



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - 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:	01.01.2022 - 31.12.2022
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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:	Renata Monika Banasik
Dato for fastsettelse av årsregnskapet:	29.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 10.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	169 050 170	150 193 890
Annen driftsinntekt	2	8 232 804	5 155 324
Sum inntekter		177 282 974	155 349 214
Kostnader			
Varekostnad	3	65 325 511	65 293 274
Lønnskostnad	4, 12	38 080 134	39 620 894
Avskrivning	5	5 231 819	6 132 142
Annen driftskostnad	3, 4	57 891 673	38 763 416
Sum kostnader		166 529 136	149 809 726
Driftsresultat		10 753 838	5 539 488
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		6 207	
Annen finansinntekt		42 332	87 871
Sum finansinntekter		48 539	87 871
Rentekostnad til foretak i samme konsern			143 196
Annen finanskostnad		37 853	70 174
Sum finanskostnader		37 853	213 370
Netto finans		10 686	-125 499
Ordinært resultat før skattekostnad		10 764 523	5 413 989
Skattekostnad på ordinært resultat	6	2 447 962	1 223 949
Ordinært resultat etter skattekostnad		8 316 562	4 190 041
Årsresultat		8 316 562	4 190 041
Overføringer og disponeringer			
Overføringer annen egenkapital	10	8 316 562	4 190 041
Sum overføringer og disponeringer		8 316 562	4 190 041



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	4 948 522	6 334 762
Sum immaterielle eiendeler		4 948 522	6 334 762
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner ol	5	7 333 884	12 012 337
Sum varige driftsmidler		7 333 884	12 012 337
Sum anleggsmidler		12 282 405	18 347 098
Omløpsmidler			
Varer			
Sum varer	7	18 529 894	23 528 416
Fordringer			
Kundefordringer	8	24 253 512	19 013 982
Andre fordringer	8	5 573 874	6 173 925
Sum fordringer		29 827 386	25 187 907
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	9	15 638 704	14 301 474
Sum omløpsmidler		63 995 984	63 017 797
SUM EIENDELER		76 278 389	81 364 896
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	10, 11	676 000	676 000
Sum innskutt egenkapital		676 000	676 000



Balanse

Beløp i: NOK	Note	2022	2021
Opptjent egenkapital			
Annen egenkapital	10	37 493 164	29 117 322
Sum opptjent egenkapital		37 493 164	29 117 322
Sum egenkapital		38 169 164	29 793 322
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12	2 614 000	2 894 000
Sum avsetninger for forpliktelser		2 614 000	2 894 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 614 000	2 894 000
Kortsiktig gjeld			
Leverandørgjeld	8	15 236 388	18 032 865
Betalbar skatt	6	1 078 441	1 106 739
Skyldige offentlige avgifter		10 433 050	8 923 484
Annen kortsiktig gjeld	8	8 747 345	20 614 485
Sum kortsiktig gjeld		35 495 224	48 677 574
Sum gjeld		38 109 224	51 571 574
SUM EGENKAPITAL OG GJELD		76 278 389	81 364 896



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 618193

Enheten

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

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Konsern

Morselskap i konsern: Nei

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Brønnøysundregistrene, 27.07.2023



Organisasjonsnr: 933 183 947
SMITH & NEPHEW AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	169 050 170	150 193 890
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Organisasjonsnr: 933 183 947
SMITH & NEPHEW AS

BALANSE

Beløp i: NOK Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 6 4 948 522 6 334 762
Sum immaterielle eiendeler 4 948 522 6 334 762

Varige driftsmidler

Driftsløsøre, inventar, verktøy, kontormaskiner ol 5 7 333 884 12 012 337
Sum varige driftsmidler 7 333 884 12 012 337

Sum anleggsmidler 12 282 405 18 347 098

Omløpsmidler

Varer

Sum varer 7 18 529 894 23 528 416

Fordringer

Kundefordringer 8 24 253 512 19 013 982
Andre fordringer 8 5 573 874 6 173 925
Sum fordringer 29 827 386 25 187 907

Bankinnskudd, kontanter og lignende

Sum bankinnskudd, kontanter og lignende 9 15 638 704 14 301 474

Sum omløpsmidler 63 995 984 63 017 797

SUM EIENDELER 76 278 389 81 364 896

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital 10, 11 676 000 676 000
Sum innskutt egenkapital 676 000 676 000

Opptjent egenkapital

Annen egenkapital 10 37 493 164 29 117 322
Sum opptjent egenkapital 37 493 164 29 117 322

Sum egenkapital 38 169 164 29 793 322

Gjeld

Langsiktig gjeld

Pensjonsforpliktelser 12 2 614 000 2 894 000



Sum avsetninger for forpliktelser		2 614 000	2 894 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 614 000	2 894 000
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SUM EGENKAPITAL OG GJELD		76 278 389	81 364 896



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 2022, 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.

