212 752	201 622 358
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser		4 227 483	3 987 555
Sum avsetninger for forpliktelser		4 227 483	3 987 555
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		78 571 428	94 285 714
Langsiktig konserngjeld		100 584 767	50 419 264
Sum annen langsiktig gjeld		179 156 195	144 704 978
Sum langsiktig gjeld		183 383 678	148 692 533
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		35 440 505	50 823 912
Leverandørgjeld		2 419 375	4 309 342
Skyldige offentlige avgifter		3 277 923	3 503 149
Gjeld til selskap i samme konsern		101 174 776	136 122 401
Annen kortsiktig gjeld		9 418 942	7 578 836
Sum kortsiktig gjeld		151 731 521	202 337 640



Balanse

Beløp i: NOK	Note	2024	2023
Sum gjeld		335 115 199	351 030 173
SUM EGENKAPITAL OG GJELD		512 327 951	552 652 531



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Driftsinntekter	4	531 436 000	511 997 000
Sum inntekter		531 436 000	511 997 000
Kostnader			
Vareforbruk		322 558 000	312 944 000
Personalkostnader	16	70 260 000	63 673 000
Avskrivninger	7,8,9	14 755 000	11 925 000
Andre driftskostnader	15	92 068 000	99 875 000
Sum kostnader		499 641 000	488 417 000
Driftsresultat		31 795 000	23 580 000
Finansinntekter og finanskostnader			
Annen renteinntekt	17	3 103 000	4 626 000
Annen finansinntekt			6 076 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	17	13 738 000	
Sum finansinntekter		16 841 000	10 702 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	17	1 554 000	8 699 000
Nedskrivning av finansielle eiendeler	17	25 587 000	17 402 000
Annen rentekostnad	17	10 008 000	7 771 000
Andre finanskostnader	17	13 107 000	6 566 000
Sum finanskostnader		50 256 000	40 438 000
Netto finans		-33 415 000	-29 736 000
Resultat før skattekostnad		-1 620 000	-6 156 000
Skattekostnad	26	3 865 000	7 529 000
Årsresultat		-5 485 000	-13 685 000
Omregningsdifferanser		7 514 000	502 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
Sum resultatkomponenter for IFRS-foretak		7 514 000	502 000
Totalresultat		2 029 000	-13 183 000
Overføringer og disponeringer			
Til annen egenkapital		2 029 000	-13 183 000
Sum overføringer og disponeringer		2 029 000	-13 183 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	8	92 561 000	97 627 000
Utsatt skattefordel	26	934 000	930 000
Goodwill	8	159 051 000	156 729 000
Sum immaterielle eiendeler		252 546 000	255 286 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7	4 493 000	3 692 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	4 246 000	6 060 000
Sum varige driftsmidler		8 739 000	9 752 000
Finansielle anleggsmidler			
Andre fordringer	18	6 196 000	32 159 000
Sum finansielle anleggsmidler		6 196 000	32 159 000
Sum anleggsmidler		267 481 000	297 197 000
Omløpsmidler			
Varer			
Varer	11	81 888 000	105 200 000
Sum varer		81 888 000	105 200 000
Fordringer			
Kundefordringer	10	55 909 000	50 631 000
Andre fordringer	26	8 720 000	14 858 000
Sum fordringer		64 629 000	65 489 000
Investeringer			
Andre finansielle instrumenter	12	16 194 000	1 393 000
Sum investeringer		16 194 000	1 393 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	19	37 285 000	38 036 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Sum bankinnskudd, kontanter og lignende		37 285 000	38 036 000
Sum omløpsmidler		199 996 000	210 118 000
SUM EIENDELER		467 477 000	507 315 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital		13 070 000	12 842 000
Annen innskutt egenkapital		198 238 000	192 577 000
Sum innskutt egenkapital	13	211 308 000	205 419 000

Opptjent egenkapital

Annen egenkapital		5 365 000	
Udekket tap			17 000
Sum opptjent egenkapital		5 365 000	-17 000

Sum egenkapital		216 673 000	205 402 000
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Gjeld

Langsiktig gjeld

Utsatt skatt	26	8 361 000	9 271 000
Sum avsetninger for forpliktelser		8 361 000	9 271 000

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	20	78 571 000	95 479 000
Leasingforpliktelser	9	1 694 000	3 892 000
Lisensforpliktelser	21	21 360 000	3 988 000
Sum annen langsiktig gjeld		101 625 000	103 359 000

Sum langsiktig gjeld		109 986 000	112 630 000
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Kortsiktig gjeld

Gjeld til kredittinstitusjoner	20	35 441 000	51 067 000
Leverandørgjeld	14	50 267 000	68 300 000
Betalbar skatt	26	5 198 000	8 149 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Leasingforpliktelser	9	2 868 000	2 453 000
Lisensforpliktelser	21		16 861 000
Annen kortsiktig gjeld	14	47 044 000	42 453 000
Sum kortsiktig gjeld		140 818 000	189 283 000
Sum gjeld		250 804 000	301 913 000
SUM EGENKAPITAL OG GJELD		467 477 000	507 315 000



Skatteetaten

Vår dato 27.01.2020	Din/Deres dato 13.12.2019	Saksbehandler Nazneen Pervez Soltvedt
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 40728717+47 407 28 717
Org.nr 974761076	Vår referanse 2020/5000756	Postadresse Postboks 9200 Grønland 0134 OSLO

NAVAMEDIC ASA
Henrik Ibsens gate 90
0255 OSLO

Att. Lars Hjarrand

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Navamedic ASA, org.nr. 985 012 059

Vi viser til deres brev av 13. desember 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Navamedic ASA. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Navamedic ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Navamedic ASA ble børsnotert i 2006 og har både norske og internasjonale eiere. Selskapet utvikler og markedsfører legemidler og andre helseprodukter i Nord-Europa. Selskapet har et mål om å kunne tiltrekke seg både norske og utenlandske investorer samt å ha tilgang til finansiering i utenlandske kapitalmarkeder. Virksomheten retter seg i all hovedsak mot det internasjonale bedriftsmarkedet. Engelsk er selskapets arbeidsspråk. Bransjespråket innen sektorene som selskapets kunder og kreditorer opererer i er også engelsk. I tillegg er et styremedlem ikke norskspråklig.

Selskapet har dispensasjon fra kravet i verdipapirhandelloven § 5-13 om å offentliggjøre opplysninger på norsk.

Skattekontorets 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 mv., 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 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapet er eid av både norske og utenlandske investorer og at selskapet har dispensasjon fra verdipapirhandelloven § 5-13. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Nazneen Pervez Soltvedt
skattejurist
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



 *Navamedic*

Annual report 2024





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Highlights for 2024

- In 2024, Navamedic increased its revenues by 3.8% to NOK 531.4 million (NOK 512.0 million)
- EBITDA was NOK 46.6 million, compared to NOK 35.5 million in 2023
- Navamedic entered into a License & Supply Agreement with Orion Corporation to market and sell Flexilev® and the OrdFID® dispenser across Europe
- Navamedic secured two significant Nordic tenders for the antibiotic portfolio. Both tenders will provide predictable income until 2027
- Eroxon® was successfully launched in Norway, Sweden and Finland

Key figures

(in NOK '1000)

	2024	2023
Total revenue	531,436	511,997
Gross profit *	208,887	199,054
EBITDA	46,550	35,505
Operating profit (EBIT) *	31,795	23,580
Profit before tax continuing operations	-1,620	-6,156
Net profit / loss (-)	-5,485	-13,685
Total assets	467,477	507,315
Total equity	216,673	205,402
Gross margin (%) *	39.3 %	38.9 %
EBITDA margin (%) *	8.8 %	6.9 %
Equity ratio (%) *	46.3 %	40.5 %

* Alternative performance measures (APMs)



Comment from the CEO

Dear Shareholders,

Navamedic has had another successful year, focusing on laying the foundation for future growth through strategic initiatives and investments. Our focus remains on three key areas where we see significant potential: Parkinson's treatment, obesity management, and antibiotic solutions.

In our Prescription Drug (Rx) business, we are making strong progress with Flexilev®. The License and Supply Agreement signed with Orion Corporation in June marks a pivotal milestone. We are now diligently preparing for the commercial launch of Flexilev® in OraFID® across the Nordic countries in 2025. This novel treatment for Parkinson's disease, coupled with a unique dispenser, promises to improve patient outcomes. Additionally, our partnership with Alex Therapeutics aims to enhance patient adherence through digital health solutions.

Obesity management is another critical area of focus. Our currently largest product, Mysimba, continues to keep a solid position in Norway despite increased competition. We are committed to expanding our presence in the weight-loss drug market, underscored by initiatives such as The Norwegian Obesity Report 2025, including an educational seminar in Oslo early 2025. This seminar highlighted the transition from an obese society to a healthier one, emphasizing the need for diverse treatment options, including our reimbursed prescription medications, supplements, and comprehensive patient support programs.



Our antibiotics portfolio has achieved significant tender wins, reinforcing our commitment to combating antimicrobial resistance. The contracts secured with The Norwegian Hospital Procurement Trust and a joint Nordic tender demonstrate our dedication to providing high-quality antibiotic solutions to healthcare facilities across the region.

Navamedic is currently in an investment phase, transforming for future success. We are focused on developing more proprietary products and initiating new launches to strengthen our market presence. Our expansion in Sweden and Finland is particularly noteworthy, as Sweden approaches the scale of our Norwegian operations—reflecting a promising trajectory. With a solid pipeline for future growth, we are committed to continuous business development and selective mergers and acquisitions to drive additional growth.

Excitingly, we started the year by launching Eroxon®, a non-prescription breakthrough treatment for erectile dysfunction, in Norway. Eroxon® has been a top-performing product in the Consumer Health business area, contributing significantly to Consumer Health's strong performance in 2024. The product was subsequently launched in Sweden in May and Finland in November. With successful promotional campaigns, Eroxon® was labeled a bestseller by an online pharmacy and named "Launch of the Year" by Boots Apotek in Norway. We look forward to another successful launch in Denmark in Q2 2025. With strong growth in the Consumer Health segment throughout the year, we plan to out-license some of our products in 2025, such as Absolut Torr, to other markets.

We are grateful for the support of our shareholders, including the new additions following the sale of Ingerø Reiten Investment Company's (IRIC) 17 percent stake in the company. We are also pleased to welcome Jostein Davidsen as the new Chairman of the Board.



As we look ahead to 2025, we are excited about new product launches and market expansions across our business areas. Our dedication to public health remains steadfast, as we strive to provide access to high-quality products for patients.

I would like to extend my sincere gratitude to all our employees whose dedication and hard work have been instrumental in driving our success. Their commitment and innovation are the backbone of Navamedic's progress, and together, we look forward to achieving even greater milestones in the coming year.

Thank you for your continued support and trust in Navamedic's journey.

Sincerely,


Kathrine Gamborg Andreassen (sign.)

CEO



Directors' report 2024





Group performance

Navamedic result for 2024

In 2024, the Group reported revenues of NOK 531.4 million, up from NOK 512.0 million in 2023, representing an increase of 4%. While we had solid growth in the Consumer Health business area, we also saw a decrease in Mysimba sales and experienced periods with Imdur being out of stock which limited the growth.

The EBITDA in 2024 was NOK 46.6 million, compared to NOK 35.5 million in 2023. However, the EBITDA in 2023 included NOK 16.1 million in transaction costs related to the Sensidose AB acquisition. Taking that into consideration, the EBITDA was slightly below last year, mostly as a result of continued investments in future growth initiatives, such as launching of new products and preparing for the launch of Flexilev in Orafid.

The operating result (EBIT) in 2024 was NOK 31.8 million, compared to NOK 23.6 million in 2023. Net financials were negative NOK 33.4 million in 2024, compared to negative NOK 29.7 million last year. The profit before tax was negative NOK 1.6 million in 2024, up from negative NOK 6.2 million in 2023 while the profit after tax was negative NOK 5.5 million in 2024, compared to negative NOK 13.7 million last year.

The total comprehensive income was NOK 2.0 million in 2024, compared to negative NOK 13.2 million in 2023.

The Group's cash flow 2024

The Group had a net cash flow from operating activities in 2024 of NOK 39.4 million, compared to NOK 2.2 million in 2023. The increase of NOK 37.2 million was driven by the improved EBITDA, lower inventory levels and the absence of transaction costs in 2024.

Net cash from investing activities was negative NOK 2.8 million in 2024, compared to negative NOK 104.6 million in 2023. The investing activities cash flow in 2024 were at a normalized level while the 2023 numbers included the acquisition of Sensidose AB.

The net cash flow from financing activities was negative NOK 37.7 million in 2024, compared to positive NOK 83.2 million in 2023. Repayment of loans equals to NOK 32.5 million and interest paid was NOK 7.8 million. Proceeds from share capital issuance are related to the share options exercised.

The cash and cash equivalents were NOK 37.3 million at 31 December 2024, compared to NOK 38.0 million at 31 December 2023.

Financial position as of 31 December 2024

The Group's consolidated total assets were NOK 467.5 million at 31 December 2024, down from NOK 507.3 million at year-end 2023. Non-current assets were NOK 267.5 million, down from NOK 297.2 million. Current assets were NOK 200.0 million compared to NOK 210.1 million at 31 December 2023.

At the end of 2024, Navamedic had equity of NOK 216.7 million, compared to NOK 205.4 million per 31 December 2023, representing an equity ratio of 46.3%. Non-current liabilities are NOK 110.0 million per 31 December 2024 compared to NOK 112.6 million at 31 December 2023. The Group had current liabilities of NOK 140.8 million compared to NOK 189.3 million at 31 December 2023. The decrease in liabilities is driven by lower interest-bearing borrowings and a reduction of trade payables.

The Group concluded based on an assessment of a variety of instances that the loans to Observe Medical ASA were credit impaired as per 31 December 2023. The Group's assessment concludes that the loans had defaulted and been assessed as stage 3 for ECL calculations in the second half of 2023. Consequently, the loan receivables, interest income and the profit for the year were overstated in the financial statements for 2023. The errors have been corrected by restating each of the affected financial statement line items for the prior periods, see note 2.5 for further details.

Navamedic strategy and outlook

Navamedic's vision is to become a leading Nordic pharma company. The company's midterm goal is to become a company with 1 BNOK revenues through profitable growth. Management and the Board evaluates the strategy annually and the base strategy has stayed firm over the last years. However, as the business evolves, the strategy is adapted to reflect the current environment. Over the last 2-3 years, and particularly after the acquisitions of Impolin AB and Sensidose AB, Navamedic has moved into a position of increased ownership of products and therefore out-licensing and market expansion has become an additional focus area of the strategy. While 2024 showed slower growth than the previous two years, it was a year of significant investments in future growth initiatives and Navamedic fully expects to reach the growth targets going forward, delivering on its growth strategy through increasing revenues both from the existing portfolio of products, out-licensing existing products, and acquiring new product licenses and companies.

Navamedic sees significant scalability potential in adding new products in the existing distribution and market access platform in the Nordic region and the Benelux countries. With a well-functioning system of logistics and distribution, as well as skilled product specialists who regularly meet with hospitals, specialists, general practitioners and pharmacies, Navamedic has the set-up to launch new prescription and non-prescription pharmaceuticals both in its core geographic areas and potentially expand certain products into new geographical areas.

The Company also strives to build and retain value through further ownership and in-licensing as well as further development of assets, both short- and long-term. Through attaining new licensing rights and acquiring new products, the Company will increase the share of pharmaceuticals it owns the marketing rights and trademarks to. Navamedic has solid expertise and capacity within this field and is constantly building a pipeline of products to be launched in the coming years.

Based on the growth strategy and outlook, Navamedic's Board of Directors expects the Company to continue the positive development in 2025 and to show solid growth in the coming years. Navamedic reiterates its mid-term ambition to build a NOK 1 billion revenue company.

Risk management

The operational and financial risks Navamedic is exposed to are mostly similar to that of other pharmaceutical companies, but there are a few key differences. Unlike many other pharmaceutical companies, Navamedic does not have significant product development risks and only has indirect risks related to production, since this is outsourced to third parties.



The Group's operations expose it to various types of financial risk: Market risk (including operational risk, currency risk, interest rate risk, and price risk), credit risk, and liquidity risk.

The Group is exposed to operational risk. The Group believes that such a risk will primarily arise in relation to the development of future sales of the Company's products, measured in terms of both price and volume. Factors that can influence market risk include increased competition, out-of-stock situations, price reductions and competition from existing and future pharmaceuticals within the Company's range of therapies.

The Company is dependent on production and delivery of products from its third-party product suppliers. The Company has supply- and distribution agreements with suppliers in which the term of the agreement vary from one to eight years. The Company is dependent on renewing these agreements at fair prices and on market terms and conditions and is therefore in continuous dialogue with the key suppliers to ensure they are renewed at competitive terms.

There is a risk that some of the Company's products may face competition from new products as well as generic products. This risk may be reduced by having a more diversified portfolio of products as well as a broader geographical footprint, and Navamedic is continuously exploring ways to expand its portfolio and extending its geographical present.

Financial risk mainly consists of interest-, currency-, credit- and liquidity risks. Navamedic continuously monitors these factors and actively manages risk through its operations and through other measures. In 2024, the relatively weak Norwegian Krone (NOK) had a negative impact on the Group's results, most noteworthy on the gross margin.

As at 31 December 2024, the Company considered the Group's liquidity to be satisfactory. Further, Navamedic has continued to pay down on the loan principal balance according to the amortization schedule in the loan agreement, and the total loans and borrowings have therefore been reduced throughout 2024.

The interest rate risk is primarily linked to the Group's liquidity and interest rates may affect the Group's borrowings and deposits. Navamedic has entered into an interest swap agreement to limit the interest rate fluctuation risk. The Company's interest rates on bank deposits and short-term liquidity investments are floating. Interest rates on external loans are based on 3-month NIBOR plus a margin.

In 2024 a substantial portion of the Group's revenues, as well as the majority of salaries and other operating expenses were in NOK and SEK, while a smaller portion was in DKK and EUR. The products are generally paid for in EUR, GBP, SEK and USD. Net investments in foreign subsidiaries are exposed to currency risk in SEK. The Company has evaluated the need for currency hedging on an ongoing basis but has as of yet not introduced specific hedging positions beyond natural hedging and specific assessments in larger agreements.

Navamedic's exposure to bad debt risk is very limited for a couple of reasons: First of all, Navamedic trades generally with creditworthy third parties and the Company's revenues are mostly generated from sales to pharmacy chains and wholesalers, as well as public health sectors and hospitals. In addition, Navamedic has a factoring agreement which further reduces its exposure. This means that the risk of incurring losses is generally low. The exception to this is Navamedic's exposure related to the loans issued to Observe Medical ASA, with significant exposure and risk tied to them. See note 18 for further details.



Navamedic performs an internal evaluation of climate related risks connected to its operations and important parts of the value chain. The Company currently sees limited risk and monitoring of these risks is going to continue in the future. There has been an increased focus on the effect Navamedic has on the environment and a more comprehensive description of this can be found in the Sustainability section of this report.

Navamedic is, like most other companies, exposed to adverse developments in the geo-political situation. Imbalances and/or disruption in global markets may pose a risk to Navamedic's on-going business to the extent that our suppliers, production partners or other partners may not be able to uphold their production or deliveries. It may also lead to increased transportation costs which may in turn negatively affect Navamedic's margins. In 2024, Navamedic experienced some price increases from suppliers, however, there were also some adjustments to the sales prices, hence the effect did not greatly affect the Navamedic business during 2024.

