



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	933 183 947
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SMITH & NEPHEW AS
Forretningsadresse:	c/o Smith & Nephew AS Snarøyveien 36 1364 FORNEBU

### Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Paul Imre Jakob Heiskanen
Dato for fastsettelse av årsregnskapet:	28.06.2022

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 30.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	150 193 890	136 566 501
Annen driftsinntekt	2	5 155 324	2 968 696
<b>Sum inntekter</b>		<b>155 349 214</b>	<b>139 535 197</b>
<b>Kostnader</b>			
Varekostnad	3	65 293 274	63 253 392
Lønnskostnad	4	39 620 894	37 570 708
Avskrivning	6	6 132 142	5 671 585
Annen driftskostnad	3, 4	38 763 416	33 426 142
<b>Sum kostnader</b>		<b>149 809 726</b>	<b>139 921 827</b>
<b>Driftsresultat</b>		<b>5 539 488</b>	<b>-386 630</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		87 871	283 075
<b>Sum finansinntekter</b>		<b>87 871</b>	<b>283 075</b>
Rentekostnad til foretak i samme konsern		143 196	141 208
Annen finanskostnad		70 174	341 874
<b>Sum finanskostnader</b>		<b>213 370</b>	<b>483 082</b>
<b>Netto finans</b>		<b>-125 499</b>	<b>-200 007</b>
<b>Ordinært resultat før skattekostnad</b>		<b>5 413 989</b>	<b>-586 637</b>
Skattekostnad på ordinært resultat	5	1 223 949	-107 418
<b>Ordinært resultat etter skattekostnad</b>		<b>4 190 041</b>	<b>-479 219</b>
<b>Årsresultat</b>		<b>4 190 041</b>	<b>-479 219</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital	10	4 190 041	-479 219
<b>Sum overføringer og disponeringer</b>		<b>4 190 041</b>	<b>-479 219</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5	6 334 762	6 881 631
<b>Sum immaterielle eiendeler</b>		<b>6 334 762</b>	<b>6 881 631</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner ol	6	12 012 337	14 585 978
<b>Sum varige driftsmidler</b>		<b>12 012 337</b>	<b>14 585 978</b>
<b>Sum anleggsmidler</b>		<b>18 347 098</b>	<b>21 467 609</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	3, 7	<b>23 528 416</b>	<b>25 634 193</b>
<b>Fordringer</b>			
Kundefordringer	8	19 013 982	16 489 171
Andre fordringer	8	6 173 925	8 314 730
<b>Sum fordringer</b>		<b>25 187 907</b>	<b>24 803 901</b>
<b>Bankinnskudd, kontanter og lignende</b>			
<b>Sum bankinnskudd, kontanter og lignende</b>	9	<b>14 301 474</b>	<b>9 210 615</b>
<b>Sum omløpsmidler</b>		<b>63 017 797</b>	<b>59 648 709</b>
<b>SUM EIENDELER</b>		<b>81 364 896</b>	<b>81 116 318</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	10, 11	676 000	676 000
<b>Sum innskutt egenkapital</b>		<b>676 000</b>	<b>676 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	10	29 117 322	23 403 942
<b>Sum opptjent egenkapital</b>		<b>29 117 322</b>	<b>23 403 942</b>
<b>Sum egenkapital</b>		<b>29 793 322</b>	<b>24 079 942</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	12	2 894 000	5 609 000
<b>Sum avsetninger for forpliktelser</b>		<b>2 894 000</b>	<b>5 609 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>2 894 000</b>	<b>5 609 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	8	18 032 865	2 494 661
Betalbar skatt	5	1 106 739	694 704
Skyldige offentlige avgifter		8 923 484	9 284 466
Annen kortsiktig gjeld	8	20 614 485	38 953 545
<b>Sum kortsiktig gjeld</b>		<b>48 677 574</b>	<b>51 427 376</b>
<b>Sum gjeld</b>		<b>51 571 574</b>	<b>57 036 376</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>81 364 896</b>	<b>81 116 318</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 764406

#### Enheten

Organisasjonsnummer: 933 183 947  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SMITH & NEPHEW AS  
Forretningsadresse: Nye Vakås vei 64  
1395 HVALSTAD

#### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

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#### Grunnlag for avgivelse

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Brønnøysundregistrene, 02.08.2022



Organisasjonsnr: 933 183 947  
SMITH & NEPHEW AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
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Organisasjonsnr: 933 183 947  
SMITH & NEPHEW AS

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Organisasjonsnr: 933 183 947  
SMITH & NEPHEW AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
11

Antall aksjer og aksjeeiere

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>
	0.00	

At 31 December 2021, the company's immediate parent undertaking is Smith & Nephew USD Ltd, a company incorporated in the United Kingdom. The ultimate parent company which consolidates these financial statements is Smith & Nephew plc, which is incorporated in the United Kingdom. Copies of the group financial statements can be obtained from the company's website at [www.smith-nephew.com](http://www.smith-nephew.com).