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>
-------------------------------------	------------------	------------------	----------------

<u>Kortsiktig gjeld</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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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.



KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet 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 2022, 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 2022, 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 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) (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 statutory requirements.

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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

Penneo Dokumentnøkkel: CY078-M0E8Z-3XWEE8-6GAXE-N60KE-V5EBX



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 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, 3 July 2023
KPMG AS

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

Penneo Dokumentnøkkel: CY078-M0E8J-3XWE8-6GAXE-N60KE-V5EBX



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

State Authorised Public Accountant

Serienummer: 9578-5997-4-377389

IP: 80.232.xxx.xxx

2023-07-03 11:16:42 UTC



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Smith & Nephew AS

Annual report 2022

Board of directors' report

Annual accounts

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

Auditors' report



DIRECTORS' REPORT FOR 2022

The company is a wholly owned subsidiary of Smith & Nephew USD Limited, which in turn is part of a larger group of which Smith & Nephew plc, is the parent company. The parent company is listed on the London Stock Exchange as well as the New York Stock Exchange. The group's Sustainability Report, which includes activities relevant to the company, is prepared by the parent company and is available at www.smith-nephew.com/sustainability.

Smith & Nephew markets, sells and distributes products in the medical device areas of orthopedics, endoscopy and advanced wound management. The majority of the products that Smith & Nephew AB markets are manufactured by companies within the Smith & Nephew group.

Smith & Nephew AS was established in Norway in 1979 with one employee and with NOK 1 million in turnover. Today we are 22 employees with total sales of 177 million from wound management, orthopedics, and endoscopy products. The company's premises are in Asker.

Revenue amounted to NOK 177,282,974 in 2022 which is an increase of 11% in comparison to 2021 (NOK 155,349,214).

Operating profit in 2022 amounted to NOK 10,753,838, vs. operating profit of NOK 5,539,488 in 2021. Ordinary result before tax was NOK 10,764,523. Net profit for the year (after taxation) was NOK 8,316,562.

Allocation of the profit of NOK 8,316,562:

Transferred to other equity	8,316,562
Total transfers	8,316,562

Liquidity in the company is satisfactory, and the capital structure is healthy. The company's equity amounts to NOK 38,169,164 of which NOK 676,000 is share capital.

The cash flow statement shows a positive cash flow from operating activities in amount of NOK 9,244,174. The difference in cash flow from operations and profit before tax is mainly driven by an increase in accounts payable and a decrease in inventory.

The Board of Directors confirm that to the best of their knowledge, the presented income statement and the balance sheet and associated notes provide a complete view of the Company's operations and financial position as at 31.12.2022. 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 31.12.2022 which are of significance when assessing the company and that do not appear in the annual accounts and associated notes.

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 has a strong share position within the Norwegian market in some of its product areas. 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 significant bad debts to be written off in 2022. 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 2022, 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 2022, 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 discriminate on the basis of gender. As of 31.12.2022, the company has 22 employees of which 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.

Stevar Klausen

Stevar Klausen

R. Banasik

Renata Banasik

Oslo 28 June 2023



Smith & Nephew AS

Income statement

	Note	2022	2021
Revenue			
Sales revenue	2	169 050 170	150 193 890
Other operating income	2	8 232 804	5 155 324
Total revenue		<u>177 282 974</u>	<u>155 349 214</u>
Operating expenses			
Cost of goods sold	3	65 325 511	65 293 274
Payroll expenses	4, 12	38 080 134	39 620 894
Depreciation	5	5 231 819	6 132 142
Other operating expenses	3, 4	57 891 673	38 763 416
Total operating expenses		<u>166 529 136</u>	<u>149 809 726</u>
Operating result		<u>10 753 838</u>	<u>5 539 488</u>
Financial income and expenses			
Interest income from group companies		6 207	0
Other financial income		42 332	87 871
Interest paid to group companies		0	143 196
Other financial expenses		37 853	70 174
Net financial items		<u>10 686</u>	<u>-125 499</u>
Result before tax		<u>10 764 523</u>	<u>5 413 989</u>
Tax expense	6	<u>2 447 962</u>	<u>1 223 949</u>
Net profit or loss for the year		<u>8 316 562</u>	<u>4 190 041</u>
Allocated as follows			
Transferred to other equity	10	<u>8 316 562</u>	<u>4 190 041</u>