Navamedic performs regular supply chain risk assessment as stipulated by the Act relating to enterprises' transparency and work related to human rights and decent working conditions (Åpenhetsloven) in Norway. The 2024 Norwegian Transparency Act report for Navamedic be available on the Company's website by 30 June 2025.

Organization

The Group had 42 employees at the end of 2024, out of which 25 were women and 17 men, compared to 45 at the end of 2023. In accordance with the Norwegian Public Limited Liability Companies Act, the Board has prepared a report concerning pay and other benefits for executive personnel, which is partly included in note 16. The full report will be published on the Company website upon approval in the Annual General Meeting in June.

Navamedic strives to provide a safe and decent working environment. Most employees belong to one of the three main offices in Oslo, Gothenburg and Stockholm. All these offices are of modern standard in central locations with satisfactory amenities. The work performed by Navamedic employees does not entail physical labor, and during 2024 there were no work related physical injuries incurred by employees. Navamedic performs an employee satisfaction survey, &Frankly, on a quarterly basis. The level of employee satisfaction is considered a good level when comparing to benchmark results. The level has been steady and slightly increasing during 2024. The sick leave was 3.1% for 2024.

Navamedic ASA has Board liability insurance for the Group's Board of Directors and CEO. The insurance covers financial claims against the Board members or CEO that may arise as a result of actions taken by the Board or CEO. The insurance policy is with a reputable firm, and it applies to Navamedic ASA as well as all of its subsidiaries.

Corporate governance

Navamedic complies with the Norwegian Code of Practice for Corporate Governance (NUES). Please see the separate section of this annual report (on page 24) for the Company's corporate governance report.



The share

The Navamedic share has been listed on the Oslo Stock Exchange since 2006 with the ticker NAVA. As at 31 December 2024, the Company had 17.662.777 outstanding shares, each with a nominal value of NOK 0.74 per share, and 1,411 shareholders.

Parent company

Internal support and shared services have been organized in the parent company, Navamedic ASA, in areas where substantial economies of scale and synergies can be realized. The parent company has a master transfer pricing agreement related to management/business service costs to and from its subsidiaries Navamedic AB and Navamedic AS. The parent company holds the rights to various products that are resold by the subsidiaries and the parent company thereby earns royalties. The royalties are based on actual sales in Navamedic AB and Navamedic AS. Service fees are charged to subsidiaries covering costs for strategic development, marketing, logistics and purchasing management, as well as financial and accounting management. In addition, the parent company has activities relating to insurance, systems development and operations and other operating activities that are performed on behalf of its subsidiaries, which are also charged out.

The operating revenue in Navamedic ASA of NOK 52.8 million in 2024, compared to 47.6 million in 2023. Total operating expenses decreased to NOK 70.5 million in 2024 from NOK 81.2 million in 2023 mainly due to transaction costs in 2023, but this was partly offset by higher costs related to personnel, depreciation and impairment.

Net financial items amounted to NOK 1.0 million in 2024, compared to negative NOK 3.5 million in 2023. Equity amounted to NOK 177.2 million compared to NOK 184.6 million in 2023.

Navamedic ASA concluded based on an assessment of a variety of instances that the loans to Observe Medical ASA were credit impaired as per 31 December 2023. Consequently, the loan receivables, interest income and the profit for the year were overstated in the financial statements for 2023. The errors have been corrected by restating each of the affected financial statement line items for the prior periods, see section 'correction of error' in the accounting principles for further details.

Disposal of net result for the year and dividends

The parent company's result after tax for 2024, after the receipt of group contribution, was negative NOK 16.7 million. The Board proposes that the net result for the year be transferred to retained earnings.

Subsequent events

The European Medicines Agency's (EMA) human medicines committee (CHMP) concluded its review of Mysimba (naltrexone/bupropion), affirming that the benefits of the medicine continue to outweigh its risks for weight management in adults with obesity or overweight.



Navamedic ASA announced on April 10, 2025 that the company has entered into an agreement in principle regarding the outstanding loans to Observe Medical ASA. The agreement reduces the loans by 50% with an adjustment to the payment plan as long as certain conditions are met.

The Norwegian Financial Supervisory Authority (the "NFSA") has assessed that there are misstatements in the annual financial statements for 2023 and in the interim financial statements for 2024 related to the Company's accounting of the two loans Navamedic has to Observe Medical ASA, interest on those loans and the information provided in the notes to the accounts. Navamedic has complied with the imposition from the NFSA and both the 2023 financial statements and the 2024 financial statements in this report reflect these changes.

In the beginning of April 2025, the United States announced the imposition of significant increased tariffs on a wide variety of goods and services imported to the USA from most of its trading partners, leading to uncertainty and world-wide negative effects on most stock exchanges. At the time of the publishing of this report, Navamedic's operations has not been affected by this and the company does not believe it will have significant negative impact in the foreseeable future for a couple of reasons: The Navamedic supply chain is for the most part situated in Europe, requiring no assembly or parts crossing into the USA borders. The demand for Navamedic's products is not very elastic nor does it correlate strongly with a cyclical downturn in economic conditions in its core markets.

Going concern

The annual financial statements have been prepared on the assumption that the Company is a going concern. The Board confirms that the basis for the Company as a going concern exists and bases its opinion on the Company and the Group's financial position, the agreements that have been signed with both suppliers and customers, expected cash flows in 2025, and the Company's financial liabilities. Due consideration has also been given to possible negative future impacts of macro-economic conditions and the world's geopolitical situation in the assessment supporting the going concern assumption.



Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated financial statements for 2024 give a true and fair view of the Company's assets, liabilities, financial position, and results of operation. Furthermore, that the report provides a fair overview of the information specified in Section 5-6, fourth paragraph of the Norwegian Securities Trading Act.

The Board of Directors and CEO of Navamedic ASA

Oslo, 30 April 2025



Jostein Davidsen (sign.)

Chairman



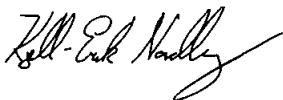
Edmée Steenken (sign.)

Board member



Annika Kollén (sign.)

Board member



Kjell-Erik Nordby (sign.)

Board member



Rune Wahl (sign.)

Board member



Asa Kornfeld

Board member



Kathrine Gamborg Andreassen (sign.)

CEO



The Management Team and Board of Directors

Management Team



Kathrine Gamborg Andreassen CEO

Kathrine was appointed CEO of Navamedic in January 2019 and has extensive experience from sales, marketing, and management of healthcare products. Before she was appointed CEO, Kathrine was elected as Chair of the Board in June 2018. Kathrine held the position of CEO at Weifa ASA until the company was acquired by Karo Pharma AB in November 2017. Ms Gamborg Andreassen holds an MSc in Business Strategy & Marketing from the University of Wisconsin, Madison and a Bachelor of Business and Administration from Oslo School of Business.



Lars Hjarrand CFO

Lars joined Navamedic in December 2019. Prior to joining Navamedic Mr Hjarrand has extensive finance experience from several different companies and industries over the past 20 years. Mr Hjarrand holds a bachelor's degree in economics from University of Minnesota and an MBA in Finance from the Carlson School of Management.

Board of Directors



Jostein Davidsen Chairman of the Board

Jostein Davidsen studied at Oslo School of Economics & Administration (Handelsakademiet). He holds several Leadership and Board Programs & Practise Series from IMD, Lausanne Switzerland. Jostein has more than 35 years of extensive international Pharma leadership experience. During his career he held several Leading International Management positions at Nycomed before the company was acquired by Takeda Pharmaceuticals. He became a Corporate Officer at Takeda Pharmaceuticals and a Member of the Executive Commercial management team as a Head of Global Emerging Markets, based out from Zürich. He was awarded the 2nd most successful Emerging market Leader Globally in 2014 by Scrip Pharmaceutical & Analytical journal. Jostein was later the CEO of the Swiss based International Company Acino Pharmaceuticals, based in Zürich. He has been serving as a Management Coach for leaders within the Pharma. Today he holds several Board mandates and Advisory roles in the industry.



Rune Wahl Board Member

Rune holds an MBA from INSEAD and a Master of Business Administration from the Norwegian Business School BI. He has extensive experience in financial leadership, having served as CFO of Data Respons ASA for the past 19 years. Prior to this, he held CFO and senior finance management positions at listed companies such as Tandberg Data, ATEA, Orkla, and DNVGL. Rune brings deep expertise in financial strategy, corporate governance, financial compliance, M&A, and business development.



Edmée Jeanne Steenken Board Member

Edmée has 25 years of experience in the pharmaceutical industry, working with global brand management and product development. She has a solid background in R&D and held both global, regional and local commercial roles across a large variety of therapy areas. Currently, she is holding the position of Director, Global Portfolio & Innovation at Novonosis.



Åsa Kornfeld Board Member

Åsa holds a M.Sc. in pharmaceuticals and healthcare products and a B.Sc. in chemistry. Åsa has 25 years' experience from the international pharma industry in pricing and market access, clinical development, and health economics. She built and headed Lundbeck's corporate pricing & market access department and then had several senior management roles in consulting. Today she holds several Board mandates and is a consultant.



Annika Kollén Board Member

Annika has an extensive experience in building Supply Chain strategies for various Global Pharmaceutical and Pharma Services companies. She currently holds a position as EVP Head of Global Supply Chain, Operations & Regulatory at Inceptua and have before that lead the Global Supply Chain and Procurement teams at Sobi and held various senior roles at Novartis. Annikas drive for operating excellence and growth in productivity and capability plays a pivot role in improving financial performance.

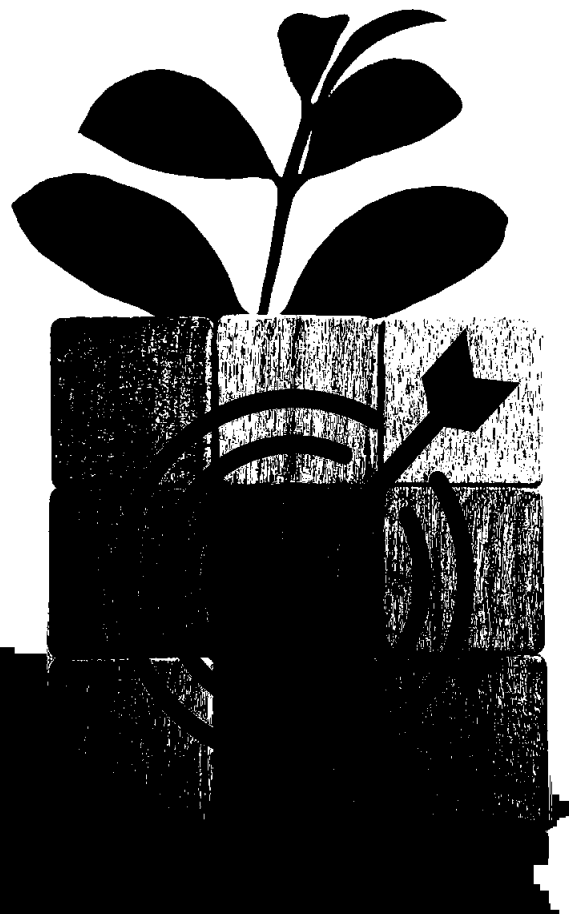


Kjell-Erik Nordby
Board Member

Kjell-Erik Nordby holds a Master in Pharmacy and a MBA from the Norwegian Business School BI. He has an extensive experience from different leadership positions in the pharmaceutical industry. He served as the CEO in Weifa from 2009 – 2015 before he was appointed CEO in Vistin Pharma in 2015, a company listed on the Oslo Stock Exchange. He retired from the CEO position in Vistin 31st December 2023.



Sustainability Report





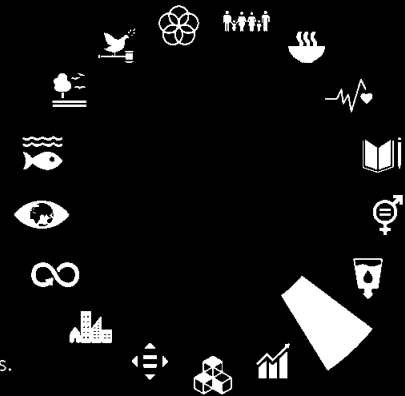
A year of sustainable progress

2024 was a year where Navamedic made significant progress in its efforts on the journey towards its sustainability goals. Sustainability was on the agenda at all levels of the organization, including being a key element of company conferences. Throughout 2024, with continued growth, and laying the ground for long-term value creation both economically and sustainability-wise, we gained a deeper understanding of the sustainability situation and risks throughout our value chain, providing important insight going forward.

Navamedic's sustainability goals are included in the overall KPIs for the group, and maybe more importantly, broken down into detailed KPIs for all departments.

In this section we will illustrate the highlights of the progress made during 2024 and where we stand going into 2025.

Navamedic bases its sustainability goals and efforts on the United Nations Sustainable Development Goals (SDGs). In 2023 we made an assessment regarding which UN SDGs to focus on based on where we believe our contributions can make the most significant difference. In 2024, our assessment reiterated the SDGs we should focus on, and they are the following:



3 GOOD HEALTH AND WELL-BEING



Contribute to safe and timely supplies of medicines by minimizing the risk of shortages through close collaboration with our partners included in the whole value chain

Contribute to people's health by focusing on important medical needs, such as obesity, antibiotics and medical nutrition

8 DECENT WORK AND ECONOMIC GROWTH



Commit to respecting fundamental human and labour rights, both in our own business and throughout the entire value chain

Support work/life balance for employees as a flexible company

Promote employees competence development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Focus together with suppliers on sustainability initiatives

Focus on packaging material of our products to reduce waste, introduce environmental-friendly alternatives and improve labelling to sort waste material

13 CLIMATE ACTION



Transport products in a more sustainable way to reduce CO₂ emission

Implement a travel policy to support business travel in a more sustainable way

Constantly improve and document our environmental actions through the ISO 14001 certification and internal Environmental Management System



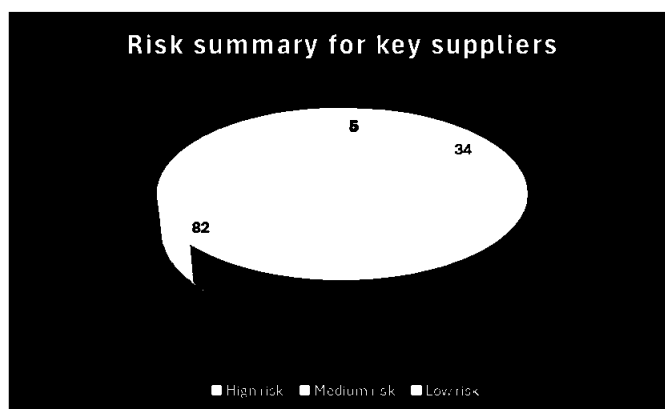
2024 was a year signified by continued concerns over the development in global environmental challenges, such as climate change, biodiversity loss and resource depletion. While the geo-political development arguably worsened the outlook for global sustainability efforts, Navamedic's commitment to sustainability and the environment has proceeded with undeterred determination.



Environment

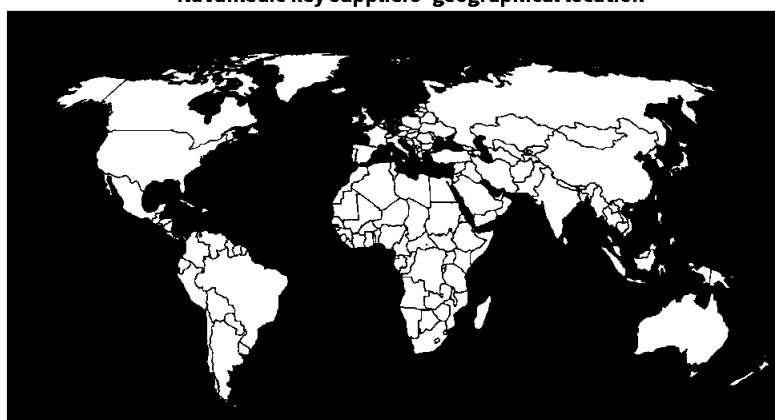
Navamedic has taken further actions in 2024, not the least through close dialog with all relevant partners up and down our value chain to identify and implement initiatives that contribute to the reduction of the environmental footprint. Navamedic has in 2024 also spent considerable time mapping out where the potential key environmental risks areas are in its upstream value chain. The details of this work will be included in the updated report for the 2024 Norwegian Transparency act, which will be published on the Navamedic web site on or before June 30th, however, here is a summary of the main items from the report:

For the supply chain sustainability risk assessment, Navamedic has used several sources, including input directly from our suppliers, traditional research as well as AI in order to perform a thorough risk assessment of all the key suppliers in our supply chain. Through the risk assessment we have identified not just where the sustainability related risks are, but also risks pertaining to human rights, corruption and business ethics. The graphic below depicts the high-level results of the risk assessment. Navamedic has defined 121 suppliers as key suppliers based on criteria related to size, location and type of industry they operate in. As shown below, out of the 121 key suppliers, 82 are defined in the low risk category, 34 are defined in the medium risk category and 5 have been identified in the high-risk category. A categorization of 'high risk' does not necessarily mean there is an issue, but more often it is due to the significance of the supplier and that we may not have complete information regarding their sustainability efforts and compliance to international standards. Navamedic therefore subsequently focus on the high-risk suppliers to identify actions and follow-ups to fully understand the risk and what consequences this should have.



Further to this, the illustration below shows the geographic presence of Navamedic's key suppliers, which are mostly headquartered around the Nordics and western European countries. The implication of this is that most of these countries score high on many sustainability measures, such as labor laws, human rights, transparency etc. There are however still risks present, not the least that some of our partners may have sub-contractors in higher risk countries, hence the importance for Navamedic to continue gaining a higher level of detailed knowledge about its supply chain.