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Skattemessig fremf. undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Kortsiktig gjeld</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
-------------------------	------------------	------------------	----------------



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0306 Oslo

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Fax  
Internet [www.kpmg.no](http://www.kpmg.no)  
Enterprise 935 174 627 MVA

To the General Meeting of Smith & Nephew AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Smith & Nephew AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

### 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Pennco Dokumentnøkkel: W72AW-F88XI-SK88I-K7U7G-JGWTTC-E4QV1



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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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.

Oslo, 29 June 2022  
KPMG AS

Øivind Karlsen  
State Authorised Public Accountant  
(This document is signed electronically)

Penneo Dokumentnøkkel: W72AW-F88Xf-SK8f-K7U7G-JGWTfC-E4QV1



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Øivind Karlsen

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer: 9578-5997-4-377389

IP: 80.232.xxx.xxx

2022-06-29 17:49:31 UTC



Penneo Dokumentnøkkel: W72AW-F88Xl-SK8lF-K7U7G-JGWTG-E4QV1

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### Hvordan bekrefter at dette dokumentet er originalen?

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Smith & Nephew AS

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## **Annual report 2021**

**Board of directors' report**

**Annual accounts**

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

**Auditors' report**



## DIRECTORS' REPORT FOR 2021

Smith & Nephew AS is part of the international group Smith & Nephew with 18,369 employees and a turnover of 5,212m USD. The group's parent company, Smith & Nephew PLC, is listed on the London and New York Stock Exchanges. Smith & Nephew AS is a wholly owned subsidiary of Smith & Nephew USD Ltd incorporated in the United Kingdom.

Smith & Nephew AS was established in Norway in 1979 with one employee and with NOK 1 million in turnover. Today we are 26 employees with total sales of 155 million from wound treatment, orthopedics, and endoscopy products. The company's premises are in Asker.

Revenue amounted to NOK 155,349,214 in 2021 which is an increase of 11% in comparison to 2020 (NOK 139,535,197).

Operating profit in 2021 amounted to NOK 5,539,488, vs. operating loss of NOK -386,630 in 2020. Ordinary result before tax was NOK 5,413,989. Net profit for the year (after taxation) was NOK 4,190,041.

Allocation of the profit of NOK 4,190,041:

Transferred to other equity	4,190,041
Total transfers	4,190,041

Liquidity in the company is satisfactory, and the capital structure is healthy. The company's equity amounts to NOK 29,793,322 of which NOK 676,000 is share capital.

The cash flow statement shows a positive cash flow from operating activities in amount of NOK 33,104,333. The difference in cash flow from operations and profit before tax is mainly driven by increase in accounts payable and decrease in inventory balance.

The Board of Directors confirm that to the best of their knowledge, the presented income statement and the balance sheet and associated notes provide complete view of the Company's operations and financial position as at 31.12.2021. The accounts have been prepared on a going concern basis in accordance with Section 3-3a of the Accounting Act.

There have been no circumstances following 31.12.2021 which are of significance when assessing the company and that do not appear in the annual accounts and associated notes. Overall, the consequences of the COVID-19 pandemic on the company were less severe than initially expected. The Company expects the impact of COVID-19 on the customers and markets to continue, but less severe, with the exact timing and extent of the full recovery still being uncertain, and while there is still uncertainty the company has maintained the ability to respond.

On 24 February 2022, Russia invaded Ukraine. The length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable. Directors are closely monitoring the situation and adapting to developments as they occur to handle potential impacts to our business.

Smith & Nephew AS is still the market leader in some product areas in the Norwegian market. The reorganization of the major health trusts in Norway has been going on for some time. The company takes a positive view of this situation and considers the possibility of further growth and low risk of losing the



market share. The company has existing agreements with many of its major customers, which will continue in the coming year.

The company has no significant credit risk and did not have any bad debts to be written off in 2021. The customer base consists of large public customers and sole proprietorships where the volume is not large, but where closer follow-up of timely payments is required.

In 2021, the company did not have any significant research and development activities.