Smith & Nephew AS

Balance sheet as of December 31

	Note	2022	2021
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	6	<u>4 948 522</u>	<u>6 334 762</u>
Total intangible assets		<u>4 948 522</u>	<u>6 334 762</u>
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	5	<u>7 333 884</u>	<u>12 012 337</u>
Total tangible assets		<u>7 333 884</u>	<u>12 012 337</u>
Total fixed assets		<u>12 282 405</u>	<u>18 347 098</u>
Current assets			
Inventories	7	<u>18 529 894</u>	<u>23 528 416</u>
<i>Receivables</i>			
Accounts receivable	8	<u>24 253 512</u>	<u>19 013 982</u>
Other receivables	8	<u>5 573 874</u>	<u>6 173 925</u>
Total receivables		<u>29 827 386</u>	<u>25 187 907</u>
Cash and cash equivalents	9	<u>15 638 704</u>	<u>14 301 474</u>
Total current assets		<u>63 995 984</u>	<u>63 017 797</u>
Total assets		<u>76 278 389</u>	<u>81 364 896</u>



Smith & Nephew AS

Balance sheet as of December 31

	Note	2022	2021
Equity			
<i>Paid-in capital</i>			
Share capital	10, 11	676 000	676 000
Total paid-in capital		676 000	676 000
<i>Retained earnings</i>			
Other equity	10	37 493 164	29 117 322
Total retained earnings		37 493 164	29 117 322
Total equity		38 169 164	29 793 322
Liabilities			
<i>Provisions</i>			
Pension liabilities	12	2 614 000	2 894 000
Total provisions		2 614 000	2 894 000
<i>Current liabilities</i>			
Accounts payable	8	15 236 388	18 032 865
Tax payable	6	1 078 441	1 106 739
Public duties payable		10 433 050	8 923 484
Other short-term liabilities	8	8 747 345	20 614 485
Total current liabilities		35 495 224	48 677 574
Total liabilities		38 109 224	51 571 574
Total equity and liabilities		76 278 389	81 364 896

31 December 2022

Copenhagen, Oslo, Wrocław, 3 July 2023

Renata Monika Banasik
Chairman

Stevar Klausen
Board member



Smith & Nephew AS

Cash flow statement 01.01-31.12

	Note	2022	2021
Cash flow from operating activities			
Result before tax		10 764 523	5 413 989
Taxes paid		-1 106 739	-694 704
Loss on sale of fixed assets		1 373 618	598 385
Depreciation	5	5 231 819	6 132 142
Changes in inventories, accounts receivable and accounts payable		-3 037 485	15 119 171
Changes in pension scheme assets/liabilities		-204 000	-762 000
Changes in other current balance sheet items		-3 777 562	7 297 350
Net cash flow from operating activities		<u>9 244 174</u>	<u>33 104 333</u>
Cash flow from investing activities			
Proceeds from sale of fixed assets		2 938 161	0
Purchase of fixed assets	5	-4 865 145	-4 156 885
Change in loan to group company		-2 190 006	0
Net cash flow from investing activities		<u>-4 116 990</u>	<u>-4 156 885</u>
Cash flow from financing activities			
Change in group company loan		-3 789 954	-23 856 589
Net cash flow from financing activities		<u>-3 789 954</u>	<u>-23 856 589</u>
Net change in cash and cash equivalents		1 337 230	5 090 859
Cash and cash equivalents as of 01.01.		<u>14 301 474</u>	<u>9 210 615</u>
Cash and cash equivalents as of 31.12.		<u>15 638 704</u>	<u>14 301 474</u>



Smith & Nephew AS

Notes to the accounts for 2022

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 recognized when the goods are shipped or delivered in accordance with the contract terms. Revenue associated with provision of services is recognized 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 instalments 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 recognized 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.

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.

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.

Accounts receivable and other receivables

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



Smith & Nephew AS

Notes to the accounts for 2022

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.

Foreign currency translation

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

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

Notes to the accounts for 2022

Note 2 - Revenue

	2022	2021
<i>By business area</i>		
Sales of goods	169 050 169	150 193 890
Other operating income	8 232 805	5 155 324
Total revenue	<u>177 282 974</u>	<u>155 349 214</u>
<i>Geographical distribution</i>		
Norway	164 852 936	149 612 357
The United Kingdom	8 232 805	5 155 324
The Netherlands	4 149 759	581 533
Sweden	47 474	0
Total revenue	<u>177 282 974</u>	<u>155 349 214</u>

Note 3 - Intercompany transactions with group and associated companies

For financial year 2022 the company was charged with management and administration fees of NOK 22 660 788 and freight amounting to 16 296 569 NOK.