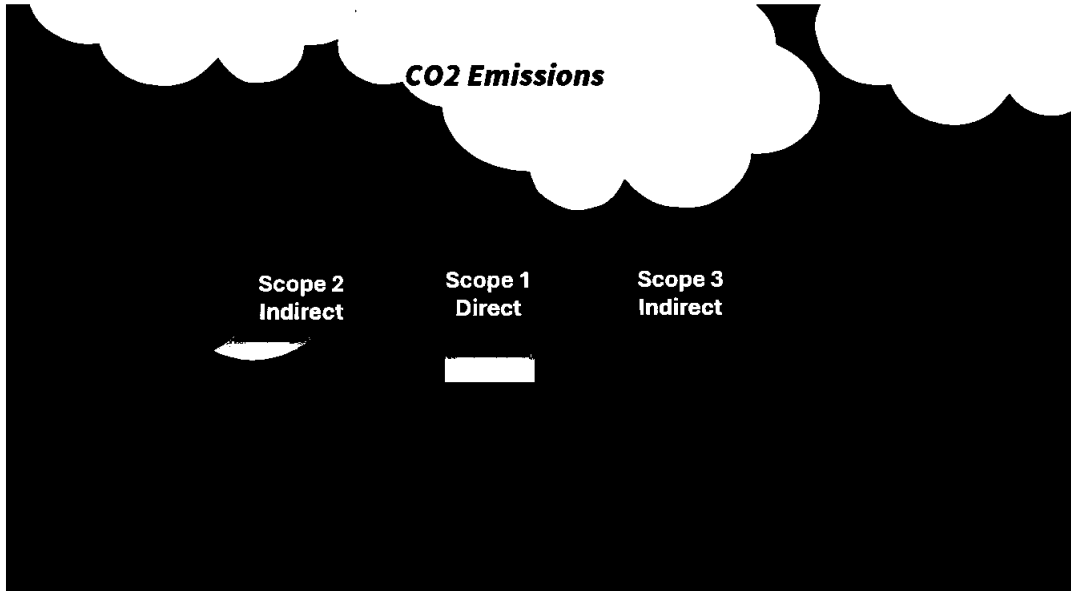
Navamedic key suppliers' geographical location



Note: The map shows the concentration of Navamedic's key suppliers by the shade of blue

CO2 emissions

One of the key areas of Navamedic's is the CO2 footprint the company leaves. The efforts made in 2023 and throughout 2024 have yielded significant and measurable progress. The majority of Navamedic's CO2 emissions, as is the case for most companies, come from Scope 3 emissions, particularly from transportation and shipping of our products, and from business travel. Throughout 2024, we have further improved our accuracy of the measures as better information and tools have become available. The picture below illustrates the overall status for Navamedic's 2024 CO2 emissions.



Navamedic’s overall CO2 emissions have been reduced from 2023 to 2024, from 154 tCO2 to 131 tCO2. A portion of this is due to the fact that we have improved the accuracy of our business travel calculations, but we have made some significant strides across many areas. We have been able to reduce the emissions from our product transportation by approximately 17% from 2023. This has been achieved through consolidating warehousing locations, optimizing shipment volumes and reducing packaging size for one of our key products. We have further reduced business travel by implementing the new travel policy we established in 2023, encouraging more environmentally friendly travelling as much as possible, using digital meetings whenever possible, staying at hotels with environmental focus and implementing electric cars for our fleet of cars. We see that travels made by train and buses as opposed to air travel have increased significantly, by 39% and 132% respectively.



Social responsibility

As the societal landscape continues to evolve, businesses need to reassess their roles and responsibilities within the communities they operate. Embracing principles of corporate social responsibility (CSR) and stakeholder engagement, a vast majority of companies have embarked on their sustainability journey through initiatives aimed at fostering inclusive growth, promoting diversity and equity, as well as addressing pressing social issues. Navamedic is actively assuming its role in this realm by actively contributing to the well-being of society, both by being an important contributor to public health, a socially responsible employer and by striving to be an attractive place to work.

Central to our social responsibility is the unwavering commitment to ensuring a stable supply of necessary pharmaceutical products in our portfolio. We recognize the vital role these products play in contribution to public



health, and as such, we prioritize the reliability and accessibility of our offerings. Through proactive supply chain management and strategic partnerships, we strive to mitigate disruptions and ensure that patients have access to the medications they need.

In addition to maintaining a stable supply chain, we proactively monitor and assess emerging healthcare needs to identify opportunities for innovation and product development. By staying abreast of evolving medical trends and public health challenges, we remain agile in our response, continuously seeking to address unmet medical needs and improve patient outcomes. Our last three acquisitions underpin this point:

- The acquisition of our antibiotics portfolio, with intravenous antibiotics for use in hospitals and emergency rooms, providing life-saving medical care for many patients.
- The acquisition of Impolin AB, which included products to help people fight obesity challenges, also saving lives and improving life for many people.
- The acquisition of Sensidose AB, which gave Navamedic an innovative product to greatly improve the quality of life for people with late stage Parkinson's disease, a disease with increasing prevalence globally.

Navamedic is not just selling random medicinal products, we strive to live up to our vision of being a proud contributor to public health. Our vision and portfolio of products have deeper meaning to us as we aim at supplying products to combat societal health challenges such as obesity, Parkinson's Disease, virus infections, erectile dysfunction and pain, to mention a few. We have patient support programs and other initiatives such as 'Lighter together', '6-in-1' and 'My control', all aimed at helping both patients and health care professionals in their pursuit of better health and life quality.

At the heart of our social responsibility initiatives is also our commitment to our employees. We recognize that our success is intrinsically tied to the dedication and expertise of our team members, and as such, we prioritize creating a culture of inclusion and non-discrimination, ensuring that every individual, regardless of race, gender, sexual orientation, disability, or background, feels valued, respected, and empowered within our organization. Through various initiatives, we strive to cultivate a workplace where every individual feels valued, empowered, and inspired to contribute their best. Of total 42 employees in 2024, 25 are women and 17 are men. In late 2023, Navamedic introduced a quarterly employee survey in order to gauge and measure the development of employee satisfaction over time. The results show that Navamedic has a high level of employee satisfaction, in line with or above benchmark results. It also shows a fairly steady, or slightly increasing, level of employee satisfaction.



Governance

Governance considerations remain at the forefront of corporate agendas, as businesses seek to enhance transparency, accountability, and ethical conduct across their operations. Strengthening corporate governance frameworks, fostering board diversity, and upholding rigorous standards of integrity have become paramount objectives, ensuring that organizations uphold the highest standards of ethical behavior and decision-making. Navamedic is continuously committed to conducting its business with the highest ethical standards and ensuring compliance with applicable laws and regulations. Navamedic has structured its governance on transparency



principles that all relevant stakeholders need to adhere to, from our key suppliers to our customers, employees and management.

Navamedic's Code of Conduct establishes the standard for both business and personal conduct expected from all employees. It outlines our ethical expectations, commitments, and requirements applicable to all individuals representing the company, regardless of their contractual relationship. This includes employees, management, the Board of Directors, and relevant contractors. The Code of Conduct, approved by Navamedic's Board of Directors, covers essential topics such as business ethics, anti-corruption measures, workplace environment, and environmental stewardship. Additionally, Navamedic adheres to the European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code. This commitment underscores our collaboration with stakeholders like patient organizations, healthcare professionals, and governments to influence research, regulatory decisions, and optimize medication use. Emphasizing transparency, EFPIA and its members advocate for mandatory registration of lobbying organizations in the EU transparency register. Furthermore, we uphold EFPIA's disclosure provisions, ensuring transparent reporting of financial support to patient organizations across Europe.

Navamedic upholds ethical standards, complying with national and international laws and guidelines on human and labor rights. We strictly prohibit corruption and bribery in any form, as outlined in our Code of Conduct. We maintain a zero-tolerance policy towards corruption in our daily operations and business interactions. Guidelines are in place for accepting gifts or benefits, and all employees are expected to identify and address potential conflicts of interest. The CEO holds ultimate responsibility for enforcing our ethical guidelines.

Further to Navamedic's Code of Conduct, which provides the guidelines for employees internally, Navamedic also has its Supplier Code, a comprehensive guideline and requirements for our suppliers describing Navamedic's expectations to our partners within various categories, including human rights and labor rights, health & safety, sustainability, anti-bribery, child labor etc. We believe that having this document committed to by our partners further strengthens our goal to work with suppliers whose business is run according to the highest standards.

Concluding remarks

Navamedic remains firmly committed to environmental stewardship, social responsibility, and robust governance practices. As we reflect on our current achievements, we take pride in the solid foundation we have established, but we also recognize that our journey towards sustainability is ongoing. Looking ahead, we reaffirm our dedication to continuous improvement, innovation, and transparency. Navamedic has also taken the first steps in becoming CSRD compliant, performing a double materiality analysis to identify which sustainability areas affect Navamedic the most, as well as which areas are the most affected by Navamedic. Navamedic is not as of yet required to comply with and report according to CSRD, but we are on track to comply with the requirements, and we anticipate reporting on this by the end of 2025.



Corporate governance





Implementation and reporting on corporate governance

The Board of Navamedic has adopted guidelines for corporate governance in Navamedic ASA and the Group.

The Board has stipulated guidelines for ethics and corporate social responsibility that apply to all companies in the Navamedic Group. The guidelines clarify the ethical values and standards for corporate social responsibility upon which the Group's and the employees' work shall be based.

Business

Navamedic's business and purpose are described in article 3 of the articles of association, which reads:

"The Company's business is to develop, produce, market, and sell pharmaceuticals and related products, perform consultancy services in connection with this, and invest in related activities."

The Company's goals and main strategies are described on the Company's website. Its vision, goals, and core values are set out in the Company's guidelines for corporate governance and guidelines for ethics and corporate social responsibility.

Navamedic also has active risk management to ensure value creation for shareholders and safeguard societal interests in general.

The Company's vision is that the business, as it is described in the articles of association, shall be run in a sustainable manner.

Equity and dividends

Capital structure

Navamedic's registered share capital amounts to NOK 13,070,454,98 divided into 17,662,777 shares, each with a nominal value of NOK 0.74. As at 31 December 2024, equity amounted to NOK 216,673 thousand, which results in an equity ratio of 46.3%.

Dividends

Navamedic's dividend policy is established by the Board through the guidelines for corporate governance. Each year, in connection with the preparation of the annual financial statements, the Board assesses the Company's need for capital in the coming period. Based on this assessment, the Board issues its recommendation concerning dividends to the general meeting with the explicit goals of ensuring the Company's strategy is implemented and providing optimal value creation for the Company's shareholders.



Board authorisations

The annual general meeting on 4 June 2024 gave authorization to the Board to increase the share capital by up to NOK 2,580,051 to finance further growth. This authorization replaced the previous authorization from the annual general meeting on 1 June 2023.

The second authorization given on the annual general meeting on 4 June 2024 was the authorization to the Board to acquire own shares with a maximum aggregate value of NOK 1,290,025,50. The highest amount that may be paid per share is NOK 100 and the lowest amount is NOK 1.

The third authorization given to the Board in the annual general meeting, was the granting of the right to approve dividend payouts based on the 2023 financial numbers. As of the publishing of this report, no dividend has been approved by the Board.

All authorizations are effective until the annual general meeting in 2025, but no longer than and including 30 June 2025.

Equal treatment of shareholders and transactions with close associates

The Company has one class of share and each share in the Company has one vote. The Company owned none of its own shares as at 31 December 2024.

Pursuant to the Norwegian Code of Practice for Corporate Governance, companies should have guidelines that ensure that Board members and executive personnel report to the Board if they have, direct or indirect, significant interests in an agreement entered into by the Company.

In the case of members of the Board of Navamedic, this is explicitly set out in the rules of procedure for the Board. The Company's guidelines for ethics and corporate social responsibility, which apply to all employees and Board members in the Group, contain guidelines for handling potential conflicts of interest.

The guidelines also stipulate that Navamedic's employees and the Board members should avoid having ownership interests or Board positions in other enterprises if these could be deemed likely to weaken the loyalty to Navamedic. Pursuant to the guidelines, questions concerning Board members' and executive personnel's Board positions in companies that compete with Navamedic or that are business contacts of Navamedic, must always be clarified with the Board of Navamedic.

Shares and negotiability

Pursuant to the Norwegian Code of Practice for Corporate Governance, the articles of association should not stipulate any restrictions on ownership.

The articles of association contain no restrictions on the negotiability of shares. Navamedic ASA is listed on the Oslo Stock Exchange. Navamedic also actively strives to increase the interest in the Company to attract new investors.



General meetings

Navamedic held its annual general meeting on 4 June 2024.

The notice was sent prior to the 21 days deadline and contained descriptions of the items on the agenda and the Board's proposed resolutions. The supporting documentation was prepared with the aim of enabling shareholders to arrive at a view concerning the items on the agenda. The registration deadline was set in accordance with the provision in the Company's articles of association. The notices described the procedures for taking part in and casting votes at the general meetings, as well as attendance by proxy.

The proxy forms were designed such that votes could, to the extent possible, be cast concerning each item on the agenda. In the proxy form a person was also proposed to act as a proxy for the shareholders.

The Chairman of the Board attended the annual general meeting in 2024. The Company's external auditor was also present at the meeting.

Minutes of general meetings were published and made available under the Company's ticker on Newsweb and on the Company's website www.navamedic.com shortly after the meeting.

Nomination committee

The nomination committee consists of chairman Bård Brath Ingerø, member Grete Hogstad and member Katarina Hammar. The tasks and responsibilities of the Nomination Committee are defined as part of Navamedic's corporate governance regime.

The Board, composition and independence

The Board of Navamedic has five ordinary members in addition to the chairman, all of whom are elected by the shareholders. The Board members and chairman of the Board are elected in the general meeting. No Board members are elected for terms of more than two years at a time. None of the Company's Board members have any special interests that prevent them from acting independently.

The Company's annual report contains information about the Board members' relevant experience and current position. The Board members have varied experience from industries such as pharmaceuticals, finance, merger and acquisitions, industry, and marketing. This experience was gained both in Norwegian and international companies, both in private and public enterprises.

It is Navamedic's opinion that, as a corporate body, the Board safeguards the best interests of the shareholders as a group. This is based on the Board's qualifications, capacity and diversity in relation to the business Navamedic operates.

In the opinion of the Board, it is desirable for Board members to own shares in the Company, but no formalized encouragement to own shares in the Company exists.

No Navamedic executive personnel sits on the Company's Board of directors.



The work of the Board of directors

The Board bears overarching responsibility for the management of the Company and supervision of the day- to-day management and the Company's operations. Its main duties consist of formulating the Company's strategy and following up the implementation of this strategy. The Board also performs control functions that ensure the Company's asset management is prudent. The Board appoints the CEO.

Pursuant to the provisions of Norwegian company law, the Board has stipulated rules of procedure for the Board that provide detailed rules for the Board's functions, duties, and responsibilities.

The Board has an annual plan for its work that particularly focuses on goals, strategy, and implementation. The chairman of the Board is responsible for ensuring that the Board's work is executed effectively and correctly in accordance with the law. For matters in which the chairman of the Board is, or has been, actively involved, another Board member is nominated to chair the discussion such that the Company is assured an independent process.

A clear division of work between the Board and executive personnel has been established. The CEO is responsible for the Company's operational management.

The Board holds a minimum of six Board meetings a year, one of which is a strategy meeting. Extraordinary Board meetings are held as required to consider matters that cannot wait until the next ordinary Board meeting.

During 2024, 12 formal Board meetings were held, and the duties of the Board were also addressed through updates via phone conferences, with and without the management team present.

The Board has established an audit committee as a sub-committee to the Board. Special rules and procedures have been set out for this committee. The audit committee consists of two Board members who are independent of the Company's day-to-day management team. The authorities governing the role and responsibilities of the Audit committee has increased the tasks and responsibilities over the last years. The audit committee has taken steps to ensure it can uphold compliance with its requirements.

The Board has also established an M&A committee as a sub-committee to the Board. The M&A committee consists of two Board members, both of whom are independent of the Company's daily operations.

The Board has the objective of conducting an annual evaluation of its work, working methods, and qualifications. A similar evaluation is also conducted of the CEO.

Risk management and internal control

The Board's supervision must ensure that the Company has good internal control routines and appropriate systems for risk management which corresponds to the scope and nature of the business being operated, including the Company's values and guidelines for ethics and corporate social responsibility. The audit committee has particular responsibility for monitoring risk management and internal control.

Navamedic is a relatively small company with a small management team, and with limited capacity. However, while the Company's size and operations are not especially extensive, there are several aspects of operating in the



pharmaceutical industry that require robust routines related to internal control. The Company has established routines to ensure satisfactory internal control and risk management.

The Board will ensure that routines for internal control and risk management are developed on an ongoing basis as the scope of the Company's operations increases.

As part of its auditing services, the external auditor assesses whether there are any material weaknesses in the internal control for financial reporting. The auditor takes part in the audit committee meetings as well as Board meetings in connection with the annual accounts.

The management team emphasizes establishing good control routines in those areas that are of material importance for financial reporting. The control routines are based on an authorization structure that defines roles and responsibilities for each level of management, as well as guidelines for how one should ensure good internal control, including satisfactory routines related to division of duties.

The Board receives regular financial reports in which the Company's economic and financial status is commented on. The Company complies with the Oslo Stock Exchange's deadlines for interim reporting. The Company has chosen not to issue interim reports in accordance with IAS 34, instead it prepares and publishes a presentation for the 1st and 3rd quarters, in addition to the half-year report and annual report.

Accounting issues, should there be any, are analyzed immediately, and the external auditor is consulted if required. An overview of relevant questions is presented to the Audit Committee and Board in connection with the publication of interim presentations and half-year and annual reports.

Remuneration of the Board of directors

The Board's remuneration is decided each year by the shareholders in the general meeting. The Board's remuneration is independent of the Company's results and Board members do not have stock options in the Company.

Information about the Board's remuneration for 2024 is included in note 16 to the financial statements. No Board members have special duties in relation to the Company beyond their Board position and participation in the audit committee, M&A committee and/or the remuneration committee.

Remuneration of executive personnel

The guidelines for the remuneration of executive personnel were revised and approved in the 2023 General Meeting in accordance with the provisions of the Norwegian Public Limited Liability Companies Act.

The remuneration of executive personnel is detailed in the separate management compensation report and considered by the general meeting in accordance with the Public Limited Liability Companies Act.

The Board's statement on executive pay was approved by the general meeting on 4 June 2024.

Procedures and authorizations for determining the remuneration of the corporate management team are governed by the Company's rules of procedure for the Board.

The rules of procedure for the Board and the Board's statement on executive pay stipulate that all schemes that include the awarding of shares, subscription rights, options, and other forms of remuneration linked to shares or the development of the share price, must be established by the Company's general meeting.

The determination of the CEO's salary was approved by the Board and information about the remuneration of the CEO and other executive personnel in 2024 can be found in note 16 to the consolidated annual financial statements. Before determining the pay of the management team, a comparison is made with equivalent positions in companies outside the Group. Additionally, the separate report for remuneration of executive personnel, as required, can be found on the Company's web page [Navamedic.com](https://www.navamedic.com).

Information and communication

Navamedic's information and communication policies are presented in the Company's guidelines for corporate governance. The guidelines are based on the principle of equal treatment of market actors and cover financial reporting and investor relations.

Navamedic will provide the market with accurate, consistent, and relevant information. Half-year reports and interim presentations for the Oslo Stock Exchange are published in English only.

According to the Company's guidelines for corporate governance, the Board must ensure that interim presentations issued by the Company provide a true and complete picture of the Group's financial and business positions, as well as the extent to which the Company's operational and strategic goals are achieved.

Navamedic's communication with shareholders is based on the principle that all owners should have equal access to the information. Navamedic arranges public investor presentations in connection with the publication of half-year reports and interim presentations. In these, the results are reviewed, and the development of the market and the Company's outlook are commented on.

As a minimum, the CEO and CFO take part in the presentations. For 2025, Navamedic will present interim presentations, as well as publish a half-year report and an annual report.

Take-overs

The Company's guidelines for corporate governance stipulate that in the event of potential take-overs or restructuring situations, the Board shall exercise particular care such that the assets and interests of all shareholders are safeguarded.

The guidelines for corporate governance at Navamedic also stipulate that the Norwegian Code of Practice for Corporate Governance must be followed, and the Board will follow the more detailed recommendations in this document if a potential take-over situation arises.

No take-over offers were presented to Navamedic nor its shareholders in 2024.