The working environment at the company's premises in Nye Vakås vei 64 in Asker is satisfactory. Sickness absence in the company totaled to ca. 118 days in 2021, which accounted for about 2% of the total working hours in the company. The company does not operate as a polluter or otherwise to the detriment of the external environment.

The company is positive about gender equality and does not practice gender discrimination. As of 31.12.2021, the company has 26 employees. Women make up 23%.

Smith & Nephew does mitigate a director's personal exposure through Directors and Officers (D&O) insurance. Intentional illegal acts, however, are not covered under D&O policies.

Oslo \_\_\_ 28 June 2022

Paul Imre Jakob Heiskanen

Chairman

Stevar Klausen

Board Member

Jytte Birgit Madsen

Board Member



### Smith & Nephew AS

#### Income statement

	Note	2021	2020
<b>Revenue</b>			
Sales revenue	2	150 193 890	136 566 501
Other operating income	2	5 155 324	2 968 696
Total revenue		<u>155 349 214</u>	<u>139 535 197</u>
<b>Operating expenses</b>			
Cost of goods sold	3	65 293 274	63 253 392
Payroll expenses	4	39 620 894	37 570 708
Depreciation	6	6 132 142	5 671 585
Other operating expenses	3, 4	38 763 416	33 426 142
Total operating expenses		<u>149 809 726</u>	<u>139 921 827</u>
Operating result		<u>5 539 488</u>	<u>-386 630</u>
<b>Financial income and expenses</b>			
Other financial income		87 871	283 075
Interest paid to group companies		143 196	141 208
Other financial expenses		70 174	341 874
Net financial items		<u>-125 499</u>	<u>-200 007</u>
Result before tax		<u>5 413 989</u>	<u>-586 637</u>
Tax expense	5	<u>1 223 949</u>	<u>-107 418</u>
<b>Net profit or loss for the year</b>		<u>4 190 041</u>	<u>-479 219</u>
<b>Allocated as follows</b>			
Transferred to/(-from) other equity	10	<u>4 190 041</u>	<u>-479 219</u>



## Smith & Nephew AS

### Balance sheet as of December 31

	Note	2021	2020
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Deferred tax asset	5	<u>6 334 762</u>	<u>6 881 631</u>
Total intangible assets		<u>6 334 762</u>	<u>6 881 631</u>
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	6	<u>12 012 337</u>	<u>14 585 978</u>
Total tangible assets		<u>12 012 337</u>	<u>14 585 978</u>
Total fixed assets		<u>18 347 098</u>	<u>21 467 609</u>
<b>Current assets</b>			
Inventories	3, 7	<u>23 528 416</u>	<u>25 634 193</u>
<i>Receivables</i>			
Accounts receivable	8	<u>19 013 982</u>	<u>16 489 171</u>
Other receivables	8	<u>6 173 925</u>	<u>8 314 730</u>
Total receivables		<u>25 187 907</u>	<u>24 803 901</u>
Cash and cash equivalents	9	<u>14 301 474</u>	<u>9 210 615</u>
Total current assets		<u>63 017 797</u>	<u>59 648 709</u>
Total assets		<u>81 364 896</u>	<u>81 116 318</u>



## Smith & Nephew AS

### Balance sheet as of December 31

	Note	2021	2020
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	10, 11	<u>676 000</u>	<u>676 000</u>
Total paid-in capital		<u>676 000</u>	<u>676 000</u>
<i>Retained earnings</i>			
Other equity	10	<u>29 117 322</u>	<u>23 403 942</u>
Total retained earnings		<u>29 117 322</u>	<u>23 403 942</u>
Total equity		<u>29 793 322</u>	<u>24 079 942</u>
<b>Liabilities</b>			
<i>Provisions</i>			
Pension liabilities	12	<u>2 894 000</u>	<u>5 609 000</u>
Total provisions		<u>2 894 000</u>	<u>5 609 000</u>
<i>Current liabilities</i>			
Accounts payable	8	18 032 865	2 494 661
Tax payable	5	1 106 739	694 704
Public duties payable		8 923 484	9 284 466
Other short-term liabilities	8	<u>20 614 485</u>	<u>38 953 545</u>
Total current liabilities		<u>48 677 574</u>	<u>51 427 376</u>
Total liabilities		<u>51 571 574</u>	<u>57 036 376</u>
Total equity and liabilities		<u>81 364 896</u>	<u>81 116 318</u>