All purchases of goods and purchases of testing equipment occur from group companies. In 2022 the company was charged with NOK 80 590 167.

During the financial year, the entity has sold instruments to group companies for NOK 3 119 659, which resulted in a loss on disposal of NOK 1 373 618.



Smith & Nephew AS

Notes to the accounts for 2022

Note 6 - Income taxes

<i>Income tax expenses</i>	2022	2021
Tax payable	1 078 441	1 106 739
Change in deferred tax	1 369 521	117 210
Total income tax expense	<u>2 447 962</u>	<u>1 223 949</u>
<i>Tax base estimation</i>	2022	2021
Result before tax	10 764 523	5 413 989
Permanent differences	362 571	149 411
Change in temporary differences	-6 301 088	-2 485 768
Of which pension booked to equity	76 000	1 953 000
Tax base	<u>4 902 006</u>	<u>5 030 632</u>
Tax payable (22%) of the tax base	1 078 441	1 106 739
<i>Temporary differences outlined</i>	2022	2021
Fixed assets	-12 124 383	-10 390 443
Inventory	-7 502 874	-15 509 929
Pension liabilities	-2 614 000	-2 894 000
Receivables	-103 547	0
Accounting accruals	-148 480	0
Total temporary differences	<u>-22 493 284</u>	<u>-28 794 372</u>
Deferred income tax liability/(-asset) (22%)	-4 948 522	-6 334 762
<i>Effective tax rate</i>	2022	
Expected income taxes, statutory tax rate 22%	2 368 195	
Permanent differences (22%)	79 767	
Income tax expense	<u>2 447 962</u>	
Effective tax rate *)	22,7 %	

*) Tax expense divided by pre-tax income

Note 7 - Inventories

	2022	2021
Purchased goods for resale	644 413	12 319 637
Consignment warehouse	25 388 355	26 718 708
Stock provision	-7 502 874	-15 509 929
Total inventories	<u>18 529 894</u>	<u>23 528 416</u>



Smith & Nephew AS

Notes to the accounts for 2022

Note 8 - Intercompany balances with group and associated companies

<i>Receivables</i>	2022	2021
Accounts receivable	3 432 542	227 954
Other short-term receivables	3 815 712	4 659 119
Total intercompany receivables	<u>7 248 254</u>	<u>4 887 073</u>
<i>Payables</i>	2022	2021
Accounts payable	14 639 576	17 090 591
Other short-term payables	1 461 978	5 985 922
Total intercompany payables	<u>16 101 554</u>	<u>23 076 513</u>

Note 9 - Bank deposit

The entity has a bank guarantee covering employee withholding tax.

Note 10 - Equity

	Share capital	Other equity	Total
Equity 01.01.	676 000	29 117 322	29 793 322
Net profit for the year	0	8 316 562	8 316 562
Pension booked to equity	0	59 280	59 280
Equity 31.12.	<u>676 000</u>	<u>37 493 164</u>	<u>38 169 164</u>

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 2022, 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.



Smith & Nephew AS

Notes to the accounts for 2022

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.

	2022	2021
Service cost	1 575 000	1 605 000
Interest cost	837 000	614 000
Return on pension plan assets	-773 000	-524 000
Administration costs	32 000	35 000
Pension cost recognized in the income statement	<u>1 671 000</u>	<u>1 730 000</u>

	2022	2021
Earned pension obligations	<u>35 364 000</u>	<u>38 366 000</u>
Estimated pension obligations	35 364 000	38 366 000
Pension plan assets (market value)	<u>32 750 000</u>	<u>35 472 000</u>
Net benefit obligations	<u>2 614 000</u>	<u>2 894 000</u>

As of 31.12.2022 there were 8 employees and 7 retired in the pension scheme.

<i>Principal assumptions:</i>	2022	2021
Discount rate	3,70%	2,20%
Expected compensation increase	3,75%	3,00%
Expected return on pension plan assets	3,50%	2,75%
Expected pension increase	1,70%	0,00%

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

Note 13 - Subsequent events

In 2023, as a continuation to reorganization and centralization of support functions and supply chain, the ownership of the remaining instruments was transferred to group regional distribution center in the Netherlands, from where the goods will be delivered directly to the customers.