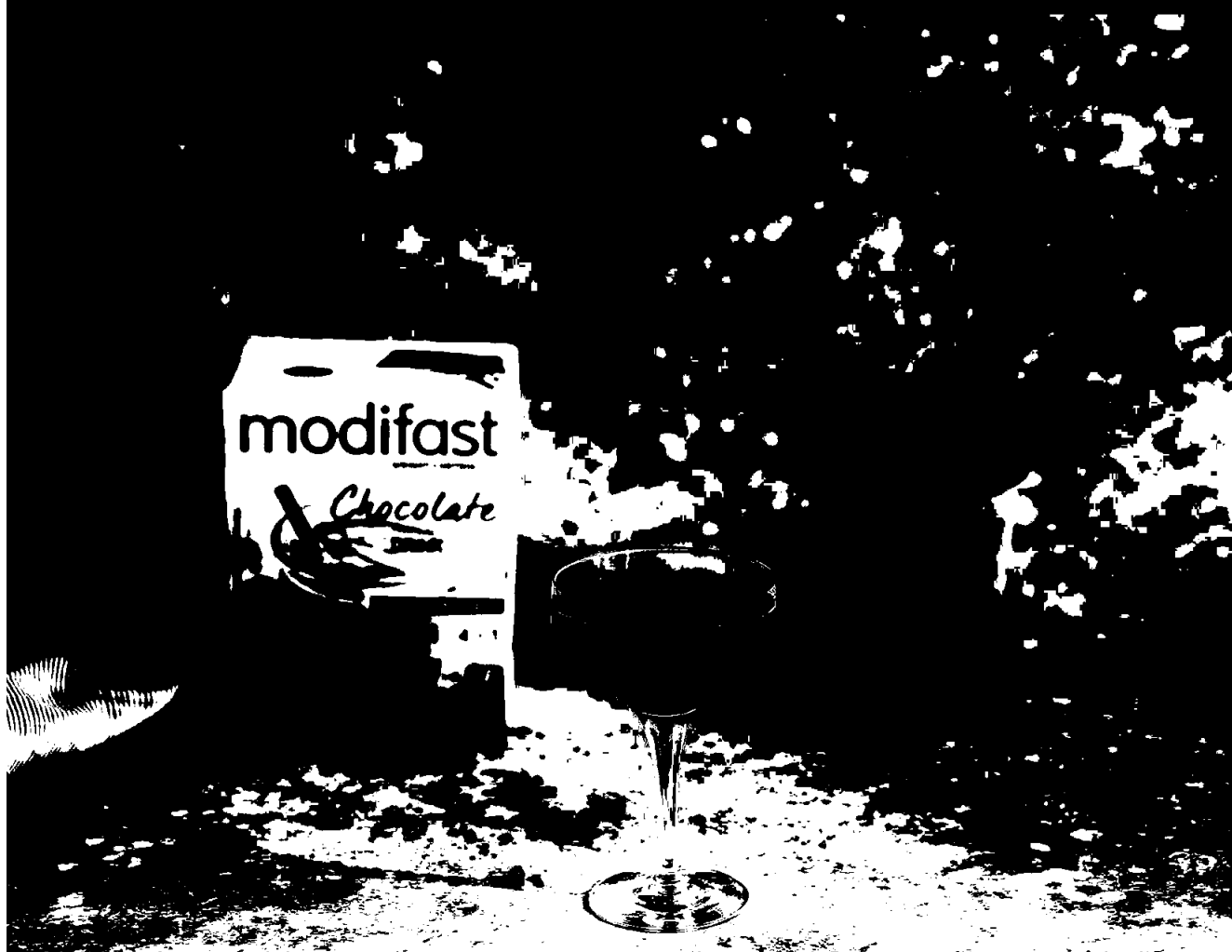
Auditor

The Company's external auditor is EY. The auditor attends Board meetings in connection with the annual financial statements and most audit committee meetings. At least one meeting a year is held between the auditor and Board without the CEO nor other member of the Company's executive management present.

The auditor presents an audit plan for the audit committee each year. According to the Company's guidelines for corporate governance, the auditor shall each year provide the Board with written confirmation that they comply with the requirements for independence and objectivity. The guidelines also stipulate that services from the auditor beyond the mandatory audit and closely related advice must only be provided following a decision by the Board or audit committee.



Consolidated financial statements 2024





Consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Note	2024	Restated 2023
Operating revenues	4	531,436	511,997
Total revenue		531,436	511,997
Cost of materials		322,558	312,944
Payroll expenses	16	70,260	63,673
Other operating expenses	15	92,067	99,876
Operating profit before depreciation and amortization (EBITDA)		46,550	35,504
Depreciation	7,9	4,267	3,315
Amortization	8	10,488	8,610
Operating profit (EBIT)		31,795	23,580
Financial income	17	3,103	4,763
Gain at derecognition	18	13,738	0
Impairment	18	-25,587	-17,402
Financial expenses	17	-16,833	-14,337
Net currency gains/(losses)	17	-6,282	5,939
Net change in fair value of current financial assets	17	-1,554	-8,699
Net financial income and expenses		-33,415	-29,736
Profit before tax		-1,620	-6,156
Income taxes	26	3,865	7,529
Net profit / (loss)		-5,485	-13,685
<i>Other comprehensive income that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		7,514	502
Total other comprehensive income		7,514	502
Total comprehensive income		2,029	-13,183
<i>Attributable to:</i>			
Shareholders in the parent company		2,029	-13,183
Earnings per share basic (NOK)	23	-0.314	-0.792
Earnings per share diluted (NOK)	23	-0.314	-0.792



Consolidated statement of financial position

<i>(in NOK '1000)</i>	Note	31.12.2024	Restated 31.12.2023
Assets			
Non-current assets			
Intangible non-current assets			
Goodwill	8	159,051	156,729
Deferred tax assets	26	934	930
Other intangible assets	8	92,561	97,627
Total intangible non-current assets		252,546	255,286
Other non-current assets			
Property, plant & equipment	7	4,493	3,692
Right of use assets	9	4,246	6,060
Non-current loans receivable	18	6,196	32,159
Total other non-current assets		14,934	41,910
Total non-current assets		267,480	297,197
Current assets			
Tax receivables	26	8,720	14,858
Inventories	11	81,888	105,200
Trade and other receivables	10	55,909	50,631
Current loans receivable	18	0	0
Other current financial assets	12	16,194	1,393
Cash and cash equivalents	19	37,285	38,036
Total current assets		199,996	210,118
Total assets		467,477	507,315



Consolidated statement of financial position (cont.)

<i>(in NOK '1000)</i>	Note	31.12.2024	Restated 31.12.2023
Equity			
<i>Paid in equity</i>			
Share capital		13,070	12,842
Share premium reserve		198,238	192,577
Total paid in equity	13	211,308	205,419
<i>Retained earnings</i>			
Retained earnings		5,364	-16
Total retained earnings		5,364	-16
Total equity		216,673	205,402
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing borrowings	20	78,571	95,479
Non-current license liabilities	21	21,360	3,988
Non-current right of use liabilities	9	1,694	3,892
Deferred tax liabilities	26	8,361	9,271
Total non-current liabilities		109,986	112,630
<i>Current liabilities</i>			
Current interest-bearing borrowings	20	35,441	51,067
Trade account payables	14	50,267	68,300
Current right of use liabilities	9	2,868	2,453
Current license liabilities	21	0	16,861
Taxes payable	26	5,198	8,149
Other current liabilities	14	47,045	42,453
Total current liabilities		140,818	189,283
Total liabilities		250,804	301,913
Total equity and liabilities		467,477	507,315



The Board of Directors and CEO of Navamedic ASA

Oslo, 30 April 2025

Jostein Davidsen (sign.)

Chairman

Edmée Steenken (sign.)

Board member

Annika Kollén

Annika Kollén (sign.)

Board member

Kjell-Erik Nordby (sign.)

Board member

Rune Wahl (sign.)

Board member

Asa Kornfeld

Board member

Kathrine Gamborg Andreassen (sign.)

CEO



Consolidated statement of changes in equity

<i>(in NOK '1000)</i>	Share capital	Share premium reserve	Retained earnings	Total
Balance as at 1 January 2023	12,749	190,408	6,564	209,721
Net profit / loss (-) (Restated)			-13,685	-13,685
Currency translations differences			502	502
Capital increase	93	2,169		2,262
Share options			6,603	6,603
Balance as at 31 December 2023 (restated)	12,842	192,577	-16	205,402
Balance as at 1 January 2024 (restated)	12,842	192,577	-16	205,402
Net profit / loss (-)			-5,485	-5,485
Currency translations differences			7,514	7,514
Capital increase	229	5,661		5,890
Share options			3,352	3,352
Balance as at 31 December 2024	13,070	198,238	5,364	216,673



Consolidated cash flow statement

<i>(in NOK '1000)</i>	Note	2024	Restated 2023
<i>Cash flow from operating activities</i>			
Profit before tax		-1,620	-6,156
Taxes paid		-3,118	-5,129
Depreciation, amortization and impairment	7,8,9	40,342	29,328
Financial income/expenses without cash flow effect		643	5,768
Other income/expenses without cash effect		3,352	6,603
Changes in inventory		17,479	-23,754
Changes in trade and other receivables		-5,279	-4,985
Changes in trade and other payables		-18,033	765
Changes in other current balance sheet items		5,587	-260
Net cash flow from operating activities		39,354	2,179
<i>Cash flow from investing activities</i>			
Acquisition of tangible and intangible assets	7,8	-3,325	-2,198
Loans granted	18	0	-5,000
Interest received		547	614
Purchase of shares in other companies		0	-97,999
Net cash flow from investing activities		-2,778	-104,583
<i>Cash flow from financing activities</i>			
Loans received		0	145,110
Payment of loans		-32,534	-54,268
Interest paid		-7,780	-7,228
Share issues		5,890	2,262
Payment of lease liabilities		-3,314	-2,641
Net cash flow from financing activities		-37,738	83,235
Changes in currency		412	1,909
Net change in cash		-751	-17,260
Cash and cash equivalents start period		38,036	55,296
Cash and cash equivalents end period	19	37,285	38,036



Notes to the consolidated financial statements





Note 1 – General information

Navamedic ASA is a Nordic pharma company listed on the Oslo Stock Exchange. The Company is a reliable supplier of high-quality products, delivered to hospitals and through pharmacies, meeting the specific medical needs of patients and consumers.

The product portfolio consists of prescription and non-prescription pharmaceuticals as well as other healthcare products registered as medical nutrition, medical devices, food supplements or cosmetics.

Navamedic ASA is present in all Nordic countries, the Baltics and Benelux and has sales of specific products in other European countries like the UK and Greece.

Through its subsidiaries Navamedic AB in Sweden and Navamedic AS in Norway, the Group distributes more than 40 different product brands from over 20 international partners/brand owners and manufacturers in the Europe.

Navamedic's ambition is to grow by expanding its product portfolio and launching existing products in new markets.

Navamedic ASA is registered and based in Norway and is listed on the Oslo Stock Exchange. Its head office is at Solli Plass in Oslo. Its visiting address is Henrik Ibsens gate 100, 0255 Oslo, Norway.

Note 2 – Significant accounting policies

In order to provide users of financial statements with better clarity over important accounting policies and basis for preparation or judgement, Navamedic has included the necessary information about material policies and estimates in the respective notes. This section outlines the significant policies that are not included in the respective notes.

2.1 Framework for preparation of the financial statements

Navamedic's consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as adopted by the EU.

The consolidated financial statements have been prepared on the basis of historical cost, except for shares held at fair value through profit and loss.

The accounting policies applied, and the presentation of the consolidated financial information are consistent with the previous annual financial statements for the year that ended 31 December 2023.

New and amended standards adopted by the group

New or amended standards and interpretations issued during the current period, effective from 1 January 2024, are not expected to have material impact on the entity in the current or future periods.

New standards and interpretations not yet adopted



IFRS 18 Presentation and Disclosure in Financial Statements was issued on 9 April 2024. IFRS 18 is not mandatory for 31 December 2024 reporting period and has not been early adopted by the group. The group is in process of assessing the impact of IFRS 18 on the groups reporting. Other new or amended accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and has not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

The consolidated financial statements have been prepared on the assumption that the Group is a going concern.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial risk management and capital management (Note 3)
- Goodwill and intangible assets (Note 8)
- Loan to Observe Medical (Note 18)

2.2.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2.2.1.a) Determining the classification and measurement of loans receivables

The Group has issued two loans to Observe Medical ASA, a principal loan from 2019 which is convertible at certain conditions and a new loan from 2023. For both loans, the Group have applied the classification methodology in accordance with IFRS 9 to assess classification and measurement of the loan receivables.

The Group has assessed whether the loans should be classified as financial instruments measured at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Group has evaluated these criteria and concluded to classify the financial instruments at amortised cost.

This assessment has been based on the fact that the group's goal with its business model is solely to receive contractual cash flows, and these cash flows consist only of interests and principal.

For the principal loan, the Group has applied judgement in assessing the impact on the conversion opportunity. The Group recognizes the fact that the conversion opportunity can lead to a violation of SPPI requirements. The floor of the conversion price, which is equal to the nominal value of the shares in Observe Medical ASA and volume-weighted average in the conversion price (average share price over the last 10 trading days prior to the conversion date) may be considered as criteria that point to a breach of the SPPI test as this can result in cash flows that will not only amount to payment of principal and interests.

Conversion right

The principal loan has a conversion right where the floor of the conversion price is equal to the nominal value of the shares in Observe Medical ASA and a volume-weighted average in the conversion price (average share price over the last 10 trading days prior to the conversion date). The conversion option is subject to approval from the BoD of Observe Medical ASA, which can refuse the conversion to shares and repay the loan instead, which means that no direct conversion is present at the Group's discretion.

In assessing that the contractual cash flows are only payment of principal and interests, the Group has considered it essential that the right of conversion functions as a mechanism to force early redemption (early settlement option), and not as a conversion right that has value in itself. Any added value by converting the loans would, based on the Group's judgment, be random due to the conditions of applying the average share price last 10 trading days before the conversion date. Shares could instead be bought directly in the market.

The conversion right has been assessed to in substance represent a security for which the Group can receive shares with the same value as the outstanding loan amount if the conditions of the loans are not met by the loan taker. The conversion right is a security mechanism for the settlement of outstanding debts.

The Group's assessment is that the conversion right is intended to ensure settlement of interest and principal amount, either in the form of cash or in the form of shares with an equivalent value, by which the loan is considered to be satisfy the SPPI criteria in the future.

Therefore, the loan receivables have been classified and measured at amortised cost. Refer to Note 18 for more details about the loans and the basis for measurement.

2.2.1.b) Impairment losses on loan receivables

In determining the expected credit losses (ECL), the Group makes the following judgments:

Significant increase in credit risk (SICR):

- In assessing whether a SICR has occurred for an exposure since initial recognition, the Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Group has determined as appropriate include movement in probability of default (PD) and other qualitative factors, such as a default or past due event, or the loan becoming forborne. See Note 18 for further details.

Multiple economic scenarios:

- The Group in its measurement of ECLs makes judgements about the type and number of scenarios in order to reflect the Group's exposure to credit risk and the probability for the scenarios to occur. For example,

the Group has determined that 3 scenarios are appropriate; going concern, restructuring and liquidation. See Note 16 for further disclosures relating to the different scenarios.

Definition of Default:

- Significant judgement exists with regards to assessing when the loan receivables are considered to have defaulted, and in assessing the parameters of ECL model such as probability of default (PD), loss given default (LGD) and exposure at default (EAD). See Note 18.

Other judgements in the determination of ECL include the development of the Group's ECL model, the choice of inputs, for example which inputs are relevant assessing the exposure, see note 18 for further details.

2.2.1.c) Fair value

Significant judgement is exercised in the measurement of fair value instruments as level 3 since the valuation of such instruments is driven by significant unobservable inputs.

2.2.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities the Group is not yet committed to nor significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 8.

Provision for expected credit losses of loan receivable

The Group's ECL calculations are outputs based on a number of underlying assumptions regarding the different inputs and their interdependencies. Elements of the ECL calculation that involve assumptions and estimate uncertainty include:

- The weightings assigned to the multiple economic scenarios in order to reflect the exposure to credit risk



- The value of specific economic inputs included in the assessment, such as the financial risk of Observe Medical and the company's ability to obtain necessary funding and commercialize their products, and the effect on PDs, EADs and LGDs. See note 18 for an analysis of the inputs to the ECL model
- In addition to the judgements outlined above with regards to SICR triggers, there is also an assessment of qualitative criteria to determine if there has been a significant increase or decrease in credit risk. These factors result in significant estimation uncertainty

The Group will regularly review its model in the context of actual loss experience and adjust when necessary. Refer to 18 for further details on ECLs.

2.3 Consolidation policies

A subsidiary is a company over which Navamedic ASA (directly or indirectly) has control. Control is attained when Navamedic is exposed to, or has rights to, variable returns from its engagement in a company in which it has invested and is able to influence this return by exercising power over the Company. Power means existing rights that currently provide Navamedic with the ability to steer relevant activities, i.e. the activities that affect, to a significant degree, the return from the Company that has been invested in. All subsidiaries are owned 100% and there are no minority interests.

Subsidiaries are consolidated from the date when the Group attains control and consolidation ceases when control of the subsidiary ceases.

2.4 Translation of foreign currency

a) Functional currency and presentation currency

The accounts of the individual units in the Group are measured in the currency that is mainly used in the economic area in which the unit operates (functional currency). The consolidated financial statements are presented in NOK, which is both the parent company's functional currency and its presentation currency.

b) Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency using the transaction's exchange rate. Realized currency gains and losses that arise during the settlement and translation of monetary items in foreign currency at the exchange rate on the balance sheet date are recognized through profit or loss. Currency gains and losses are presented (net) as financial income or financial expenses.

c) Group companies

The income statements and balance sheets of group companies with functional currencies different from the presentation currency are translated in the following way:

- a) balance sheets are translated using the exchange rate on the balance sheet date.
- b) income statements are translated using the average exchange rate for the year.
- c) translation differences are recognized in other comprehensive income and specified in equity as a separate item.



Goodwill and excess values upon the acquisition of a foreign unit are treated as assets and liabilities in the acquired unit and translated at the exchange rate on the balance sheet date. Translation differences that arise are recognized in other comprehensive income.

2.5 Correction of error

Navamedic announced on the 28th of April 2025, that the Norwegian Financial Supervisory Authority of Norway (NFSA) has concluded an assessment of the 2023 financial statements and the interim 4th quarter 2024 figures. The NFSA assessment was that there were misstatements in the annual financial statements for 2023 and in the interim financial statements for 2024 related to the Company's accounting of the two loans Navamedic has to Observe Medical ASA, interest on those loans and the information provided in the notes to the accounts. Navamedic has complied with the NFSA assessment and corrected the accounts accordingly.

The Group concluded based on an assessment of a variety of instances that the loans to Observe Medical ASA were credit impaired as per 31 December 2023. The Group's assessment concludes that the loans had defaulted and been assessed as stage 3 for ECL calculations in the second half of 2023. Consequently, the loan receivables, interest income and the profit for the year were overstated in the financial statements for 2023.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Impact on equity (increase / decrease (-) in equity)

<i>(in NOK '1000)</i>	31.12.2023
Non-current loans receivable	-16,990
Total non-current assets	-16,990
Total assets	-16,990
Net impact on equity	-16,990

Impact on statement of profit or loss (increase / decrease (-) in profit)

<i>(in NOK '1000)</i>	31.12.2023
Impairment	-17,402
Financial income 1)	0,412
Net financial income and expenses	-16,990
Profit before tax	-16,990
Net profit / loss (-)	-16,990
Total comprehensive income	-16,990

1) Financial income consists of positive effect from loan modification of 1,100 and negative effect from lower interest income of 688.