31 December 2021

Copenhagen, Oslo, Wrocław, 28 June 2022

Paul Imre Jakob Heiskanen  
Chairman

Stevar Klausen  
Board member

Jytte Birgit Madsen  
Board member



## Smith & Nephew AS

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### Cash flow statement 01.01-31.12

	Note	2021	2020
<b>Cash flow from operating activities</b>			
Result before tax		5 413 989	-586 637
Taxes paid		-694 704	-982 134
Loss on sale of fixed assets		598 385	559 547
Depreciation		6 132 142	5 671 585
Changes in inventories, accounts receivable and accounts payable		15 119 171	-12 615 590
Changes in pension scheme assets/liabilities		-762 000	-752 981
Changes in other current balance sheet items		7 297 350	-1 802 126
Net cash flow from operating activities		<u>33 104 333</u>	<u>-10 508 336</u>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets		<u>-4 156 885</u>	<u>-9 338 567</u>
Net cash flow from investing activities		<u>-4 156 885</u>	<u>-9 338 567</u>
<b>Cash flow from financing activities</b>			
Change in group company loan		<u>-23 856 589</u>	<u>17 057 329</u>
Net cash flow from financing activities		<u>-23 856 589</u>	<u>17 057 329</u>
Net change in cash and cash equivalents		5 090 859	-2 789 574
Cash and cash equivalents as of 01.01		<u>9 210 615</u>	<u>12 000 189</u>
Cash and cash equivalents as of 31.12		<u>14 301 474</u>	<u>9 210 615</u>



## Smith & Nephew AS

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### Notes to the accounts for 2021

#### Note - 1 Accounting Principles

The annual report has been prepared in accordance with the Norwegian Accounting Act 1998 and generally accepted accounting principles.

##### *Sales revenue*

Revenue is recognised when the goods are shipped or delivered in accordance with the contract terms. Revenue associated with provision of services is recognised when services are rendered according to contract terms.

##### *Balance sheet classification*

Assets owned or intended for perpetual use are classified as fixed assets. Assets that are expected to be sold or used as a result of standard business operations over the next year are classified as current assets. Receivables are included in current assets when maturity date is within 12 months after the balance sheet date.

The same criteria are used for current liabilities. First-year installments of long-term receivables and long-term liabilities are not classified as current assets and short-term debt.

Current assets are valued at the lower of purchase price and fair value. Short-term debt is recognised at nominal value.

Fixed assets are stated at cost of acquisition less accumulated depreciation and any impairment losses, when events or changes in circumstances indicate the carrying value may be impaired.

Long-term debt is shown at nominal value.

##### *Accounts receivable and other receivables*

Accounts receivables and other current receivables are carried at nominal value less any allowances for uncollectable amounts.

##### *Inventories*

Inventories are valued at the lower of purchase price and fair value on a first-in first-out basis. Adjustments to carrying value are made in the event of foreseeable obsolescence.

The equipment that is loaned to the customers is recognized in the balance sheet as tangible fixed assets.

The equipment that is sold to the customers is recognized in the balance sheet as inventory. The equipment is valued at the lower of acquisition cost and fair value. Write-downs are carried out for foreseeable obsolescence.

The equipment is depreciated over its estimated useful economic life.

##### *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate as at the reporting date.



## Smith & Nephew AS

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### Notes to the accounts for 2021

#### *Property, plant and equipment*

Property, plant and equipment is capitalized and depreciated over its estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrades are assigned to the acquisition cost and depreciated in line with the asset. If carrying value of a fixed asset is higher than the estimated recoverable amount, the asset is impaired to the recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. In assessing value-in-use, its estimated future cash flow is discounted to its present value.

#### *Pensions*

Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. A number of key assumptions are made when calculating the fair value of the defined benefit pension plans. The most critical assumptions are the discount rate, future salary adjustments, pension and other payments from the national insurance fund, future return on pension funds, mortality and voluntary resignation actuarial assumptions.

The pension obligation is calculated by discounting the estimated future benefit that employees have earned in return for their service in the current and prior periods. The fair value of any plan assets is deducted to arrive at the net liability.

Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. Changes in pension liabilities and pension assets resulting from remeasurements, comprising actuarial gains and losses and the return on the net assets are recognised in the company's equity.

#### *Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the reporting date. Temporary differences both positive and negative which balance out within the same period, are equalized. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

#### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.



## Smith & Nephew AS

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### Notes to the accounts for 2021

#### Note 2 - Revenue

	2021	2020
<i>By business area</i>		
Sales of goods	150 193 890	136 566 501
Other operating income	5 155 324	2 968 696
Total revenue	<u>155 349 214</u>	<u>139 535 197</u>
<i>Geographical distribution</i>		
Norway	149 612 357	137 084 914
The United Kingdom	5 155 324	1 854 832
The Netherlands	581 533	584 142
Finland	0	11 309
Total revenue	<u>155 349 214</u>	<u>139 535 197</u>

#### Note 3 - Intercompany transactions with group and associated companies

For financial year 2021 the company was charged with management and administration fees of NOK 11 301 168 and freight amounting to 8 865 459 NOK.

All purchases of goods and purchases of testing equipment occur from group companies. In 2021 the company was charged with NOK 65 289 821.

#### Note 4 - Payroll expenses, number of employees, loans to employees and auditor's fees

<i>Payroll expenses</i>	2021	2020
Salaries	30 082 119	29 829 687
Payroll tax	5 604 959	4 715 386
Pension costs	2 810 351	2 308 714
Other payments	1 123 465	716 921
Total payroll expenses	<u>39 620 894</u>	<u>37 570 708</u>
Average number of staff employed, converted into full-time equivalents	27	28

#### *Management remuneration*

No remuneration was paid to the Board in 2021. No loans or securities were granted. The company does not have a General Manager.



## Smith & Nephew AS

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### Notes to the accounts for 2021

<i>The following auditor's fees were charged to the company in 2021:</i>	<b>2021</b>	<b>2020</b>
Statutory audit fee	141 200	141 560
Other services	0	32 500

VAT is not included in the auditor's fees.

### Note 5 - Income taxes

<i>Income tax expenses</i>	<b>2021</b>	<b>2020</b>
Tax payable	1 106 739	694 705
Change in deferred tax	117 210	-802 123
Total income tax expense	<u>1 223 949</u>	<u>-107 418</u>

<i>Tax base estimation</i>	<b>2021</b>	<b>2020</b>
Result before tax	5 413 989	-586 637
Permanent differences	149 411	98 379
Change in temporary differences	-2 485 768	4 320 008
Of which pension booked to equity	1 953 000	-674 000
Tax base	<u>5 030 632</u>	<u>3 157 750</u>
Tax payable (22%) of the tax base	1 106 739	694 705

<i>Temporary differences outlined</i>	<b>2021</b>	<b>2020</b>
Fixed assets	-10 390 443	-9 270 511
Inventory	-15 509 929	-16 400 628
Pension liabilities	-2 894 000	-5 609 000
Total temporary differences	<u>-28 794 372</u>	<u>-31 280 139</u>

Deferred income tax liability/ asset (-) (22%) -6 334 762 -6 881 631

<i>Effective tax rate</i>	<b>2021</b>
Expected income taxes, statutory tax rate 22%	1 191 078
Permanent differences (22%)	32 872
Income tax expense	<u>1 223 950</u>

Effective tax rate \*) 22,6 %

\*) Tax expense divided by pre-tax income



## Smith & Nephew AS

### Notes to the accounts for 2021

#### Note 6 - Tangible assets

	Fixtures and fittings, office equipment etc	Running equipment, tools etc	Total
Acquisition cost 01.01.	741 071	62 075 324	62 816 395
Purchased tangibles	0	4 156 885	4 156 885
Disposals	0	-3 193 197	-3 193 197
Acquisition cost 31.12.	741 071	63 039 012	63 780 083
Acc.depreciation 31.12.	-729 567	-51 038 180	-51 767 747
Net carrying amount at 31.12.	11 504	12 000 832	12 012 336
Depreciation for the year	24 198	6 107 944	6 132 142
Useful economic life	3-5 years	3-5 years	
Depreciation plan	Linear	Linear	

#### Note 7 - Inventories

	2021	2020
Purchased goods for resale	12 319 637	15 735 839
Consignment warehouse	26 718 708	26 298 982
Stock provision	-15 509 929	-16 400 628
Total inventories	23 528 416	25 634 193

#### Note 8 - Intercompany balances with group and associated companies

<i>Receivables</i>	2021	2020
Accounts receivable	227 954	576 327
Other short-term receivables	4 659 119	6 835 455
Total intercompany receivables	4 887 073	7 411 782
<i>Payables</i>	2021	2020
Accounts payable	17 090 591	1 642 911
Other short-term payables	5 985 922	28 829 211
Total intercompany payables	23 076 513	30 472 122



## Smith & Nephew AS

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### Notes to the accounts for 2021

#### Note 9 - Bank deposit

	<b>2021</b>
Restricted cash for employee tax withholdings as at 31.12.2021.	2 602 548

#### Note 10 - Equity

	<b>Share capital</b>	<b>Other equity</b>	<b>Total</b>
Equity 01.01.	676 000	23 403 942	24 079 942
Net profit for the year	0	4 190 041	4 190 041
Pension booked to Equity	0	1 523 339	1 523 339
Equity 31.12.	676 000	29 117 322	29 793 322

#### Note 11 - Share capital and shareholder information

The company has 676 shares with a nominal value of NOK 1000 per share. The book value of share capital is NOK 676 000.