Impact on earnings per share (EPS) (increase / decrease (-) in EPS)

(in NOK)

31.12.2023

Basic earnings per share	-0.984
Diluted earnings per share	-0.984

Note 3 – Financial risk management and capital management

The Group's operations expose it to various types of financial risk, including, but not limited to market risk (including currency risk, variable interest risk and price risk), credit risk, and liquidity risk. The Group focuses on minimizing the potential negative effects unforeseeable movements in the capital markets can have on the Group's financial results.

The Group's risk management is performed by the management team in accordance with company risk policy approved by the Board.

a) Market risk

Operational risk

The Group is exposed to operational risk. The Group believes that such a risk will primarily arise in relation to the development of future sales of the Company's products, measured in terms of both price and volume. Factors that can influence market risk include increased competition, instructions to reduce prices from the authorities, and competition from existing and future pharmaceuticals within the Company's range of therapies.

The Company depends on supply and distribution from suppliers. The Company has supply and distribution agreements with suppliers in which the term of the agreement varies from three to eight years. The Company is dependent on renewing these agreements at market prices and on market terms and conditions and is therefore in continuous dialogue with the suppliers to ensure they are renewed.

The Group is exposed to risk related to pandemic outbreaks like Covid-19. However, based on the existing portfolio of products, the Company is probably less prone to be affected to the same extent as many other companies. The demand for most of the Company's products, except for some Consumer Health products, is less likely to be affected since the end users typically use the products based on needs and cannot easily stop using them. There is a risk that some products' production and delivery could be affected in the event of long term shut down.

Navamedic is exposed to risk related to outbreak of war, like the current war in Ukraine. Navamedic has no direct business relation with neither Ukraine nor Russia, however, if the war has negative effect on prices of raw



material or transportation costs, this will likely have an effect on Navamedic, although it is difficult to assess to what extent.

Navamedic owns shares in Observe Medical ASA, a company listed on Oslo Euronext Growth trading exchange. As is the case with any company's share, the share price and value is subject to fluctuations stemming from one or more of the following factors: Economic down-turns, share trading and speculation, inability to comply to its financial and other obligations, liquidity challenges and more. Hence there is a not insignificant risk, as well as upside potential related to the value of the shares as recorded in the Navamedic accounts.

Currency risk

The Group is exposed to currency risk. A significant proportion of the Group's revenue and expenses are in currencies other than the functional currency in the individual entities (mostly NOK, SEK, DKK and EUR). Materials are generally paid for in EUR, SEK, GBP, USD, DKK and NOK. Most of the sales in Navamedic AB take place in Nordic currencies and EUR. Payroll and operating expenses are generally incurred in the currency of the country in which the individual company is registered. The Group has not adopted specific currency hedging strategies in relation to operations. Over the last two years, the value of NOK vs EUR and SEK has decreased. Although difficult to pinpoint due to several other factors affecting the margin, Navamedic's Gross Margin of Navamedic has fluctuated up to 1.3 percentage points from the changes in currency. This means that the currency risk, although not zero, is not very significant unless there are very material changes to the currency rates.

Variable interest rate risk

The interest rate on the Group's loans is variable. The Group manages the variable interest rates risk by entering into the interest rate hedge agreement with Nordea. Please refer to note 20 for more details about the loan terms and interest rate hedging. This means that Navamedic does not bear significant risk related to changes in interest rates. Fluctuations in interest rates also do not pose a significant risk on Navamedic's bank deposits.

b) Credit risk

The Group is exposed to concentrations of credit risk for non-current loans receivable. For trade receivables and other current receivables the Group is not exposed to significant risk given the short-term nature of these receivables. Routines have been introduced to ensure products are sold to customers with satisfactory creditworthiness. The Company's customers are largely public enterprises and larger pharmacy chains that represent a low credit risk. The level of sales directly to consumers is relatively low. See also note 10, which shows when the Group's receivables fall due.

c) Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.



The Group has established a revolving credit facility to manage its working capital.

d) Liquidity risk

The Group's liquidity risk is considered low to moderate as at 31 December, and the Group's liquidity situation as at 31 December 2024 is considered to be satisfactory. As at 31 December 2024, the Group had NOK 37 million in cash and cash equivalents (NOK 38 million as at 31 December 2023). The Group has outstanding loans of NOK 94 million as well as an outstanding overdraft facility of NOK 20 million as of 31.12.2024. The Group continually monitors the liquidity risk associated with the due dates for financial liabilities. Expected cash flows from interests on liabilities to financial institutions are based on an interest rate of 6.9% for all years.

The table below illustrates the maturity structure of liabilities:

Maturity structure of liabilities 2024

(in NOK '1000)	Note	Carrying amount	Undiscounted amount	Expected cash flows					Total
				Year 1	Year 2	Year 3	Year 4		
License liabilities	21	21,360	21,882	0	17,132	4,750	0	21,882	
Liabilities to financial institutions	20	114,012	114,012	35,441	15,714	15,714	47,143	114,012	
Interest on liabilities to fin. institutions	20	0	15,993	6,054	4,970	3,885	1,084	15,993	
Right of use liabilities	9	4,561	4,699	2,985	1,143	571	0	4,699	
Trade account payables	14	50,267	50,267	50,267	0	0	0	50,267	
Taxes payable	26	5,198	5,198	5,198	0	0	0	5,198	
Other current liabilities	14	47,045	47,045	47,045	0	0	0	47,045	
Total		242,442	259,096	146,989	38,959	24,921	48,227	259,096	

Maturity structure of liabilities 2023

(in NOK '1000)	Note	Carrying amount	Undiscounted amount	Expected cash flows					Total
				Year 1	Year 2	Year 3	Year 4-5		
License liabilities	21	20,848	21,611	16,861	0	4,750	0	21,611	
Liabilities to financial institutions	20	146,546	146,546	51,067	16,907	15,714	62,857	146,546	
Interest on liabilities to fin. institutions	20	0	23,365	7,266	6,160	4,970	4,970	23,365	
Right of use liabilities	9	6,345	6,694	2,672	2,681	1,341	0	6,694	
Trade account payables	14	68,300	68,300	68,300	0	0	0	68,300	
Taxes payable	26	8,149	8,149	8,149	0	0	0	8,149	
Other current liabilities	14	42,454	42,454	42,454	0	0	0	42,454	
Total		292,641	317,118	196,769	25,748	26,775	67,827	317,118	

Note 4 – Segment information and revenue from contracts with customers

Operating segments are identified based on the reporting the management team uses to evaluate performance and profitability at a strategic level. Navamedic has only one segment, the Pharma and healthcare division. The reporting structure reflects the Company's business and product composition. The Pharma and healthcare division consists of pharmaceuticals and medical nutrition products that Navamedic markets, sells and distributes to hospitals, pharmacies and patients, bought from product suppliers and manufacturers in Europe and other places. Navamedic's chief operating decision maker is the CEO.

Navamedic distributes and delivers pharmaceuticals and other products to hospitals and pharmacies, mainly in the Nordic region, but also in a number of other countries in Europe. Revenues are measured based on the transaction price specified in a contract with a customer. The Group's revenues are generated from the sale of goods, and revenue is recognized at the point in time when control of the goods transfers to the customer, typically when the Group has delivered the goods to the customer. Revenues from outlicensing of products owned by Navamedic are recognized when milestones are reached.

Navamedic classifies its products into three product categories:

- **The RX area** comprises Navamedic's prescription products and categories, including obesity, urology, neurology, and cardiology products such as Mysimba[®] (prescription pharmaceutical for treatment of obesity), Elmiron[®]/Gepan[®] (products for the treatment of painful bladder syndrome), Flexilev (microtablets for the treatment of Parkinson's disease) and cardiology products such as Imdur[®] (used to prevent angina pectoris), Nitrolingual (acute relief of angina pectoris).
- **The Consumer Health area** comprises Navamedic's over-the-counter products, available to patients without a prescription in the pharmacies or drugstore (NL only), the area includes obesity (Modifast – products for meal replacement), gastro (brands such as Alflorex, SmectaGo and ForlaxGo), pain (ThermaCare), cough&cold and intimate health.
- **Hospital** products included in tenders such as a broad portfolio of niched medical nutrition products for rare diseases such as Phenylketonuria, and intravenous antibiotics for hospital use.

Operating revenues by major markets

<i>(in NOK '1000)</i>	2024	2023
Norway	201,650	214,123
Sweden	185,536	158,916
Denmark	38,861	38,065
Finland	36,238	27,706
The Netherlands	34,747	54,009
Other countries	34,404	19,178
Total revenue	531,436	511,997

Operating revenues by product categories

<i>(in NOK '1000)</i>	2024	2023
Prescription drugs (Rx)	265,517	300,304
Hospital	112,336	102,824
Consumer health	130,783	108,869
Other – outlicensing	22,800	0
Total revenue	531,436	511,997

Non-current assets by country *

<i>(in NOK '1000)</i>	2024	Restated 2023
Sweden	224,950	224,501
Norway	42,530	72,696
Total	267,480	297,197

* Other than financial instruments and deferred tax assets.

Note 5 – Business combinations

The acquisition method is used for acquisitions of business. The consideration is measured at the fair value of the assets transferred, liabilities assumed, and equity instruments issued. The fair value of all assets or liabilities according to the agreement on contingent consideration is also included in the remuneration. Identifiable assets, liabilities, and contingent liabilities are recognized at their fair value on the acquisition date. Acquisitions-related costs linked business combinations are recognized as expenses when they are incurred. If the sum of the remuneration, fair value of earlier assets, and any fair value of minority interests exceeds the fair value of identifiable net assets in the acquired company, the difference is capitalized as goodwill.

Business combinations in 2023

On 29 March 2023, Navamedic submitted a cash offer to acquire all shares in Sensidose AB, a Sweden-based pharmaceutical company that sells drugs in combination with an innovative device for individual dosing, targeting patients with advanced Parkinson's disease. By 22 April, Navamedic acquired 57.2% of the shares and launched a mandatory public tender offer (MTO) for the remaining outstanding shares. Following the expiry of MTO on 26 May, Navamedic acquired 96.33% of the shares in Sensidose AB as well as 93.16% of the series T01 warrants. By the end of 2023, Navamedic owned 100% of the shares in Sensidose AB.

The total transaction price for 100% of the shares was NOK 102.5 million. Acquisition-related cost (transaction cost) of NOK 16.1 million is reported as other operating expense. Following the final purchase price allocation (PPA), the fair value of other intangible assets is measured to NOK 48.6 million established and is based on estimated royalty relief incurred by owning the intellectual property rights related to the patents Sensidose owns. Correlated deferred tax liability recognized is measured at NOK 10 million. The residual amount of NOK 49.8 million is allocated to



goodwill which is primarily related to the expected benefits from geographical expansion and future sale as well as expected economic benefits from the further products development.

Note 6 – Investments in subsidiaries

	Office location	Ownership share 31.12
Navamedic AS	Oslo, Norway	100%
Navamedic AB*	Gothenburg, Sweden	100%
Sensidose AB	Stockholm, Sweden	100%

* The subsidiary Navamedic AB has branches in Denmark and Finland.

Note 7 – Property, plant & equipment

(in NOK '1000)	Office equipment	Medical devices	Total
Accumulated cost			
Balance at 1 January 2023	1,178		1,178
Additions	198	1,193	1,391
Acquisition	0	2,648	2,648
Disposals	0	0	0
Currency translation differences	5	-38	-33
Accumulated cost at 31 December 2023	1,381	3,803	5,184
Balance at 1 January 2024	1,381	3,803	5,184
Additions	0	1,933	1,933
Acquisition	0	0	0
Disposals	0	0	0
Currency translation differences	2	61	63
Accumulated cost at 31 December 2024	1,383	5,797	7,180
(in NOK '1000)	Office equipment	Medical devices	Total
Accumulated depreciation			
Balance at 1 January 2023	-571	0	-571
Depreciation	-388	-520	-909
Disposals	0	0	0
Currency translation differences	-4	-9	-13
Balance as at 31 December 2023	-963	-529	-1,492



<i>(in NOK '1000)</i>	Intangible assets			
	Goodwill	Licenses	Other intangible assets	Total intangible assets
Accumulated cost				
Balance at 1 January 2023	100,743	61,316	3,419	64,735
Acquisition	49,840	0	56,757	56,757
Additions	0	18,927	558	19,486
Currency translation differences	6,147	1,311	-1,402	-90
Accumulated cost at 31 December 2023	156,729	81,554	59,333	140,887
Balance at 1 January 2024	156,729	81,554	59,333	140,687
Acquisition	0	0	0	0
Additions	0	1,605	2,234	3,839
Currency translation differences	2,322	505	1,370	1,875
Accumulated cost at 31 December 2024	159,051	83,665	62,937	146,602
Accumulated amortization				
Balance at 1 January 2023	0	-32,578	-1,621	-34,199
Amortization	0	-3,954	-4,657	-8,610
Currency translation differences	0	-487	35	-451
Balance as at 31 December 2023	0	-37,018	-6,242	-43,260
Balance at 1 January 2024	0	-37,018	-6,242	-43,260
Amortization	0	-4,006	-6,482	-10,488
Currency translation differences		-133	-160	-293
Balance as at 31 December 2024	0	-41,157	-12,884	-54,041
Expected useful economic life		5-10 years	5-10 years	
Carrying amounts				
At 31 December 2023	156,729	44,537	53,091	97,627
At 31 December 2024	159,051	42,508	50,053	92,561



Test for impairment losses for cash generating units that contain goodwill

Goodwill originates from the purchase of Vitaflo AB, Impolin AB, Sensidose AB and other minor acquisitions, including Novicus Pharma AS. For the purpose of impairment testing, goodwill has been allocated to the Group's cash generating units ('CGU'), being the Pharma and Sensidose division with the following carrying value at 31.12.2024:

- Pharma division: NOK 109 million
- Sensidose division: NOK 50 million

Impairment test – Pharma division

Impairment testing is based on value-in-use calculations, determined by discounting the estimated future cash flows to be generated by the CGU. The test is based on the book value of the CGUs at 31.12.2024 compared to the estimated value calculated on the basis of discounted future cash flows. The 2025-2029 business plan is used, with an average revenue growth of 9%, after which it is assumed a 1.0% growth. A discount rate pre-tax of 9.6% was used to discount future cash flows. The resulting EBITDA margin is, on average, 11% based on the business plan for 2025-2029. The estimated value of the CGU exceeded the book value at 31.12.2024, therefore resulting in no write-down of goodwill. In addition to the discounted cash flow estimation, sensitivity analysis showed that even with a significantly more conservative view, the estimated value would still not result in a write-down. Key assumptions include moderate growth in the revenue according to the above-mentioned during the period, together with the estimated EBITDA margin and the level of the discount rate. Additionally, neither reasonably possible negative changes in the growth assumption, nor reasonably possible negative changes in the EBITDA margin would lead to an impairment. Also, a reasonably possible increase in the discount rate after tax would not give rise to impairment.

Impairment test – Sensidose

Impairment testing is based on value-in-use calculations, determined by discounting the estimated future cash flows to be generated by the CGU. Cash flows include sales from launch of new products in existing and new markets by distribution from both Navamedic and an exclusive partner in selective markets. The test is based on the book value of the goodwill at 31.12.2024 compared to the estimated value calculated on the basis of discounted future cash flows. The 2025-2032 business plan is used, with an average revenue growth of 99%, after which it is assumed a 1.0% growth. A period of seven years is used to reflect that the products are in launch stage and will not reach steady state within a five year period as we expect to launch the products in additional geographies over the next 2-3 years. A discount rate pre-tax of 9.6% was used to discount future cash flows. EBITDA margin during the explicit period is, on average, 40% while in the terminal value it is set to 52% based on the business plan for 2025-2032. The margin of the products is higher than average and will increase gradually during launch / investment stage and reach higher margin in steady state. The estimated value of the CGU exceeded the book value at 31.12.2024, therefore resulting in no write-down of goodwill. In addition to the discounted cash flow estimation, sensitivity analysis showed that even with a significantly more conservative view, the estimated value would still not result in a write-down. Key assumptions include moderate growth in the revenue according to the above-mentioned during the period, together with the estimated EBITDA margin and the level of the discount rate. Additionally, neither reasonably possible negative changes in the growth assumption, nor reasonably possible negative changes in the EBITDA margin would lead to an impairment. Also, a reasonably possible increase in the discount rate after tax would not give rise to impairments.



Note 9 – Right of use assets and liabilities

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Group recognizes right-of-use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its estimated incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right of use assets

<i>(in NOK '1000)</i>	2024	2023
Right of use assets	4,246	6,060
Total Right of use assets	4,246	6,060



<i>(in NOK '1000)</i>	Land and buildings	Motor vehicles	Office equipment	Total
Balance at 1 January 2023	5,549	948	14	6,511
Depreciation	-1,698	-700	-8	-2,407
Additions	0	305	0	305
Adjustments	547	891	0	1,439
Currency translation differences	2	209	0	211
Balance at 31 December 2023	4,400	1,654	6	6,060
Depreciation	-2,163	-925	-6	-3,094
Additions	966	300	0	1,266
Adjustments	0	0	0	0
Currency translation differences	4	10	0	14
Balance at 31 December 2024	3,206	1,039	0	4,246

Right of use liabilities

<i>(in NOK '1000)</i>	2024	2023
Non-current right of use liabilities	1,694	3,892
Current right of use liabilities	2,868	2,453
Total right of use liabilities	4,561	6,345

Maturity analysis contractual undiscounted cash flows

<i>(in NOK '1000)</i>	2024	2023
Less than one year	2,985	2,672
Between one and five years	1,714	4,022
Total undiscounted lease liabilities at 31 December	4,699	6,694

**Changes in right of use liabilities**

<i>(in NOK '1000)</i>	2024	2023
At 1 January	6,345	6,726
Payments	-3,314	-2,641
Interest	252	303
Additions and adjustments	1,267	1,744
Currency translation	12	213
At 31 December	4,561	6,345

Amounts recognised in profit or loss

<i>(in NOK '1000)</i>	2024	2023
Interest on lease liabilities	252	303
Depreciation right of use assets	3,094	2,407

Other information

<i>(in NOK '1000)</i>	2024	2023
Lease payments for short-term leases and low value assets leases	759	606

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the statement of financial position at the date of initial application is 4,6 %.

Note 10 – Trade and other receivables

Trade receivables arise from sales of goods or services within the ordinary business cycle. If settlement is expected within one year or less (or in the ordinary business cycle if this is longer), the receivables are classified as current assets. If this is not the case, the receivables are classified as non-current receivables.

Trade receivables are measured at the transaction price upon initial recognition. In subsequent measurements, trade receivables are measured at amortized cost, less provisions for expected credit losses. For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

The Group has a trade receivable financing agreement with Avida Finans AB.



<i>(in NOK '1000)</i>	2024	2023
Trade receivables	45,592	38,043
Other receivables	1,650	1,968
Prepaid expenses	8,667	10,620
Total trade and other receivables	55,909	50,631

<i>(in NOK '1000)</i>	2024	2023
Gross trade receivables	45,592	38,156
Provision for loss on trade receivables	0	-112
Total trade receivables	45,592	38,043

<i>(in NOK '1000)</i>	2024	2023
Provision for loss on trade receivables at 1 January	-112	-90
Net change in provision for loss on trade receivables	105	-97
Loss on trade receivables	8	75
Total provision for loss on trade receivables at 31 December	0	-112

Due date profile trade receivables

<i>(in NOK '1000)</i>	2024	2023
Not due	31,585	24,455
0-3 months	9,246	8,930
> 3 months	4,762	4,771
Total trade receivables	45,592	38,156

The Group has had low losses on trade receivables, and considers the risk associated with trade receivables as low.

Note 11 – Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for on a first-in/first-out basis.

<i>(in NOK '1000)</i>	2024	2023
Inventory	79,672	104,661
Work in progress	157	539
Provisions for inventory obsolescence	2,060	0
Total inventory	81,888	105,200

Note 12 – Financial assets and liabilities

<i>(in NOK '1000)</i>	Carrying amount as at 31.12.2024	Fair value as at 31.12.2024	Restated Carrying amount as at 31.12.2023	Restated Fair value as at 31.12.2023
Non-current financial assets				
Non-current loans receivable	6,196	6,196	32,159	32,159
Total non-current financial assets	6,196	6,196	32,159	32,159
Current financial assets				
Tax receivables	8,720	8,720	14,858	14,858
Trade and other receivables	55,909	55,909	50,631	50,631
Other current financial assets	16,194	16,194	1,393	1,393
Cash and cash equivalents	37,285	37,285	38,036	38,036
Total current financial assets	118,108	118,108	104,918	104,918
Total financial assets	124,304	124,304	137,078	137,078
Non-current financial liabilities				
Non-current license liabilities	21,360	21,360	3,988	3,988
Non-current interest-bearing borrowings	78,571	78,571	95,479	95,479
Total non-current financial liabilities	99,931	99,931	99,466	99,466
Current financial liabilities				
Trade and other payables	50,267	50,267	68,300	68,300
Current interest-bearing borrowings	35,441	35,441	51,067	51,067
Current license liabilities	0	0	16,861	16,861
Other current liabilities	47,045	47,045	42,454	42,454
Total current financial liabilities	132,752	132,752	178,682	178,682
Total financial liabilities	232,683	232,683	278,148	278,148

Fair value hierarchy for financial instruments recognized at fair value

With an exception of other current financial assets that are valued based on level 1 of inputs in accordance with IFRS 13:81, all the other financial assets are valued based on level 3 inputs. Other current financial assets are representing the fair value of Navamedic`s investment in Observe medical ASA that is measure at fair value through profit and loss.

Fair value of financial instruments recognized at amortised cost

Due to their short term nature, the carrying value of current financial assets and liabilities is deemed a reasonable approximation to the fair value of these financial assets and liabilities. The interest rate on non-current liabilities to



financial institutions is considered not to be significantly different from what the Group could achieve as of 31 December 2024, and as such the carrying amount is considered not to be significantly different from the fair value. The discount rate applied to the calculation of amortized cost for non-current license liabilities is considered not to be significantly different from the market cost of capital as of 31 December 2024, and as such the carrying amount is considered not to be significantly different from the fair value. See note 20 for information regarding non-cash transactions related to financial liabilities.

Note 13 – Paid in equity and shareholders

<i>(in NOK '1000, number of shares in actual figures)</i>	Number of shares	Share capital	Share premium reserve	Total paid in equity
As of 1 January 2023	17,227,777	12,749	190,408	203,156
Share capital issues	125,000	93	2,169	2,262
As of 31 December 2023	17,352,777	12,841	192,577	205,418
As of 1 January 2024	17,352,777	12,841	192,577	205,418
Share capital issues	310,000	229	5,661	5,890
As of 31 December 2024	17,662,777	13,070	198,238	211,308

Each share has a nominal value of NOK 0,74 kr.

Largest shareholders as of 31 December 2024	Number of shares	Share of capital	Share of votes
SKANDINAVISKA ENSKILDA BANKEN AB*	2,210,624	12.5 %	12.5 %
UBS Switzerland AG*	1,972,390	11.2 %	11.2 %
J.P. Morgan SE*	1,933,887	10.9 %	10.9 %
HAUSTA INVESTOR AS	912,624	5.2 %	5.2 %
SOLEGLAD INVEST AS	771,668	4.4 %	4.4 %
Skandinaviska Enskilda Banken AB*	650,000	3.7 %	3.7 %
TRANBERGKOLLEN INVEST AS	600,000	3.4 %	3.4 %
VI ØNSKER STYREPLASS AS	566,061	3.2 %	3.2 %
LEIKERANE AS	500,000	2.8 %	2.8 %
GINKO AS	500,000	2.8 %	2.8 %
J.P. Morgan SE*	450,000	2.5 %	2.5 %
CACEIS Bank*	406,507	2.3 %	2.3 %
CMDC AS	356,425	2.0 %	2.0 %
HJARRAND LARS	355,882	2.0 %	2.0 %
OMA INVEST AS	250,000	1.4 %	1.4 %
BJØRNTVEDT EIVIND	219,168	1.2 %	1.2 %
KRAEBER Verwaltung GMBH	214,850	1.2 %	1.2 %
Skandinaviska Enskilda Banken AB*	175,000	1.0 %	1.0 %
NORDNET LIVSFORSIKRING AS	162,618	0.9 %	0.9 %
Other shareholders	4,455,073	25.2 %	25.2 %
Total	17,662,777	100%	100%

* Nominee accounts which may include multiple shareholders. See also note 24 for related parties' shareholdings.



Shares owned by the Board and executive personnel in Navamedic ASA as at 31 December 2024

Name	Role	Number of shares	Comment
Kathrine Gamborg Andreassen	CEO	771,668	Through Soleglad Invest AS
Astrid T Bratvedt	CSO	600,000	Through Tranbergkollen Invest AS
Ole Henrik Eriksen	CBDO	575,000	Through Leikerane AS
Lars Hjarrand	CFO	355,882	
Alexander Lidmejer	COO	67,133	
Rune Wahl	Board member	50,000	
Karianne Femtehjell Olsen	Commercial Director CH	27,775	
Edmée Steenken	Board member	10,000	
Phillip Slätis	Commercial Director Rx	10,000	
Åsa Kornfeld	Board member	3,979	
Astrid T Bratvedt	CSO	2,000	

Shares owned by the Board and executive personnel in Navamedic ASA as at 31 December 2023

Name	Role	Number of shares	Comment
Terje Bakken	Chairman	3,563,042	Through Ingerø Reiten Inv. Company AS
Narve Reiten	Board member	3,563,042	Through Ingerø Reiten Inv. Company AS
Tony Brejke	COO	807,117	Through 50% ownership in Agnivicen AB
Kathrine Gamborg Andreassen	CEO	691,668	Through Soleglad Invest AS
Lars Hjarrand	CFO	285,882	
Ole Henrik Eriksen	CBDO	500,000	Through Leikerane AS
Astrid T Bratvedt	CSO	600,000	Through Tranbergkollen Invest AS
Astrid T Bratvedt	CSO	2,000	
Alexander Lidmejer	Commercial Director Rx	2,400	
Grete Hogstad	Member of the Nomination Committee	1,493	

Note 14 – Trade accounts payable and other current liabilities

(in NOK '1000)	2024	2023
Total trade accounts payable	50,267	68,300
Accrued VAT and public duties	14,249	14,018
Accrued salaries and holiday pay	13,000	12,768
Accrued expenses and other current liabilities	19,797	15,668
Total other current liabilities	47,045	42,454



Note 15 – Other operating expenses

<i>(in NOK '1000)</i>	2024	2023
Consulting, legal and audit fees	9,949	9,023
Transaction cost	0	16,061
Maintenance of PP&E	3,363	683
Travel expenses	3,312	2,816
Insurance	1,764	1,759
IR expenses	1,199	1,292
Marketing, freight, and commissions	47,881	47,101
Regulatory fees	12,544	9,592
Other expenses	12,055	11,549
Total other operating expenses	92,067	99,876

Auditor expense recognised

<i>(in NOK '1000)</i>	2024	2023
Statutory audit	1,498	1,591
Tax consultancy	102	102
Other assurance services	117	202
Total auditor expense recognised	1,717	1,895

Auditor expense amounts are excluding VAT.

Note 16 – Payroll expenses

The Company has entered into a mandatory defined contribution pension scheme for employees in Norway and Sweden. Under defined contribution plans, the Group pays contributions to public or private organized insurance plans for pensions on a compulsory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The plan in Norway complies with the requirements of the Norwegian Mandatory Occupational Pension Act. The contributions are recognized as payroll expenses as incurred.

<i>(in NOK '1000)</i>	2024	2023
Salaries	50,413	40,065
Employer's National insurance contributions	8,301	9,254
Share options for employees	3,352	6,603
Pension expenses – defined-contribution scheme	5,599	4,603
Other payroll expenses	2,595	3,147
Total payroll expenses	70,260	63,673
Number of FTEs	42	44

Executive personnell is defined as being chief executive officer (CEO) and chief financial officer (CFO). No loans were issued and no assets were pledged to the benefit of employees, shareholders or Board members in 2024 or 2023.



<i>(in NOK '1000)</i>	Kathrine Gamborg Andreassen			Kathrine Gamborg Andreassen		
	Lars Hjarrand CFO	Total 2024	Lars Hjarrand CFO	Total 2023		
Salary and holiday pay paid	3,444	2,378	5,822	3,068	2,111	5,179
Variable remuneration paid	2,250	532	2,782	1,874	463	2,337
Benefits in kind and other	223	123	346	222	107	329
Option expenses	424	538	962	214	327	541
Pension expenses	138	138	276	131	131	262
Total paid salary and remuneration	6,479	3,709	10,188	5,509	3,139	8,648
Variable remuneration earned in 2024/2023	619	147	766	2,250	531	2,781

Executive personnel is defined as being chief executive officer (CEO) and chief financial officer (CFO). No loans were issued and no assets were pledged to the benefit of employees, shareholders or board members in 2024 or 2023.

Board fees paid

<i>(in NOK '1000)</i>	2024	2023
Terje Bakken	520	495
Narve Reiten	275	250
Jostein Davidsen	250	235
Annika Maria Kollen	225	210
Åsa Kornfeld <i>(from 22.08.2023)</i>	225	0
Edmèe Steenken	225	210
Total Board fees paid	1,720	1,400

Share-based remuneration

Key management personnel in Navamedic ASA receive parts of their salary as share-based remuneration.

	Quantity at 31.12.2024	Quantity at 31.12.2023
Kathrine Gamborg Andreassen, CEO	200,000	280,000
Lars Hjarrand, CFO	200,000	250,000
Total	400,000	530,000

Statement on the stipulation of salaries and other remuneration for the CEO and other executive personnel

Pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Navamedic has prepared a statement on the stipulation of salaries and other remuneration for the CEO and executive personnel.

All pay and remuneration in the Group are based on the gross pay principle, meaning that any tax consequences of remuneration individuals receive are not the concern of the Group.

The main principle in Navamedic's executive pay policy is that executive personnel will be offered competitive terms and conditions. The Group aims to offer a level of pay that reflects an average pay level in small pharmaceutical companies in the Nordic region.

As a guideline, executive personnel can be awarded remuneration in addition to their basic salary (bonus), but this is limited to 75% of the annual salary and linked to the achievement of specific targets, and at the same time such that total compensation is within the average. Any bonuses to the CEO must be determined by the Board.

Executive personnel can only be awarded options for the acquisition of/subscription to shares in the Company.

The Company offers defined contribution-based pensions to all employees. Some executive personnel have been awarded share options. See note 22.

The CEO and CFO are subject to notice periods of 6 months. The CEO has a termination payment agreement of 12 months.

Note 17 – Financial income and expenses

Financial income

<i>(in NOK '1000)</i>	2024	Restated 2023
Interest income	3,103	4,626
Other financial income	0	137
Total financial income	3,103	4,763
Gain at derecognition	13,738	0
Impairment	-25,587	-17,402
Interest expenses	-10,008	-7,771
Other financial expenses	-6,825	-6,566
Total financial expenses	-16,833	-14,337
Currency gains	497	43,736
Currency losses	-6,779	-37,797
Total net currency gain/losses	-6,282	5,939
Net change in fair value of financial instruments at FVTPL 1)	-1,554	-8,699
Net financial income and expenses	-33,415	-29,736

- 1) Net change in fair value of financial instruments at FVTPL (fair value through profit and loss) is related to shares owned in the listed company Observe Medical ASA

Note 18– Loan to Observe Medical ASA

Navamedic has entered into two loan agreements with Observe Medical ASA as borrower for; i) a convertible loan (with specific conditions) with an outstanding principal amount of NOK 32,000,000 plus accrued interest, entered into on 27 September 2019 and ii) a loan with an outstanding principal amount of NOK 5,000,000 plus accrued interest (liquidity loan), entered into on 6 September 2023 secured with collateral in shares in Biim Ultrasound AS (a subsidiary of Observe Medical ASA).

The loans are classified as financial assets measured at amortized cost based on judgment, by considering the Group's business model for managing the financial assets and the contractual terms of the financial assets to give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Refer to note 2.2.1 for more information on this judgmental assessment.

Assessment of increase in credit risk:

When assessing the estimated credit loss, the Group have assessed whether a significant increase in credit risk has occurred and the timing of the facts and circumstances leading to a conclusion that a significant increase in credit risk has occurred, assessing both quantitative and qualitative information and analysis of Observe Medical ASA.

Assessment as per 31 December 2023:

As a part of a qualitative assessment of whether the loans were credit-impaired as per 31 December 2023, the Group considered a variety of instances that indicated that the loans were credit-impaired.

The following circumstances indicated that a loan (financial asset) is credit impaired:

- i. significant financial difficulty;
- ii. a breach of contract, such as a default or past due event;
- iii. Amendments to a loan agreement as a result of financial difficulty

When such events occur, the Group has considered whether the events should result in treating the borrower as defaulted and therefore assessed as stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events have been:

- Observe Medical initiated in beginning of 2023 discussions with its creditors to enter into agreements to defer payments
- In the first half of 2023, the borrower informed that they failed to meet the growth targets and that there was uncertainty about funding and the ability to meet future obligations
- The financial difficulties of the borrower resulted in the principal loan from 2019 with face value NOK 32 million being forborne and amended in September 2023 with an extended loan terms
- The borrower requested emergency funding by taking out a liquidity loan from the Group in September 2023
- The borrower executed a rights issue in November 2023 aiming to raise between MNOK 18 to MNOK 55 in gross proceeds to cover short term liquidity needs

- Further delays in commercialization of both Sippi and Biim (the products) resulting in lack of increase of revenues during 2023
- Significant decrease in market capitalization of Observe Medical ASA during 2023

The Group's assessment concludes that the loans had defaulted and been assessed as stage 3 for ECL calculations.

The renegotiations of the loans in September 2023 resulted in recognition of a modification effect of a net gain of MNOK 1.1 after assessing the expected cash flows before and after negotiations discounted by the initial effective interest rate. As the calculated effect was below 10%, the loans were not derecognized/recognized.

Assessment as per 31 December 2024:

The Group continued to assess the development of Observe Medical's financial situation into 2024 by making the same qualitative assessment of whether the loans still were credit impaired. The Group considered whether the events should result in treating the loans as continued to be defaulted and therefore assessed as stage 3 for ECL calculations or whether Stage 2 would be appropriate. Such events assessed were:

- Observe Medical completed a Private Placement in June 2024 obtaining cash of MNOK 22 in which Navamedic did not participate
- In relation to the "subsequent offering" in November 2024 Observe Medical issued a Prospectus and obtained MNOK 0.9 in cash from new investors. In relation to that process, Navamedic decided to convert MNOK 16.4 to shares in Observe Medical
- Continued financial difficulties of Observe Medical resulted in renegotiations of both the principal loan and accrued interests and the liquidity loan and accrued interests in November 2024. Maturity dates were postponed for both interest and principal payments
- Further delays in commercialization of both Sippi and Biim, and revenues from the Unometer-portfolio had not materialized significantly during 2024
- Observe Medical reported as per year-end 2024 still significant uncertainty related to the liquidity situation and the assessment of going concern
- Continued decrease in market capitalization of Observe Medical ASA during 2024

The Group's assessment concludes that Observe Medical's financial situation worsened during 2024, the loans continued to be in default and were still assessed at stage 3.

The renegotiations of the loans in November 2024 resulted in recognition of a modification effect of a net gain of TNOK 693 after assessing the expected cash flows before and after negotiations discounted by the initial effective interest rate. Due to that the calculated effect was below 10%, the loans were not derecognized/recognized.

The conversion of loan to shares in November 2024 resulted in a reduction of gross carrying amount of MNOK 16.4.

Measurement of expected credit loss for credit-impaired financial instruments

Based on the fact that Observe Medical have not been able to fulfil their obligations, the Group have assessed that default have occurred, and the loan receivables continue to be credit-impaired, resulting in that probability of default have been assessed to be 100 per cent.

The estimated credit loss (ECL) is the allowance for the difference between the contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the entity expects to receive, discounted at



the original effective interest rate. The Group have estimated cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The cash flows that are considered include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The ECL allowance is estimated based on the weighted average of credit losses with from the different scenarios. The scenarios represent the Groups assessment of actual scenarios for the borrowers financial difficulties. The Group has assessed and identified three scenarios considered to be relevant:

- **Going concern:** All debt is repaid without concessions in the form of debt conversion or write-offs. The credit loss in this scenario is zero.
- **Restructuring:** The borrower must restructure the capital structure to maintain going concern, and what is the credit loss for the Group in such a restructuring
- **Liquidation:** The borrower is liquidated through bankruptcy, orderly liquidation etc., and what is the credit loss for the Group in this scenario

The credit loss within the restructuring scenario will be dependent on the expected debt level that may be agreed upon with the stakeholders in a restructuring. The credit loss in the liquidation scenario will be dependent on the expected realization value of collateral given a sale of assets for example, as part of bankruptcy or orderly liquidation process.

The Group has assessed a scenario where the principal loan with interests is further partly or fully converted to shares in order to reduce the risk of credit loss of the loan receivable. The group consider the investment in Observe Medical to be a financial investment and have no strategic intention of increasing the shareholdings in the company. The conversion right has been assessed to be a security but the purpose and intention is to have the loans repaid. Although conversion to share (if conditions are met) may impact and possibly reduce ECL, the subsequent ownership of the shares post conversion may negatively impact P/L especially in a scenario where the Group does not intend to hold the shares for a longer period of time.

For exposures in stage 3 where ECL is measured individually, judgement is applied when determining assumptions for determining the probability and credit loss for the different scenarios. The judgement is mainly related to determination of probabilities of different scenarios.

Navamedic has for 2024 measured an expected credit loss of NOK 32.5 million at 31.12.2024, which represents an increase of NOK 14.4 million, compared with the expected credit loss of NOK 18.1 million at 31.12.2023.