At 31 December 2021, the company's immediate parent undertaking is Smith & Nephew USD Ltd, a company incorporated in the United Kingdom.

The ultimate parent company which consolidates these financial statements is Smith & Nephew plc, which is incorporated in the United Kingdom. Copies of the group financial statements can be obtained from the company's website at [www.smith-nephew.com](http://www.smith-nephew.com).



## Smith & Nephew AS

### Notes to the accounts for 2021

#### Note 12 - Pensions

The company has pension schemes that defines an amount of pension benefit that an employee will receive on retirement, which is dependent on various factors such as years of service, final salary and the size of the benefits from Folketrygden. The obligations are covered through an insurance company.

The group follows IAS 19 §93A and recognises remeasurements arising from defined benefit plans in equity and all other expenses, such as service cost, interest income, interest expense and administration costs are recognised in the income statement.

The company operates a defined contribution pension plan. Contributions are recognised as an employee benefit expense when they are due.

	2021	2020
Service cost	1 605 000	1 774 000
Interest cost	614 000	983 000
Return on pension plan assets	-524 000	-846 000
Administration costs	35 000	35 000
Pension cost recognized in the income statement	<u>1 730 000</u>	<u>1 946 000</u>
	2021	2020
Earned pension obligations	<u>38 366 000</u>	<u>38 692 000</u>
Estimated pension obligations	<u>38 366 000</u>	<u>38 692 000</u>
Pension plan assets (market value)	<u>35 472 000</u>	<u>33 083 000</u>
Net benefit obligations	<u>2 894 000</u>	<u>5 609 000</u>

As of 31.12.2021 there were 10 employees and 7 retired in the pension scheme.

<i>Principal assumptions:</i>	2021	2020
Discount rate	2,20%	1,60%
Expected compensation increase	3,00%	2,00%
Expected return on pension plan assets	2,75%	1,75%
Expected pension increase	0,00%	0,00%

The actuarial assumptions are based on assumptions of demographic factors normally used within the insurance industry.

#### Note 13 - Subsequent events

In 2022, as a continuation to reorganization and centralization of support functions and supply chain commenced in 2021, the ownership of the instruments and sales warehouse will be transferred to group regional distribution center in the Netherlands, from where the goods will be delivered directly to the customers.

The Company expect the impact of COVID-19 on the customers and markets to continue, but less severe,



## Smith & Nephew AS

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### Notes to the accounts for 2021

with the exact timing and extent of the full recovery still being uncertain.

The Board members are continuously monitoring the situation and assessing the impact of COVID-19 on future financial performance and cash flow. They are taking all necessary steps to protect employees, customers and stakeholders.

Management has a reasonable expectation, that the Company and the Group are well placed to manage their business risks, have sufficient funds to continue to meet their liabilities as they fall due and to continue in operational existence for a period of at least 12 months from the date of the approval of the annual accounts. The financial statements have therefore been prepared on a going concern basis.



Skatteetaten

Vår dato  
10.03.2021

Din/Deres dato  
10.02.2021

Saksbehandler  
Vibeke Horne

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
90518192

Org.nr  
974761076

Vår referanse  
2021/5212132

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

ERNST & YOUNG AS  
Postboks 1156 Sentrum  
0107 OSLO

Att. Lars Helland

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Smith & Nephew AS, org.nr. 933 183 947

Vi viser til deres brev av 10. februar 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Smith & Nephew AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Smith & Nephew AS 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

Smith & Nephew AS er eid av et utenlandsk selskap. Selskapet driver virksomhet rettet mot salg og distribusjon av medisinsk utstyr.

Engelsk er selskapets arbeidsspråk. Hovedsakelig all kommunikasjon med primære kunder og kreditorer foregår på engelsk. Selskapets aksjonærer er utenlandske personer eller selskaper (gjennom direkte og indirekte eierskap) som behersker engelsk. Styrets leder og et styremedlem er utenlandske.

### 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 direkte eid av et utenlandsk selskap. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne  
rådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*