Non-current receivables 2023

(in NOK '1000)	Stage 1	Stage 2	Stage 3	Total
Risk grade based on probability of default				
Performing				
Low risk				
Medium risk				
High risk				
Non-performing				
Credit impaired			50,249	50,249
Total	0	0	50,249	50,249



(in NOK '1000)	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	40,615						40,615	0
New loans	5,000						5,000	0
Accrued interests	3,534						3,534	0
Transfers to stage 3	-49,149				49,149		0	0
Loan modification					1,100		1,100	0
Expected credit loss						18,090	0	18,090
At 31 December 2023	0	0	0	0	50,249	18,090	50,249	18,090

Non-current receivables 2024

(in NOK '1000)	Stage 1	Stage 2	Stage 3	Total
Risk grade based on probability of default				
Performing				
Low risk				
Medium risk				
High risk				
Non-performing				
Credit impaired			38,724	38,724
Total	0	0	38,724	38,724

(in NOK '1000)	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2024	0	0	0	0	50,249	18,090	50,249	18,090
Accrued interests					5,523		5,523	0
Debt conversion					-16,355		-16,355	0
Loan modification					-693		-693	0
Gain at derecognition						-13,738	0	-13,738
Expected credit loss						28,177	0	28,177
At 31 December 2024	0	0	0	0	38,724	32,528	38,724	32,528

Note 19 – Cash

<i>(in NOK '1000)</i>	2024	2023
Bank deposits	36,081	36,901
Restricted cash	1,204	1,135
Total cash and cash equivalents	37,285	38,036

Restricted cash consists of tax deduction and other restricted deposit accounts.

Note 20 – Interest-bearing liabilities to financial institutions

Non-current interest-bearing liabilities to financial institutions

	2024	2023
Total non-current interest-bearing liabilities, nominal value (in NOK '1000)	78,571	95,479
Average interest rate, including margin	7.9 %	6.8 %
Average remaining duration	2.78 years	3.45 years

Current interest-bearing liabilities to financial institutions

	2024	2023
Current interest-bearing borrowings, nominal value (in NOK '1000)	15,714	16,068
Average interest rate, including margin	7.9 %	6.8 %
Average remaining duration	0.58 years	0.58 years
Revolving credit facility, nominal value (in NOK '1000)	19,726	35,000
Average interest rate, including margin	8.3 %	6.9 %

Navamedic received a secured loan of NOK 110 million from Nordea in April 2023. Navamedic has provided the following collaterals:

- Pledge in shares of the subsidiaries and inventories
- Second priority pledge in factoring receivables

The Nordea loan is subject to the following covenants:

- Net interest-bearing debt should not exceed 2.75 x consolidated LTM EBITDA
- Capital expenditure should not exceed NOK 10 million on an annual basis

Both covenants are tested quarterly. The Group has no indication that it will have difficulty complying with these covenants for the next 12 months. Net interest-bearing debt is defined as interest-bearing debt adjusted for cash. The loan is to be partly repaid through 8 half-yearly installments of NOK 7.9 million each, starting in April 2024, with the remaining amount of NOK 47.1 million due in April 2028. In addition, Navamedic secured a revolving credit facility of up to NOK 35 million.

**Changes in total interest-bearing liabilities to financial institutions**

<i>(in NOK '1000)</i>	2024	2023
At 1 January	146,546	51,992
Cash flow	-32,534	90,842
Acquisition	0	2,413
Currency and other changes	0	1,300
At 31 December	114,012	146,546

Note 21 – License liabilities

<i>(in NOK '1000)</i>	2024	2023
Total carrying amount non-current license liabilities	21,360	3,988
Total carrying amount current license liabilities	0	16,861
Total carrying amount license liabilities	21,360	20,848
Total undiscounted amount non-current license liabilities	21,882	21,611
Average discount rate amortized cost calculation	6.0 %	6.0 %

Non-current license liabilities consist of the discounted cash flows from product licensing agreements with long-term payment plans. Current license liabilities consist of the short-term part (due in less than 1 year) of the discounted cash flows from product licensing agreements.

Expected undiscounted cash flows from license liabilities

<i>(in NOK '1000)</i>	2024	2023
Year 1	0	16,861
Year 2	17,132	0
Year 3-5	4,750	4,750
Total expected undiscounted cash flows from license liabilities	21,882	21,611

The discount rate applied to the amortized cost calculations equals the effective interest rate for each agreement. For interest free agreements the estimated cost of debt that the Group could achieve on loans with similar maturity and security is applied.



Note 22 – Options

Share options in the parent company (Navamedic ASA) are granted to senior executives, including members of key management personnel. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options consist of 3 tranches, the first vesting after 12 months of grant date, tranche 2 vesting after 24 months and the last tranche vesting after 36 months. The options must be exercised within 12 months following the vesting of the last tranche, after which they expire (i.e. they expire 48 months after grant date). Additionally the options program includes a 12 month lock-up period on the shares once exercised. The share options are settled as equity.

Total costs related to options

<i>(in NOK '1000)</i>	2024	2023
Total option cost	3,352	6,603
Total social security provision	-1,530	274
Total costs related to options	1,821	6,878

Reconciliation outstanding options

	Number of instruments	Weighted average strike price
Outstanding options 1 January 2023	510,000	18.8
Exercised	-25,000	14.46
Exercised	-100,000	19.00
Granted	1,400,000	33.00
Total outstanding options 31 December 2023	1,785,000	29.98
Outstanding options 1 January 2024	1,785,000	29.98
Exercised	-310,000	19.00
Expired	-75,000	19.00
Cancelled	-133,334	33.00
Total outstanding options 31 December 2024	1,266,666	33.00

**Outstanding options 31 December 2023**

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 19,00	385,000	385,000	0.46
Strike price 33,00	1,400,000	0	3.13
Total outstanding options 31 December 2023	1,785,000	385,000	

Outstanding options 31 December 2024

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 33,00	1,266,666	466,662	2.13
Total outstanding options 31 December 2024	1,266,666	466,662	

Shares received from exercised options are subject to a lock-up period of 12 months. The lock-up obligations shall not prevent the option holders from selling an amount of the option shares necessary to finance the exercise price, as well as the tax payable as a consequence of the exercise of options.

Note 23 – Earnings per share

<i>(in NOK '1000)</i>	2024	Restated 2023
Net profit / loss (-)	-5,485	-13,685
Weighted average shares issued	17,488,613	17,274,352
Dilutive potential ordinary shares	0	338,536
Basic earnings per share (in NOK)	-0.3136	-0.792
Diluted earnings per share (in NOK)	-0.3136	-0.792



Note 24 – Transaction with related parties

TopRidge Pharma Limited, which owns 917 522 shares in Navamedic ASA, is also a supplier to Navamedic. The Group purchased goods from TopRidge worth SEK 50 481 thousand in 2024 and SEK 55 465 thousand in 2023. InfoRLife SA, which owns 1 053 775 shares in Navamedic ASA, is also a supplier to Navamedic. The Group purchased goods from InfoRLife worth EUR 2 169 thousand in 2024 and EUR 1 821 thousand in 2023. InfoRLife SA became a shareholder in Navamedic in 2021.

Note 25 – Subsequent events

The European Medicines Agency's (EMA) human medicines committee (CHMP) concluded its review of Mysimba (naltrexone/bupropion), affirming that the benefits of the medicine continue to outweigh its risks for weight management in adults with obesity or overweight.

Navamedic ASA announced on April 10, 2025 that the company has entered into an agreement in principle regarding the outstanding loans to Observe Medical ASA. The agreement reduces the loans by 50% with an adjustment to the payment plan as long as certain conditions are met.

The Norwegian Financial Supervisory Authority (the "NFSA") has assessed that there are misstatements in the annual financial statements for 2023 and in the interim financial statements for 2024 related to the Company's accounting of the two loans Navamedic has to Observe Medical ASA, interest on those loans and the information provided in the notes to the accounts. Navamedic has complied with the imposition from the NFSA and both the 2023 financial statements and the 2024 financial statements in this report reflect these changes.

In the beginning of April 2025, the United States announced the imposition of significant increased tariffs on a wide variety of goods and services imported to the USA from most of its trading partners, leading to uncertainty and world-wide negative effects on most stock exchanges. At the time of the publishing of this report, Navamedic's operations has not been affected by this and the company does not believe it will have significant negative impact in the foreseeable future for a couple of reasons: The Navamedic supply chain is for the most part situated in Europe, requiring no assembly or parts crossing into the USA borders. The demand for Navamedic's products is not very elastic nor does it correlates strongly with a cyclical downturn in economic conditions in its core markets.

Note 26 – Tax expense and deferred tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that convincing evidence exists that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that convincing evidence no longer that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent convincing evidence that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Assessment of whether a deferred tax asset is recognizable involves a significant degree of judgment in determining the likelihood of utilization against future taxable results within the various tax jurisdictions in which the Group operates.

As of 31.12.2024 the Group has no deferred tax assets recognized for tax losses carry forward. There are, however tax losses carry forward in Sensidose AB of SEK 135 million for which no deferred tax losses are recognized since, as of 31.12.2024, there is no convincing evidence as to what extent these losses can be utilized.



Tax expense

<i>(in NOK '1000)</i>	2024	Restated 2023
Profit before tax continuing operations	-1,620	-6,156
Tax expense		
Tax payable	4,801	7,858
Corrections related to previous years	118	261
Change in deferred tax	-1,054	-590
Total tax expense	3,865	7,529
Effective tax rate	-238.6%	-122.3%

Reconciliation of effective tax rate

<i>(in NOK '1000)</i>	2024	Restated 2023
Profit before tax continuing operations	-1,620	-6,156
Tax expense at Norwegian tax rate		
Tax expense at Norwegian tax rate (22%)	-356	-1,354
Permanent differences (22%)	4,249	9,319
Corrections related to previous years	118	261
Differences related to different corporate tax rate subsidiaries	-146	-697
At the effective income tax rate of 75% (2023 69%)	3,865	7,529

The effective tax rate in 2024 is higher than the corporate income tax rate in the markets where the Group operates (20%-22%) primarily due to non-deductible impairment loss and expense related to the change in fair value of financial investment. The effective tax rate in 2023 is higher primarily due to non-deductible transactions cost, expense related to the change in fair value of financial investment and the reported loss in Sensidose AB.

Deferred tax reconciliation

<i>(in NOK '1000)</i>	2024	2024	2023	2023
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Basis for deferred tax asset/liability				
Property, plant & equipment	20	0	239	0
Intangible assets (Sensidose)	0	40,590	0	45,006



Provisions for liabilities	4,227	0	3,988	0
Tax losses carried forward	0	0	0	0
Total temporary differences	4,247	40,590	4,226	45,006
Tax rate	22%	20.6%	22%	20.6%
Deferred tax assets/ deferred tax liability	934	8,361	930	9,271

(in NOK '1000)

2024 **2023**

Carrying amount of net DTA/(DTL) 1 January		-8,342	930
Acquisition (DTL)		0	-10,007
Recognized in income statement		1,054	590
Translation difference		-140	145
Carrying amount of net deferred tax asset/liability (-) at 31 December		-7,427	-8,342

Tax payable

(in NOK '1000)

2024 **2023**

Carrying amount tax payable 1 January	8,149	4,708
Income tax payable excl. reclaimable tax	4,801	7,858
Taxes paid during the period	-3,118	-5,129
Settlement against tax receivable in Sweden	-4,428	0
Translation differences and other effects	-207	712
Carrying amount tax payable 31 December	5,198	8,149

In addition, tax receivables related to prepaid taxes and reclaimable tax (for the tax paid abroad) within Navamedic AB amounting to NOK 7 600 thousand (NOK 14 909 thousand in 2023) is recognized on the balance sheet.



Parent Company Navamedic ASA, financial statements 2024





Income statement

<i>(in NOK '1000)</i>	Note	2024	Restated 2023
Operating revenues	8	52,803	47,632
Total revenue		52,803	47,632
Payroll expenses	6	-40,171	-36,830
Depreciation and impairment	3,13	-3,826	-4,351
Other operating expenses	9	-26,481	-40,065
Total operating expenses		-70,478	-81,246
Operating profit		-17,675	-33,614
Financial income	12	2,557	4,233
Gain at derecognition	12	13,738	0
Net change in fair value current financial assets		-1,554	-8,699
Group contribution		35,487	41,567
Financial expenses	12	-23,550	-17,720
Impairment of non-current financial assets	12	-25,587	-17,402
Net currency gain/losses		-81	-5,460
Net financial income and expenses		1,009	-3,481
Profit before tax		-16,666	-37,095
Income tax expense	5	4	94
Net profit after tax		-16,661	-37,001



Balance sheet

<i>(in NOK '1000)</i>	Note	31.12.2024	Restated 31.12.2023
Non-current assets			
Intangible assets	3	19,581	21,515
Deferred tax asset	5	934	930
Total intangible assets		20,515	22,444
Property, plant & equipment	3	96	383
Total tangible assets		96	383
Investments in group companies	2	415,666	415,666
Non-current loans receivable	12	6,196	32,159
Total financial assets		421,862	447,826
Total non-current assets		442,473	470,653
Current assets			
Trade receivables		3,494	750
Other short-term receivables group companies		7,849	6,666
Group contribution receivable		35,487	41,567
Other receivables		0	6,824
Other current financial assets	2	16,194	1,393
Total receivables		63,025	57,200
Bank deposits	4	6,830	7,811
Total current assets		69,855	65,010
Total assets		512,327	535,662



Balance sheet continued

<i>(in NOK '1000)</i>	Note	31.12.2024	Restated 31.12.2023
Equity			
Share capital	1, 7	13,070	12,841
Share premium reserve	1	198,238	192,577
Total paid in equity		211,308	205,418
Retained earnings	1	-34,095	-20,786
Total retained earnings		-34,095	-20,786
Total equity		177,213	184,633
Non-current liabilities			
Liabilities to group companies		100,585	50,419
Non-current licensing liabilities		4,227	3,988
Non-current interest-bearing liabilities	13	78,571	94,286
Total non-current liabilities		183,384	148,693
Current liabilities			
Current interest-bearing liabilities	13	35,441	50,824
Trade account payables		2,419	4,309
Liabilities to group companies		101,175	136,122
Other current liabilities		12,697	11,082
Total current liabilities		151,732	202,338
Total liabilities		335,115	351,030
Total equity and liabilities		512,327	535,662




Statement of cash flows

<i>(in NOK '1000)</i>	2024	Restated 2023
Cash flow from operating activities		
Profit before tax	-16,666	-37,095
Depreciation, amortization and impairment	3,826	21,753
Changes in options	3,352	6,603
Net financial items and items with no cash effect	-1,009	-13,921
Change in trade receivables	-4	-68
Change trade account payables	-1,890	1,291
Changes other current liabilities and receivables	7	-2,377
Net cash flow from operating activities	-12,384	-23,813
Cash flow from investing activities		
Purchase of tangible and intangible assets	-127	-1,929
Investments in shares	0	-107,381
Loans given	0	-5,000
Net cash flow from investing activities	-127	-114,310
Cash flow from financing activities		
Loans received	45,955	169,480
Share issues	5,890	2,262
Interest paid	-7,780	-6,563
Loans paid	-32,534	-25,252
Loans issued	0	0
Net cash flow from financing activities	11,531	139,927
Net change in cash	-980	1,804
Cash and cash equivalents start period	7,811	6,007
Cash and cash equivalents end period	6,830	7,811



The Board of Directors and CEO of Navamedic ASA

Oslo, 30 April 2025



Jostein Davidsen (sign.)

Chairman

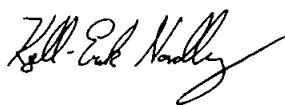


Edmée Steenken (sign.)

Board member

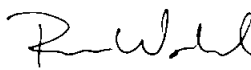
Annika Kollén
Annika Kollén (sign.)

Board member



Kjell-Erik Nordby (sign.)

Board member



Rune Wahl (sign.)

Board member



Asa Kornfeld

Board member



Kathrine Gamborg Andreassen (sign.)

CEO



Navamedic ASA - Notes to the financial statements 2024





Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the Accounting Act and good accounting practice.

Sales revenue

Revenue is measured at the fair value of the remuneration, net after deductions for discounts, returns, and VAT. Revenue is recognized through profit or loss when it can be reliably measured, and it is likely that the financial benefits will flow to the Company. Estimates related to revenue recognition are based on history and assessments of the type of customer and transaction, as well as the specific circumstances surrounding each transaction.

The Company has an agreement on royalties from its subsidiaries Navamedic AB and Navamedic AS. The Company holds the rights to various products that are resold by the subsidiary and thereby earns royalties. The royalties are based on actual sales in Navamedic AB and Navamedic AS. The Company also charges subsidiaries for services relating to sales management, marketing and regulatory management, as well as financial and accounting management.

Subsidiaries

In Navamedic ASA's annual financial statements, subsidiaries are measured using the cost method less any impairment.

Classification and measurement of balance sheet items

Current assets and current liabilities include balance sheet items that fall due for payment within one year of the balance sheet date and are associated with the with the daily business operations. Other items are classified as tangible and intangible fixed assets or non-current liabilities. Current assets are measured at the lower of acquisition cost and fair value. Current liabilities are recognized at nominal amount at the time of initial recognition. Fixed assets are measured at acquisition cost but are written down to fair value if the impairment is not expected to be temporary. Non-current liabilities are initially recognized at nominal amount.

Non-current loan receivables

Loan receivables are recorded in the balance sheet at nominal value less provisions for potential loss. Provisions for potential loss are based on an individual assessment. See note 18 in the Group financial statements for details about the basis for the provision.

Receivables

Trade receivables are recorded on the balance sheet at their nominal amount less deductions for provisions for expected losses. Provisions for expected losses are made on the basis of an individual assessment of each receivable.

Other receivables are subject to a corresponding assessment.



Other current financial assets

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. For investments in listed shares, the market value is determined at the last available quoted closing price on the balance sheet date. Change in market value is presented in the income statement as part of the financial items. Dividends and other distributions are recognized as other financial income.

Currency

Monetary items in foreign currency are measured using the exchange rate at the end of the accounting year.

Pension scheme

The Company has a defined-contribution pension plan. The cost of the plan is recognized through profit or loss when the liability occurs.

Financial risk management

For further information about financial risk management please refer to note 3 to the consolidated financial statements.

Share-based remuneration

The Company has the option of awarding share-based remuneration to some executive personnel. The total amount that must be recognized as an expense over the qualifying period is calculated on the basis of the fair value of the awarded options.

Intangible assets

Licenses (product rights) and marketing authorizations

Navamedic holds rights to market and sell specific products in defined geographical areas. Investments related to such licenses are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years.

Navamedic further distributes a number of products through wholesalers on behalf of rights holders. Investments related to obtaining such marketing authorizations are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years. For products that are under registration, the amortization of the cost of acquisition commences upon launch and is amortized over the period of the agreement.

Other intangible assets

Navamedic invests in information technology assets intended to products and marketing. Furthermore, investments in licenses and marketing authorizations where the products in question have not yet been launched due to regulatory or other reasons, are classified as other intangible assets until launch.

Contingent liabilities

Contingent liabilities are recognized if it is more than 50% likely that a settlement will be forthcoming. The value of the settlement is based on a best estimate. Contingent consideration linked to future settlement clauses in the Observe Medical acquisition is deemed to be an uncertain liability and not a conditional liability. The best estimate



of the settlement amount is updated on each balance sheet date and the change is recognized through profit or loss.

Use of estimates

Preparing financial statements in accordance with good accounting practice requires the management team to produce estimates and assumptions that affect the recorded assets, liabilities, revenue and expenses, as well as explanatory notes concerning contingent assets and liabilities. The actual results may differ from these estimates and assumptions.

Tax

The parent company's tax expense for 2024 is calculated on the basis of 22%. The tax expense in the income statement covers both the period's tax payable and the change in deferred tax. Deferred tax is calculated on the basis of the temporary differences that exist between accounting values and tax values, as well as the tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that are reversed or may be reversed in the same period are offset and recorded net. The deferred tax assets are recorded after taking into account future revenue in the Company.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents consist of bank deposits.

Correction of error

Navamedic announced on the 28th of April 2025, that the Norwegian Financial Supervisory Authority of Norway (NFSA) has concluded an assessment of the 2023 financial statements and the interim 4th quarter 2024 figures. The NFSA assessment was that there were misstatements in the annual financial statements for 2023 and in the interim financial statements for 2024 related to the Company's accounting of the two loans Navamedic has to Observe Medical ASA, interest on those loans and the information provided in the notes to the accounts. Navamedic has complied with the NFSA assessment and corrected the accounts accordingly.

Navamedic ASA concluded based on an assessment of a variety of instances that the loans to Observe Medical ASA were credit impaired as per 31 December 2023. Consequently, the loan receivables, interest income and the profit for the year were overstated in the financial statements for 2023.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Impact on equity (increase / decrease (-) in equity)

<i>(in NOK '1000)</i>	31.12.2023
Non-current loans receivable	-16,990
Total non-current assets	-16,990
Total assets	-16,990
Net impact on equity	-16,990



Impact on statement of profit or loss (increase / decrease (-) in profit)

<i>(in NOK '1000)</i>	31.12.2023
Impairment of non-current financial assets	-17,402
Financial income 1)	0,412
Net financial income and expenses	-16,990
Profit before tax	-16,990
Net profit / loss (-)	-16,990

1) Financial income consists of positive effect from loan modification of 1,100 and negative effect from lower interest income of 688.

Note 1 – Equity

<i>(in NOK '1000)</i>	Share capital	Share premium reserve	Retained earnings	Total
Balance as at 31 December 2023 (restated)	12,841	192,578	-20,785	184,633
Share issues	229	5,661		5,890
Options			3,352	3,352
Net profit for the year			-16,661	-16,661
Balance as at 31 December 2024	13,070	198,239	-34,096	177,213

Note 2 – Shares in subsidiaries and other companies

Investments in group companies:	Acquired	Ownership/voting rights
Navamedic AB - Sweden	04.10.2007	100%
Navamedic AS	27.02.2019	100%
Sensidose AB	01.05.2023	100%
	Book value	
Navamedic AS	12,900	
Navamedic AB	300,222	
Sensidose AB	102,544	
Total investments in group companies	415,666	
<i>* Merged with Navamedic AB from 2024</i>		
Investments in other companies:	Book value	
Observe Medical ASA	16,194	
Total other current financial assets	16,194	



Note 3 – Intangible assets and tangible assets

<i>(in NOK '1000)</i>	Licenses	Other intangible assets	Total
Accumulated cost			
Balance at 1 January 2023	42,554	3,420	45,974
Disposals			
Additions	2,349		2,349
Accumulated cost 31 Dec 2023	44,902	3,420	48,322
Balance at 1 January 2024	44,902	3,420	48,322
Disposals			
Additions	1,605		1,605
Accumulated cost 31 Dec 2024	46,508	3,420	49,928
Accumulated amortisation			
Balance at 1 January 2023	-21,210	-1,621	-22,831
Reclassification			
Amortization	-3,022	-954	-3,977
Accumulated depreciation 31 Dec 2023	-24,233	-2,575	-26,808
Balance at 1 January 2024	-24,233	-2,575	-26,808
Reclassification			
Amortization	-3,057	-482	-3,539
Accumulated depreciation 31 Dec 2024	-27,290	-3,057	-30,347
Expected useful economic life	5-10 years	5-10 years	
Carrying amounts			
At 31 December 2023	20,669	845	21,514
At 31 December 2024	19,218	362	19,581



<i>(in NOK '1000)</i>	Tangible assets	Total
Accumulated cost		
Balance at 1 January 2023	1,120	1,120
Reclassification		
Additions	155	155
Accumulated cost 31 Dec 2023	1,275	1,275
Balance at 1 January 2024	1,275	1,275
Reclassification		
Additions	0	0
Accumulated cost 31 Dec 2024	1,275	1,275
Accumulated amortisation		
Balance at 1 January 2023	-517	-517
Depreciation	-375	-375
Accumulated depreciation 31 Dec 2023	-891	-891
Balance at 1 January 2024	-891	-891
Depreciation	-287	-287
Accumulated depreciation 31 Dec 2024	-1,179	-1,179
Expected useful economic life	3 years	3 years
Carrying amounts		
At 31 December 2023	383	383
At 31 December 2024	96	96



Note 4 – Bank deposits, overdrafts etc.

<i>(in NOK '1000)</i>	2024	2023
Bank deposits	6,830	7,811
Restricted funds	0	0
Total	6,830	7,811

Note 5 – Income tax

<i>(in NOK '1000)</i>	2024	2023
Total tax expense is divided into		
Changes in deferred tax assets	-4	-94
Total taxes	-4	-94

<i>(in NOK '1000)</i>	2024	Restated 2023
Calculation of this year's tax base		
Net profit before tax	-16,666	-37,095
Permanent differences	16,703	38,675
Changes in temporary differences	-20	0
Deficit carried forward	-17	-1,579
This year's tax base	0	0
Tax payable, 22%	0	0

<i>(in NOK '1000)</i>	2024	2023
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Overview of temporary differences

Tangible assets	20	238
Allowances for liabilities	4,227	3,988
Total temporary differences	4,247	4,226
Capitalised deferred tax asset (22%)	934	930
Deferred tax asset	934	930



Note 6 – Employee benefits

The Managing Director and Board of Navamedic ASA correspond to the CEO and the corporate Executive committee. Information about remuneration for the Board and executive personnel can be found in note 16 to the consolidated financial statements.

<i>(in NOK '1000)</i>	2024	2023
Salaries	32,184	26,797
Remuneration of board members	1,906	1,400
Employer's NI contributions	3,935	4,817
Pension expenses	1,804	1,713
Other payroll expenses*	342	2,103
Total	40,171	36,830
Number of FTEs	18	19

The company is obliged to have an occupational pension scheme for the company's employees. The company has established an occupational pension scheme that satisfies the requirements of the law. The scheme comprises all employees and an annual premium is expensed with NOK 1 803 606

Note 7 – Share capital and shareholder information

Share capital

	Quantity	Nominal	Book value
A-shares	17,662,777	0.74	13,070,455

Overview of the largest shareholders as of 31.12.2024 and shares owned by the Board of Directors and senior executives in Navamedic ASA. See note 14 in the consolidated financial statements.

Note 8 – Sales revenue

Geographical distribution:

<i>(in NOK '1000)</i>	2024	2023
Nordic countries	52,803	47,632
Total	52,803	47,632



Note 9 – Other operating expenses

Other operating expenses consist of:

<i>(in NOK '1000)</i>	2024	2023
Rent, etc.	2,543	2,463
Other cost of premises, vehicles, office equipment etc	554	565
Consulting and audit (including transaction cost)	4,383	19,592
Travel expenses	1,041	1,033
Insurance	1,623	1,429
IR expenses	1,034	830
Regulatory	9,418	7,946
Other expenses	5,884	6,206
Total other operating expenses	26,481	40,065

Audit fees:

<i>(in NOK '1000)</i>	2024	2023
Statutory audit	735	1,008
Assistance other than auditing	93	161
Total	828	1,169

Note 10 – Claims and contingent liabilities

Navamedic ASA is not a party to any ongoing legal proceedings or disputes.

Note 11 – Transactions with related parties

The following internal transactions between the parent company and subsidiaries took place in the accounting year (figures in NOK thousands):

Company:	Transaction:	Nature:	2024	2023
Navamedic ASA	Charges from parent to subsidiary	Royalty	13,031	11,536
Navamedic ASA	Charges from parent to subsidiary	Service fee	39,771	36,096
Navamedic ASA	Charges from parent to subsidiary	Interest on loan	223	220
Navamedic AB	Charges from subsidiary to parent	Interest on loan	12,933	8,567



Note 12 – Financial items

Financial income

<i>(in NOK '1000)</i>	2024	Restated 2023
Interest income	2,557	4,233
Total financial income	2,557	4,233

Financial expenses

<i>(in NOK '1000)</i>	2024	2023
Interest expenses	22,356	15,355
Other financial expenses	1,194	2,365
Total financial expenses	23,550	17,720

Navamedic has entered into two loan agreements with Observe Medical ASA as borrower for; i) a convertible loan (with specific conditions) with an outstanding principal amount of NOK 32,000,000 plus accrued interest, entered into on 27 September 2019 and ii) a loan with an outstanding principal amount of NOK 5,000,000 plus accrued interest (liquidity loan), entered into on 6 September 2023 secured with collateral in shares in Biim Ultrasound AS (a subsidiary of Observe Medical ASA).

The loans are classified as financial assets measured at amortized cost based on judgment, by considering the Group's business model for managing the financial assets and the contractual terms of the financial assets to give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

When assessing the estimated credit loss, the Group have assessed whether a significant increase in credit risk has occurred and the timing of the facts and circumstances leading to a conclusion that a significant increase in credit risk has occurred, assessing both quantitative and qualitative information and analysis of Observe Medical ASA.

Navamedic has for 2024 measured a provision of loss of NOK 43.0 million at 31.12.2024, which represents an increase of NOK 25.6 million, compared with a provision of loss of NOK 17.4 million at 31.12.2023. The conversion of loan to shares in November 2024 resulted in a reduction of gross carrying amount of MNOK 16.4, resulting in a gain at derecognition of 13.7 million.

Non-current loans receivables

<i>(in NOK '1000)</i>	2024	Restated 2023
Loans outstanding	35,447	49,561
Gain at derecognition	13,738	0
Impairment	-42,989	-17,402
Total non-current loans receivable	6,196	32,159

Note 13 – Interest-bearing liabilities to financial institutions

Non-current interest-bearing liabilities to financial institutions

	2024	2023
Total non-current interest-bearing liabilities, nominal value (in NOK '1000)	78,571	94,286
Average interest rate, including margin	7.9 %	6.8 %
Average remaining duration	2.78 years	3.45 years

Current interest-bearing liabilities to financial institutions

	2024	2023
Current interest-bearing borrowings, nominal value (in NOK '1000)	15,714	15,824
Average interest rate, including margin	7.9 %	6.8 %
Average remaining duration	0.58 years	0.58 years
Revolving credit facility, nominal value (in NOK '1000)	19,726	35,000
Average interest rate, including margin	8.3 %	6.9 %

Navamedic received a secured loan of NOK 110 million from Nordea in April 2023. Navamedic has provided the following collaterals:

- Pledge in shares of the subsidiaries and inventories
- Second priority pledge in factoring receivables

The Nordea loan is subject to the following covenants:

- Net interest-bearing debt should not exceed 2.75 x consolidated LTM EBITDA
- Capital expenditure should not exceed NOK 10 million on an annual basis

Both covenants are tested quarterly. Navamedic has no indication that it will have difficulty complying with these covenants for the next 12 months. Net interest-bearing debt is defined as interest-bearing debt adjusted for cash. The loan is to be partly repaid through 8 half-yearly installments of NOK 7.9 million each, starting in April 2024, with the remaining amount of NOK 47.1 million due in April 2028. In addition, Navamedic secured a revolving credit facility of up to NOK 35 million.



Note 14 – Subsequent events

The European Medicines Agency's (EMA) human medicines committee (CHMP) concluded its review of Mysimba (naltrexone/bupropion), affirming that the benefits of the medicine continue to outweigh its risks for weight management in adults with obesity or overweight.

Navamedic ASA announced on April 10, 2025 that the company has entered into an agreement in principle regarding the outstanding loans to Observe Medical ASA. The agreement reduces the loans by 50% with an adjustment to the payment plan as long as certain conditions are met.

The Norwegian Financial Supervisory Authority (the "NFSA") has assessed that there are misstatements in the annual financial statements for 2023 and in the interim financial statements for 2024 related to the Company's accounting of the two loans Navamedic has to Observe Medical ASA, interest on those loans and the information provided in the notes to the accounts. Navamedic has complied with the imposition from the NFSA and both the 2023 financial statements and the 2024 financial statements in this report reflect these changes.

In the beginning of April 2025, the United States announced the imposition of significant increased tariffs on a wide variety of goods and services imported to the USA from most of its trading partners, leading to uncertainty and world-wide negative effects on most stock exchanges. At the time of the publishing of this report, Navamedic's operations has not been affected by this and the company does not believe it will have significant negative impact in the foreseeable future for a couple of reasons: The Navamedic supply chain is for the most part situated in Europe, requiring no assembly or parts crossing into the USA borders. The demand for Navamedic's products is not very elastic nor does it correlates strongly with a cyclical downturn in economic conditions in its core markets.

Statement from the Board and CEO

The Board and CEO have on this date considered and approved the director's report and financial statements for the Navamedic Group and its parent company Navamedic ASA for 2024. The Board has based this statement on reports and statements from the chair of the Board and CEO, the results of the Group's operations and on other information that is material in assessing the Group's position and was provided to the Board of the parent company. To the best of our knowledge, confirm:

That the consolidated financial statements for 2024 have been prepared in compliance with the IFRS as established by the EU, with the requirements for additional disclosures stipulated in the Norwegian Accounting Act.

That the annual financial statements for the parent company for 2024 have been prepared in compliance with the Accounting Act and with good accounting practice in Norway.

The information in the financial statements provides a true and fair representation of the assets, liabilities, results and overall financial positions of the Navamedic Group and Navamedic ASA as at 31 December 2024.

That the director's 2024 report provides a true and fair overview of the performance, operating results and financial positions of the Group and the Company, as well as the key factors regarding risk and uncertainty currently facing the Group and the Company.



The Board of Directors and CEO of Navamedic ASA

Oslo, 30 April 2025

Jostein Davidsen (sign.)

Chairman

Edmée Steenken (sign.)

Board member

Annika KOLLÉN (sign.)

Board member

Kjell-Erik Nordby (sign.)

Board member

Rune Wahl (sign.)

Board member

Asa Kornfeld

Board member

Kathrine Gamborg Andreassen (sign.)

CEO



Auditor's report





Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

To the General Meeting in Navamedic ASA

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Navamedic ASA (the Company) which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2024 and the income statement, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

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 2024 and its financial performance and 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the 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 5 years from the election by the general meeting of the shareholders on 3 June 2020 for the accounting year 2020.



Shape the future
with confidence

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 for 2024. 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.

Impairment of goodwill and other intangible assets

Basis for the key audit matter

At December 2024, the carrying amount of the group's goodwill and other intangible assets amounted to NOK 159.1 million and 92.6 million. Goodwill is tested for impairment at least on an annual basis. Other intangible assets are tested if indications of impairment.

Management prepared an impairment assessment based on a value in use calculation using cash flows from approved budget and long-term plans, followed by a terminal value calculation. These cash flows are based on key assumptions such as estimates of futures sales, growth rates, gross margin, working capital, capital expenditures and discount rates. The estimates require significant judgement by management.

The impairment assessment was a key audit matter due to the significant judgements involved in the estimates used in the budgeted and forecasted cash flows.

Our audit response

We have evaluated the value in use model, management's estimates relating to the future cash flows, and managements sensitivity analysis. Tested management's assumptions used in the value in use calculations, this included comparing projected revenues, gross margin, working capital and capital expenditures to budgets and sales forecasts approved by the board. We discussed the current market situation and expectations about future growth with management. We assessed the historical accuracy by a comparison of previous years estimates versus actual results and we tested the mathematical accuracy of the valuation model.

We refer to disclosures in note 8 in the consolidated financial statements.



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Impairment of non-current loans receivable

Basis for the key audit matter

Carrying amount of non-current loans receivable was NOK 6.2 million as at 31 December 2024 after a total expected credit losses (ECL) of NOK 32.5 million.

As described in note 2.5 and note 18, in prior period to 2024, an expected credit loss was not recognized in the financial statements. In 2024, management concluded that this accounting treatment was not appropriate under IFRS Accounting Standards, and the Group has changed the accounting treatment with retrospective restatement of the financial statements.

The ECL calculation requires management to use judgement to obtain an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes. In addition, the measurement of ECL shall reflect the time value of money and reasonable and supportable information about past events, current conditions and forecasts of economic expectations as well as criteria for significant increases in credit risk for the debtor. To calculate the provision management is required to make estimates and assumptions, including the probability of default, exposure at default and loss given default.

Due to the use of judgement in applying the ECL measurement criteria, the uncertainty in assumptions as basis for the estimates and the restatement we consider ECL related to non-current loans receivable to be a key audit matter.

Our audit response

We assessed the methodology applied for calculating ECL including the criteria for determining significant increases in credit risk (SICR) for the debtor. For the exposure we have evaluated the criteria for SICR and assessed the timing of the increase in credit risk during 2023 to evaluate when the loans became credit-impaired (stage 3) and whether the loans continued to be credit-impaired during 2024. For the credit impaired loans (stage 3), we evaluated the assumptions applied to determine the expected credit losses.

We evaluated the loss given default for the three different scenarios identified and the probability applied, including the increased exposure due to assumed reduction in probability of going concern for the debtor in 2024. We have assessed the measurement of interest income for the exposure depending on the staging of the exposure.

We have reviewed the appropriateness of the note disclosures, which includes a description of high degree of judgement and uncertainty in the estimates.

Expected credit losses are disclosed in note 2 and 18 in the financial statements of the Group and note 12 in the financial statements of the Company.

Other information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises the annual report, Director's report, Sustainability report and Corporate Governance report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or



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our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements.

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 statutory requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the 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, 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 and 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's and the Group's ability to



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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 fair presentation.
- 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 requirement

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

Opinion

As part of the audit of the financial statements of Navamedic ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name NavamedicASA-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.



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Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct 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 about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data 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, 30 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Anja Maan
State Authorised Public Accountant (Norway)



Alternative Performance Measures (APMs)

The following alternative performance measures are used in this report:

- **Gross profit** is equal to operating revenues minus cost of materials.
- **Gross margin** is gross profit as a percentage of operating revenue.
- **EBITDA** is gross profit less operating expenses, or Earnings Before Interest, Taxes, Depreciation and Amortization
- **Adjusted EBITDA** is EBITDA adjusted for transaction cost
- **EBITDA margin** is EBITDA as a percentage of operating revenue.
- **Equity ratio** is the total equity as a percentage of total assets.



ESEF Mandatory concepts

Name of reporting entity or other means of identification:	Navamedic ASA
Domicile of entity:	Norway
Legal form of entity:	Public limited liability company
Country of incorporation:	Norway
Address of entity's registered office:	Henrik Ibsens gate 100, 0255 Oslo
Principal place of business:	Norway
Name of parent entity:	Navamedic ASA
Name of ultimate parent of group:	Navamedic ASA

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